
MONTERAY MINING GROUP LIMITED
ACN 062 959 540
(to be renamed Norwood Systems Limited)

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at CWA House, 1174 Hay Street, WEST PERTH WA 6005 on 4 May 2015 at 10:00am (WST).

The Independent Expert has concluded the proposed transaction, the subject of Resolution 3, is not fair but reasonable to the non-associated shareholders for the reasons described in the Independent Expert's Report.

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

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9482 0560

MONTERAY MINING GROUP LIMITED ACN 062 959 540

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Monteray Mining Group Limited (**Company**) will be held at CWA House, 1174 Hay Street, WA 6005 on 4 May 2015 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 30 April 2015 at 5.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 14.

AGENDA

1. Resolution 1 – Approval of issue of Vendor Securities

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

“That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of up to:

- (a) 368,058,888 Shares;
- (b) 78,869,761 Norwood Class A Performance Shares (and 78,869,761 Shares on conversion of the Norwood Class A Performance Shares); and
- (c) 78,869,761 Norwood Class B Performance Shares (and 78,869,761 Shares on conversion of the Norwood Class B Performance Shares).

*(together, the **Vendor Securities**) as contemplated by the Term Sheet to the Vendors (or their nominees) as consideration for the Acquisition on the terms set out in the Explanatory Memorandum.”*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Vendors and their nominees, and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

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

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

2. Resolution 2 – Approval of new class of Securities - Performance Shares

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

"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of section 246B(1) of the Corporations Act and Article 11.1 of the Constitution of the Company and for all other purposes, the Company be authorised to create a new class of share on the terms and conditions in Schedule 1 and in the Explanatory Memorandum accompanying this Notice (Performance Shares)."

3. Resolution 3 – Approval of issue of Ostergaard Securities to the Ostergaard Shareholders

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

"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of section 611 item 7 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to:

- (a) *193,958,857 Shares, 41,562,613 Norwood Class A Performance Shares (and 41,562,613 Shares on conversion of the Norwood Class A Performance Shares) and 41,562,613 Norwood Class B Performance Shares (and 41,562,613 Shares on conversion of the Norwood Class B Performance Shares) as part of the consideration for the Acquisition; and*
- (b) *5,000,000 Shares each at an issue price of \$0.02 pursuant to the Capital Raising,*

*(together the **Ostergaard Securities**) to the Ostergaard Shareholders and the resulting relevant interest that the Ostergaard Shareholders and the Ostergaard Parties will hold in the Shares of the Company on the terms and as further detailed in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associate of such a person) who may participate in the issue of the Ostergaard Securities.

Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval under section 611 item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined that the transaction is not fair but reasonable to the non-associated Shareholders in the Company.

4. Resolution 4 – Approval of change in nature and scale of activities

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

"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the nature and scale of the Company's activities resulting from the Acquisition on the terms set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any of their associates.

However, the Company will not disregard a vote if:

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

5. Resolution 5 – Approval to issue Norwood Acquisition Options

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

"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 43,593,213 Norwood Acquisition Options, each exercisable at \$0.02 on or before the date that is three years from the date of grant, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of the Norwood Acquisition Options and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

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

6. Resolution 6 – Approval to issue Capital Raising Shares

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

*"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 275,000,000 Shares (**Capital Raising Shares**) each at an issue price of \$0.02 (**Capital Raising**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of the Capital Raising Shares and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

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

7. Resolution 7 – Change of Company Name

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

"That, subject to each of the other Acquisition Resolutions being passed, with effect from the date that ASIC alters the details of the Company's registration in accordance with section 157 of the Corporations Act, the name of the Company be changed to Norwood Systems Limited."

8. Resolution 8 – Appointment of Mr Paul Ostergaard as a Director

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

"That, in accordance with Article 19.3 of the Constitution, and with effect from Completion of the Acquisition, Mr Paul Ostergaard be appointed as a Director."

9. Resolution 9 – Appointment of Mr Amit Pau as a Director

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

"That, in accordance with Article 19.3 of the Constitution, and with effect from Completion of the Acquisition, Mr Amit Pau be appointed as a Director."

10. Resolution 10 – Authority for Mr Michael Edwards to participate in the Capital Raising

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

"That, subject to Resolution 6 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act, and for all other purposes, Shareholders approve and authorise Mr Michael Edwards (and/or his nominees) to participate in the Capital Raising to the extent of up to 2,500,000 Shares each at an issue price of \$0.02 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Edwards and his nominees and any associates of those persons.

However, the Company will not disregard a vote if:

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

11. Resolution 11 – Authority for Mr John Hannaford to participate in the Capital Raising

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

"That, subject to Resolution 6 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act, and for all other purposes, Shareholders approve and authorise Mr John Hannaford (and/or his nominees) to participate in the Capital Raising to the extent of up to 10,000,000 Shares each at an issue price of \$0.02 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Hannaford and his nominees and any associates of those persons.

However, the Company will not disregard a vote if:

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

12. Resolution 12 – Authority for Mr Sandy Barblett to participate in the Capital Raising

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

"That, subject to Resolution 6 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act, and for all other purposes, Shareholders approve and authorise Mr Sandy Barblett (and/or his nominees) to participate in the Capital Raising to the extent of up to 1,500,000 Shares each at an issue price of \$0.02 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Barblett and his nominees and any associates of those persons.

However, the Company will not disregard a vote if:

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

13. Resolution 13 – Authority for Chillcast Pty Ltd to participate in the Capital Raising

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

"That, subject to Resolution 6 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act, and for all other purposes, Shareholders approve and authorise Chillcast to participate in the Capital Raising to the extent of up to 5,000,000 Shares each at an issue price of \$0.02 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Chillcast and any associates of those persons.

However, the Company will not disregard a vote if:

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

14. Resolution 14 – Approval to issue Capital Raising Advisory Options

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

“That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 15,000,000 Capital Raising Advisory Options, each exercisable at \$0.02 on or before the date that is three years from the date of grant, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of the Capital Raising Advisory Options and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

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

Dated 31 March 2015

BY ORDER OF THE BOARD



Brett Tucker
Company Secretary

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

MONTERAY MINING GROUP LIMITED
ACN 062 959 540

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at CWA House, 1174 Hay Street, West Perth WA 6005, on 4 May 2015 at 10:00am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

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3. Overview of Acquisition and Change of Nature and Scale of Activities

3.1 Background

The Company was reinstated to the Official List of the ASX on 23 August 2010 following a recapitalisation with the primary purpose of acquiring, exploring, evaluating and exploiting mineral resources including gold at the Triple 3 project located in the Kalgoorlie region of Western Australia and to seek new acquisitions in the resources sector, both in Australia and overseas. Previously the Company was named Monteray Group Limited and was primarily an investment holding company.

The Company's principal assets since reinstatement have been exploration licences prospective for gold in Burkina Faso. See Section 3.11 for further information regarding the intentions of the Company in relation to these assets post Acquisition.

3.2 Background to Acquisition of Norwood – Change of Nature and Scale of Activities

On 9 December 2014, the Company executed the Term Sheet pursuant to which Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust have agreed, and will assist the Company to seek the agreement of the other shareholders and convertible noteholders of Norwood, to sell all of their issued capital in Norwood to the Company (**Acquisition**).

The key terms of the Term Sheet are as follows:

- (a) The Company will pay a non-refundable deposit to Norwood of:
 - (i) \$25,000 on the day of the announcement of the Transaction (paid on 9 December 2014); and
 - (ii) \$50,000 upon completion of the mutual due diligence period (paid on 21 January 2015).
- (b) The consideration for 100% of the issued capital of Norwood (including convertible notes on issue at that time) is:
 - (i) up to 350,000,000 fully paid ordinary Shares; and
 - (ii) up to 75,000,000 Norwood Class A Performance Shares which convert upon Norwood generating gross revenue of at least \$200,000 from two separate third party contracts in any 12 month period (which may be the same 12 month period or different 12 month periods for each contract)(**Norwood Class A Performance Shares**); and
 - (iii) up to 75,000,000 Norwood Class B Performance Shares which convert upon Norwood generating gross revenue for any 12 month consecutive period of at least \$3,000,000 (**Norwood Class B Performance Shares**).

The Norwood Class A Performance Shares expire if not converted within 30 months of their issue. The Norwood Class B Preference Shares expire if not converted within 36 months of their issue.

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In addition, Norwood may issue convertible notes on terms agreed between the Company and Norwood. Such convertible notes are to be converted to Norwood shares prior to completion with such shares to be acquired by the Company on the same terms and conditions as other Norwood shareholders.

Norwood has issued convertible notes with aggregate face values of \$354,050 which are to be converted to Norwood shares prior to completion. The Company is to acquire these additional Norwood shares on the same terms and conditions as other Norwood shareholders.

The holders of these convertible notes with an aggregate face value of \$78,000 will be issued:

- 5,059,518 Shares of the 350,000,000 Shares;
- 1,084,182 Norwood Class A Performance Shares of the 75,000,000 Norwood Class A Performance Shares; and
- 1,084,182 Norwood Class B Performance Shares of the 75,000,000 Norwood Class B Performance Shares,

referred to in Sections 3.2(b)(i) to (iii) above.

The holders of these remaining convertible notes with an aggregate face value of \$276,050 will be issued:

- 18,058,888 additional fully paid ordinary Shares (for a total of 368,058,888 fully paid ordinary Shares to the Vendors);
- 3,869,761 additional Norwood Class A Performance Shares (for a total of 78,869,761 Norwood Class A Performance Shares to the Vendors); and
- 3,869,761 additional Norwood Class B Performance Shares (for a total of 78,869,761 Norwood Class B Performance Shares to the Vendors).

Approval for the issue of the Shares and Performance Shares to the Vendors is sought by Resolution 1 (refer to Section 4). The authority to issue a new class of securities, being the Performance Shares is the subject of Resolution 2 (refer to Section 5).

- (c) The Company has agreed to issue up to 43,593,213 Norwood Acquisition Options to past and present advisors and employees of Norwood at completion of the Acquisition. The Norwood Acquisition Options will each be exercisable at \$0.02 (being the price at which the Capital Raising is being conducted) with an expiry date three years from the date of issue. The authority to issue these Options is the subject of Resolution 5.
- (d) The Acquisition is conditional on and subject to a number of conditions. These conditions have been satisfied with the exception of the following conditions which remain outstanding at the date of this Notice:
 - (i) each Vendor entering into a sale agreement with the Company to sell their shares in Norwood to the Company on completion of the Acquisition;
 - (ii) the Company receiving subscriptions for the minimum amount under the Capital Raising;

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- (iii) the Company obtaining shareholder approval of the Acquisition Resolutions; and
 - (iv) the Company obtaining all necessary regulatory approvals to give effect to the Acquisition including re-compliance with Chapters 1 and 2 of the Listing Rules on terms which the Company believes are capable of satisfaction.
- (e) It is intended that the formal sale and purchase agreement will also include conditions of the Acquisition that:
- (i) each Vendor waives any pre-emptive rights in respect of the sale of other shares in Norwood to the Company or the Company being satisfied that at completion of the Acquisition there will be no pre-emptive rights in respect of the sale of Norwood shares; and
 - (ii) each Vendor subscribes for the Vendor Securities under the prospectus to be issued for the Capital Raising, except to the extent that the Company and Norwood agree otherwise.
- (f) Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust have acknowledged that some or all of the Vendor Securities may be escrowed in accordance with the requirements of ASX and will execute such form of escrow agreement as required by the ASX. Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust will also assist the Company to obtain signed escrow agreements from each of the other Vendors.
- (g) The parties have agreed to enter into a formal sale and purchase agreement, consistent with the terms of the Term Sheet, to more fully document the terms of the Acquisition and replace the Term Sheet. The sale and purchase agreement will contain detailed warranties and representations from Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust regarding Norwood and its business. Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust will assist the Company to obtain sale and purchase agreements from each of the Vendors other than Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust to sell 100% of their Norwood holdings to the Company with simple warranties as to title and no encumbrances.

The formal sale and purchase agreements have not yet been executed.

3.3 Capital Raising

Subject to shareholder approval, the Company will seek to raise a minimum of \$4,000,000 and a maximum of \$5,500,000 by way of a Share placement to the general public via a prospectus, at an issue price of \$0.02 per Share. Shareholders may participate in the Capital Raising under the prospectus. Resolution 6 seeks Shareholder approval for the Capital Raising (refer to Section 9).

The Company has executed a mandate for Azure Capital to act as lead manager of the Capital Raising.

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3.4 Overview of Norwood

3.4.1 Norwood's Business

Norwood was incorporated by Paul Ostergaard and his team in 2011 to develop and supply high-quality global telephony mobility and roaming solutions for mid-size to large organisations. The founders of Norwood believed that smartphones, powered by Apple's iOS and Google's Android operating systems, would soon be powerful enough to support the service architecture they envisaged, namely an enterprise-centric service platform capable of supporting mobile devices seamlessly and globally, integrated closely with existing corporate telephony infrastructure.

Norwood's corporate-focused cloud services offering – **CORONA™** (**C**orporate **R**oaming **N**etwork **A**ccess) – is an integrated global telecommunications solution for enterprise customers (ie, customers with more than 500 employees). CORONA™ connects employees' smartphone devices securely and seamlessly with their employer's existing voice network, while at the same time providing automatic access to low-cost, high-quality legacy landline telephony services located nearby when employees are travelling.

CORONA™ was launched for public use at the beginning of 2014, following a three-year period of intensive development and internal testing. Since launch, the Company has secured significant independent external recognition, including 2014 WAIITA awards for Best New Product and best industrial application, as well as winning the 2014 National iAward for Best New Product for CORONA™.

WAIITA (the WA Information Technology and Telecommunications Alliance) has been conducting an annual award since 1991 with the purpose to recognise outstanding performance and contributions by members of the information and communication technology community in Western Australia.

The iAwards are hosted by the Australian Information Industry Association (AIIA) with the goal of discovering and rewarding information and communication technology innovations that have the potential to have a positive impact on the community - at home, in the office and on a global scale.

Norwood's latest service platform which is currently under development – **EUROPA™** (**E**nd **U**ser **R**oaming **P**ersonal **A**ccess) – extends CORONA™'s networking platform and business model to service end-user consumers directly, specifically targeting discriminating, well-informed individual consumers who are commonly professionals and who seek to buy top-grade or best-value products hereafter referred to as "prosumers". EUROPA™ has been under development since 2014 and is targeted for launch in the first half of 2015.

3.4.2 Business Model

CORONA™ and EUROPA™ address a "two-sided" market by linking low-cost regional landline telephony network service providers to nearby roaming corporate travellers who need access to low-cost, high-quality telephony services. CORONA™ and EUROPA™ seamlessly connect their end-user clients to nearby legacy landline telephony services – using the same protocol that the international cellular telephony networks use for roaming between their networks – to drive down roaming call costs and improve contactability.






In this regard, Norwood is targeting a similar business model to other emerging "Shared Economy" or "Business to Business to Consumer (**B2B2C**)" businesses. B2B2C is an emerging e-

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commerce model that combines Business to Business (B2B) and Business to Consumer (B2C) for a complete product or service transaction. Well known examples of businesses incorporating Shared Economy business models include Uber, Lyft and AirBnB.

Norwood’s development of CORONA™ and EUROPA™ is based on the premise that corporate travelling employees have multiple core needs, including access to services such as:

- Transportation,
- Accommodation, and
- Communications

Business travellers' core needs	Traditional means to service need		Shared economy: "Premium service at lower cost"
	Low-end	Premium	
Transportation:	 Backpackers	 Commercial Hotel	Uber airbnb
Accommodation:	 Backpackers	 Commercial Hotel	
Communication:	Skype Voiceover IP	Telstra Cellular Roaming	

Norwood is servicing the perceived gap in the market for Shared Economy Communications services, similarly to Uber delivering Shared Economy Transportation services.

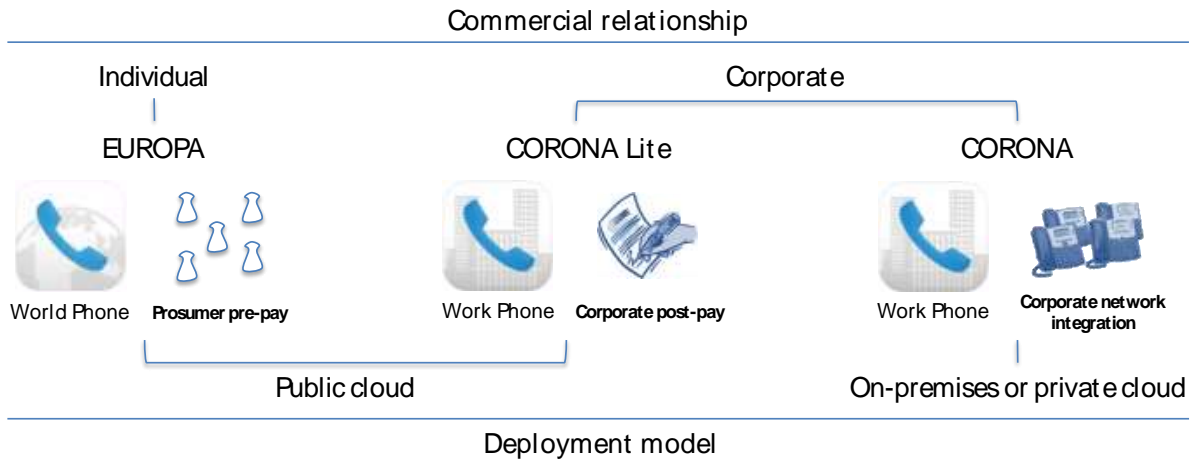
Shared Economy market opportunities are characterised by an ability to offer discounted, simple access to excess capacity, or downtime, on high-quality service providers’ assets – for example, Uber’s enablement of access to black town car limo services.

In the telecommunications sector, legacy worldwide landline telephony networks similarly have significant excess capacity. The combination of excess capacity and fierce competition has driven down the unit cost of long-distance telephony to a few c/minute to most destinations. Despite these attractive low costs, corporate travellers historically have been unable to obtain straightforward access to such telephony services; instead they have had to resort to far more expensive cellular roaming services or, alternatively, less reliable VoIP services.

Norwood has developed CORONA™ and EUROPA™ as service platforms that provide corporate travellers with easy access to such low-cost telephony service providers, using simple, but powerful smartphone apps that act as the “on-ramp” to the CORONA™ and EUROPA™ services.

While EUROPA™ ostensibly targets a different market to CORONA™, namely individual consumers versus enterprise customers, the two platforms are designed to work together. There is a defined migration path from one (EUROPA™) to the other (CORONA™), allowing potential corporate clients to enjoy the benefits of EUROPA™’s services for selected employees before committing to a wider deployment using CORONA™.

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3.4.3 The CORONA™ and EUROPA™ Service Networks

Norwood’s high-quality CORONA™ and EUROPA™ services are underpinned by the Company’s worldwide network of service provider relationships and Points of Presence (PoPs) that provide local low-cost access to high-quality landline network resources.

By providing local access to such nearby high-quality telephony networks, CORONA™ and EUROPA™ address one of the core shortcomings of generic VoIP services, namely that such services operate over the Internet, whose real-time performance degrades with distance and/or the number of router hops needed to bridge a connection between two parties.

Leveraging Norwood’s technologies, clients on CORONA™ and EUROPA™ dynamically seek out the nearest available PoP (in terms of router hops and associated metrics) to route telephony traffic from a user into the international telephone network. Experience gained by the Company since the launch of CORONA™ has shown this to be a very effective strategy to improve call quality and reliability.

The diagram below shows the locations of Norwood’s current partner network PoPs. End user access on all six continents is delivered via these PoPs, subject to local wireless access. Norwood is constantly assessing the suitability of PoP locations and expects to add further PoP locations over time.

Local service partners deliver high-quality telephony access in each region



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3.4.4 The Work Phone and World Phone Apps

Norwood has developed the following proprietary smartphone apps that deliver easy-to-use end-user access to CORONA™ and EUROPA™.

Work Phone



Corporate travellers use the Work Phone App on their smartphone to access the full CORONA™ service, as well as to gain access to their employer's corporate telephony infrastructure. Available on both the iOS and Android platforms, Work Phone has already been successfully used by corporate travellers on six continents and has carried more than 2 million seconds of telephony airtime.

When travelling, corporate travellers use Work Phone to roam onto nearby CORONA™ service nodes as effortlessly as roaming onto a visited cellular network using their cellular handset.

Work Phone has been designed to integrate seamlessly into corporate telephony systems, delivering key telephony features such as short-form dialling, simultaneous ringing and follow-me services, as well as supporting integration with directory services, such as Active Directory and Open Directory. When employees use Work Phone within an organisation's on-premises environments, the App acts as a native phone extension of the organisation's telephony network.

Work Phone/CORONA™ is deployed on post-paid contractual terms with an organisation as the client, offering centralised billing and reporting in line with administrative needs.



World Phone



World Phone, which is currently under development, is Norwood's newest App, specifically designed to access the Company's EUROPA™ service, while building upon the learning the Company has gained with CORONA™ and Work Phone.

World Phone is currently scheduled for release as an iPhone App during the first half of 2015, with an Android version following as soon as possible thereafter.

World Phone directly targets Prosumers without having to contract with their employer's procurement or IT department. End-users transact directly with World Phone using the in-app purchasing mechanism available both on the iTunes App Store and Google Play, purchasing minutes and/or recurring service plans straight from within the App using their iTunes or Google Play account, without needing to share credit card or other financial information with Norwood.

World Phone has a built-in viral sharing mechanism that also differentiates it from Work Phone. Users downloading the World Phone initially receive a certain number of minutes of free calling on the EUROPA™ service network. Once they have downloaded World Phone, they are encouraged to share the App with their contacts and members of their social media networks, incentivised by additional bonus minutes of calling that are granted for every friend successfully invited to download World Phone and use the service.

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3.4.5 Sales Strategy and Pipeline

Monetisation Strategy

Norwood uses a differentiated approach for pricing of its EUROPA™ and CORONA™ services:

World Phone / EUROPA™: Call minutes are purchased on a pre-paid basis, through an App Store, either the iTunes App Store or Google Play.

Users can purchase 20 or 60 minute blocks of airtime for approximately AU 32¢ per minute, based on current iTunes App Store exchange rates.

Calls are charged against the available credit on a per second basis.

Users can also purchase a flat-rate monthly subscription for AU\$56.99 per month, uncapped minutes (subject to an acceptable use policy).

Work Phone / CORONA™: Call minutes are billed to a central corporate account on a post-paid 14-day terms basis.

Calls are charged at AU 45¢ per minute, with pro rata charging for partial minutes. Norwood also offers corporate customers a bulk purchase flatrate plan of AU\$45 /month/user for a minimum of 100 users (subject to an acceptable use policy).

Sales Pipeline

Through 2014, Norwood invited selected companies and individuals to pilot the CORONA™ platform. The feedback from users to date has been positive, with an increasing level of usage per user per month.

Norwood is currently in discussions with a number of parties regarding the potential rollout of a series of CORONA™ and CORONA™ Lite pilots with several multi-national organisations, as a precursor to full implementations of CORONA™.

Pilots are seen by Norwood as an essential part of building a deeper customer relationship within its targeted client-base. Enthusiastic end-users can often influence prioritization of implementations, and ensure a favourable outcome.

Sales Strategy

Direct focus:

In line with the approach of other successful Software as a Service (SaaS) firms targeting enterprise customers, Norwood plans to build a strong direct sales capability, adding sales personnel as the volume of sales leads increases and its overall business grows. Making direct sales has several advantages over indirect sales, including:

- Immediate customer feedback
- Continuous improvement of sales process



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- Ability to reward sales efforts with stock options in lieu of commissions
- Higher retained sales margins (to offset increased operating costs)

Indirect leverage:

The Company recognises that it is common for the majority of telephony vendors and service providers to enterprise customers to have developed substantial reseller channels, accounting for as much as 50% of their sales. Norwood aims to recruit such resellers, using them to accelerate sales growth and reduce sales cycles, recognising:

- Resellers are trusted partners with our target customers
- Their salespeople have ready access to key decision makers
- One experienced Norwood salesperson can support several resellers

Norwood anticipates that as reference customers grow, the credibility of CORONA™ is established and the incremental margin potential becomes known, regional and national resellers will be motivated to promote CORONA™. As this begins to happen, Norwood will contract resellers on a non-exclusive basis.

Norwood intends to retain the billing relationship with the end-user, and pay reseller commission in arrears. This policy is typical of recurring revenue contracts in Australia and mitigates bad debt risk.

In summary, Norwood will develop two primary channels to market:

- a) Its own direct sales capability in Australia to drive early-adopter growth, and
- b) Resellers to accelerate growth by leveraging the strengths inherent in indirect sales channels.

Viral Enterprise channel:



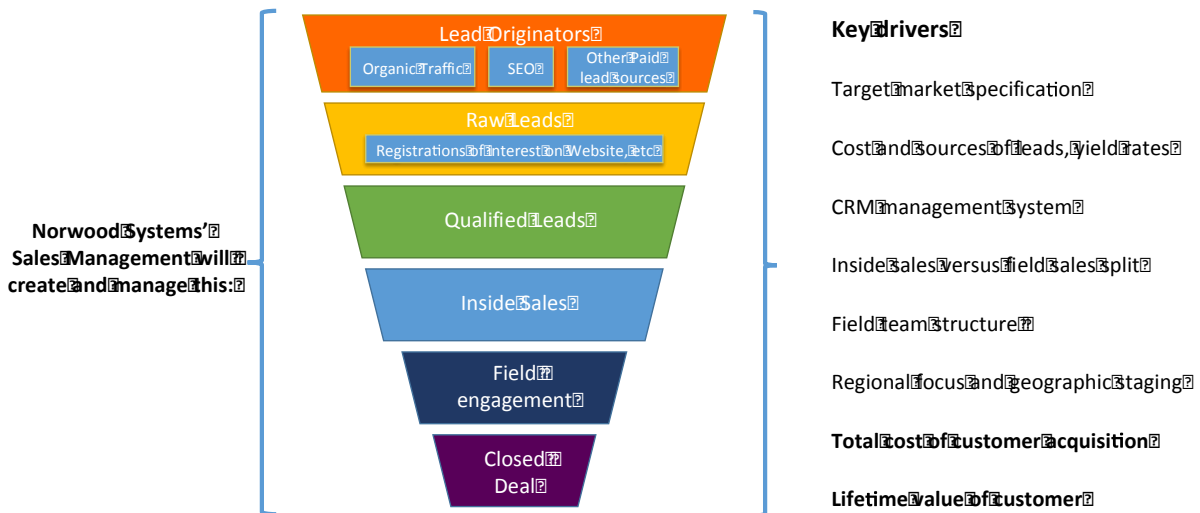
In addition to these two traditional approaches to selling telecommunications systems and solutions, following the launch of the World Phone App, Norwood will be launching a third channel into the market for enterprise customers. This channel will involve a direct viral pitch to Prosumers who are the roaming end users (ie, corporate travellers) who work inside internationally focused companies, using the built-in viral sharing mechanism in World Phone and the associated EUROPA™ network described above to penetrate organisations and seed them with initial users of the service.

Norwood is positioning World Phone as a strategy to shorten the sales cycle of Work Phone and CORONA™ through targeted adoption of World Phone/EUROPA™ by key users within the organisation to promote endorsement within the organisation and externally.

Sales pipeline structure and management:

Norwood's lead generation process is based on a mix of directly sourced contacts from personal networking and referrals from pilot participants, as well as paid search and lead generation activities. The majority of targeted organisations are based in Australia and in the energy, resources and professional services sectors. The diagram below highlights the overall process that Norwood is following in developing direct sales originated accounts.

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As noted, Norwood will also be developing a complementary indirect approach using value-added resellers with national coverage. The presence of such resellers, who already service the enterprise market with voice telephony systems, can accelerate Norwood’s own direct go-to-market approach.

Marketing Strategy

Marketing and promotion of CORONA™ and EUROPA™ will be ramped up over the 12 months following completion of the Acquisition and the Capital Raising.

Key marketing objectives include:

- Create brand and product awareness in Australia
- Develop strategy to put out the right message, and to continuously communicate it.
- Maximize available budget.

Key marketing tactics will include:

- Website – create specific site to ensure value proposition is simple, and explanation of product and benefits are clear.
- Improve discovery - use search engine optimisation (SEO)/Adwords techniques
- Publicity – to identify Norwood as a key player, and inform potential customers, using
 - Press
 - Blogs/webinars/thought leadership
 - Trade shows
- Remarketing / customer relationship management (CRM) – focusing on lead generation and conversion process
- Promotion – above the line – professional magazine ads / billboards
- Avoid expense – go for innovation where possible

As described above, World Phone specifically includes a “viral” growth mechanism, wherein end-users are encouraged to share the App in exchange for bonus minutes of calling credit. Additional bonus minutes will be granted when sharing exceeds minimum threshold parameters.

Norwood envisages that growth in World Phone adoption by itself will also drive product awareness and create individual champions within work environments who will work with

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Norwood's sales consultants to migrate from individual pre-paid World Phone accounts to corporate post-paid CORONA™ contracts.

Norwood has commenced a number of discussions for "white label" partnerships, where there is an opportunity for brands to "add value" for their customers by supplying an own-brand version of World Phone supported by EUROPA™.

Pricing Strategy

Norwood is positioning its services above VoIP and below current Telco roaming tariffs, electing to reference savings with customers as a basis for its pricing, rather than simply marking up the cost of its wholesale services.

Norwood will continue to develop a flexible pricing strategy, to ensure that promised savings are delivered.

Account Management and Customer Retention

Norwood's business model is based on recurring revenue arising from usage. Accordingly, , Norwood considers that it is critical for it to develop or source the necessary monitoring systems and account management resources to monitor usage patterns and identify drop-off and churn-out risk, and to take action to recover customer engagement.

International Expansion Strategy

Norwood's initial priority is to create and prove the sales model in Australia, ensure it is scalable and repeatable, and then take it to international markets.

Key considerations in determining Norwood's targeted international markets include identifying markets where Norwood can:

- leverage its Australian installed customer base through references and referrals.
- get the economic balance right, in terms of direct versus indirect sales and anticipated rate of growth.
- learn and adapt from its experiences in Australia.

When ready, Norwood plans to add further geographic sales points of presence (comprised of offices and personnel) in high-potential markets, including in the short-term the following regions:

- South East Asia
- Middle-East
- Europe

Industry Summary – International Mobile Roaming

International Mobile Roaming (**IMR**) is a service that allows mobile users to continue to use their mobile phone or other mobile device to make and receive calls and text messages, browse the internet, and send and receive emails, while visiting another country.

Roaming extends the coverage of the home operator's retail voice and SMS service, allowing the mobile user to continue using their home operator phone number and data services within another country. The seamless extension of coverage is enabled by a wholesale roaming

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agreement between a mobile user's home operator and the visited mobile operator network. The roaming agreement addresses the technical and commercial components required to enable the service.

The most common international roaming services are:

- **Voice:** Making and receiving calls to or from home country, visited country or a third country, while abroad
- **SMS:** Sending and receiving text messages to or from home country, visited country or a third country, while abroad
- **Email:** Reading and replying to emails while abroad
- **Mobile broadband:** Using mobile devices or dongles to access the internet, including to download images, MP3s, films and software, while abroad
- **Applications:** Using mobile applications while abroad that require mobile data, such as location based services and language translators

How Does IMR Work

When a mobile user is abroad and turns on their mobile device, the device attempts to communicate with a visited mobile network. The visited network picks up the connection from the user's mobile, recognizes whether it is registered with its system, and attempts to identify the user's home network. If there is a roaming agreement between the home network and one of the mobile networks in the visited country, the call is routed by the visited network towards an international transit network. The international transit network carrier is responsible for the call delivery to the destination network. Once this is done, the destination network will connect the call.

The visited network also requests service information from the home network about the user, such as whether the phone being used is lost or stolen, and whether the mobile device is authorized for international use. If the phone is authorized for use, the visited network creates a temporary subscriber record for the device and the home network updates its subscriber record on where the device is located so if a call is made to the phone it can be appropriately routed.

How big is the IMR Market

Total worldwide mobile operator revenues generated from IMR in 2014 was estimated to be US\$57 billion, an increase of approximately 25% from the US\$45 billion estimated for 2012.

Global Comparison of IMR Prices

Regulators from around the world have expressed concern about the transparency of IMR prices, bill shock, and high prices. There are a number of factors which can influence the IMR prices in different jurisdictions and can go some way to explain the large variances that can exist from country to country. These factors can include:

- Differing tariff bundles – IMR prices are often just one element within an overall tariff bundle for the total mobile service that a consumer purchases. This bundle can include the price of a mobile handset, the monthly rental, domestic call charges, SMS charges, volume discounts and contract term
- Per-capita income – customers income has a significant effect on tariff structure and demand
- Mobile penetration rates – the demand for IMR depends in part on the demand for access to the mobile network, and the rate at which access to mobile networks is growing
- Percentage of population that travel internationally – the demand for IMR not only depends

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on the number of consumers with access to mobile services, but also of those that do, the number that travel abroad

- Network coverage – whilst network coverage is improving, in some regions it remains a technological challenge as operators continue to roll-out and upgrade their networks
- Government – see below under the heading Regulation of IMR

Regulation of IMR

Over recent years, governments and their regulatory authorities have attempted to regulate wholesale and/or retail pricing for roaming services. Examples include the European Union's (EU) efforts to eliminate roaming charges for travellers roaming from one country to another inside the EU, as well as the Australian and New Zealand governments' recent efforts to regulate trans-Tasman roaming. Effective global scale regulation would require a significant portion of the 200 countries and 500 mobile network operators globally to co-operate to impose such regulation.

Potential Substitute Services to IMR

Substitutes exist for the voice and data components of the IMR services, including:

- Voice roaming substitutes: Voice over IP (VoIP) services such as Skype and Viber, calling cards, callback services and local SIMs
- Data roaming substitutes: local Wi-Fi access and local SIMs

Despite the ready availability of these various alternatives, total IMR revenues have continued to grow in absolute terms, highlighting perhaps how attractive the seamless nature of IMR is for travellers. A study carried out for the Australian Government in 2008, highlighted that, while substitutes exist, they were all of an "imperfect" nature (i.e. not seamless)

- With calling cards and call back services, physical access to a fixed telephone line is typically required, while the pattern of setting up a call is markedly different from a normal telephone call.
- With VoIP services, users have the complication that VoIP doesn't work reliably all the time. This is especially an issue for business travellers who have commercial needs to maintain high-quality lines of communication with their clients and colleagues.
- With local SIMs, corporate IT managers find that they have to maintain additional hardware, as well as dealing with potential loss and breakage of SIMs issued to roaming staff members.

3.4.6 Financial History

Since incorporation Norwood has been focused on technology development as it has designed and tested its novel international roaming solutions. Norwood's activities have principally involved raising money (through a mix of equity and convertible notes) and applying those proceeds towards designing and trialling its CORONA™ and EUROPA™ platforms.

As a result, the only revenue Norwood received during the financial year ended 30 June 2014 was interest and other sundry receipts totalling \$1,433 and it recorded a net loss for the financial year of \$1,274,872.

3.4.7 Norwood's Technology Platform

Norwood's technology platform represents a leading technological solution able to provide a robust and scalable environment suitable for Norwood's proposed growth. The technology, code and managerial practices are all managed in-house by Norwood using industry standard bug-

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tracking and software development methodologies and tools. In house, as opposed to outsourced development, provides a strong level of control over the ownership of the platform. Open source libraries and standard tools are used where possible to allow the in-house developers to focus on functionality that is unique to the product.

The CORONA™ platform has a modular design with client applications for Work Phone and World Phone (including iPhone and Android apps) communicating with server infrastructure. All components interact using standard Web Services over secure channels (HTTPS).

The servers are built on the Ruby on Rails web framework, which emphasises the use of well-known software engineering patterns and paradigms, while the applications are built with the appropriate tools and technologies for the platform.

Connectivity to the Public Switched Telephone Network (PSTN) is achieved by the use of wholesale SIP Trunk services providing carrier-grade lines from local telecommunications providers through high-quality gateways. Several such providers have been tested with the platform to avoid over-reliance on any single supplier.

Norwood's servers run on virtual infrastructure provided by suppliers such as DigitalOcean and Web24. By choosing to outsource Norwood's production environment to hosting services providers with international standard security certification, Norwood is able to cost-effectively provide the highest possible availability, security, and scalability protection for its platform.

3.4.8 Overview of Norwood's Intellectual Property

Norwood has a portfolio of patent applications, trade mark applications and in-house know-how to protect aspects of its business.

Patent Applications

Norwood is the owner of twelve individual patent applications within five 'families' of patent application.

Each of the patent application families has arisen from a process of research and development within Norwood. Two of the five have some relevance to the platform now known as CORONA™ and one of those two also has some relevance to the EUROPA™ platform. The other three patent families relate to technologies that are relevant to the current state of the art and have potential either to be commercialised by Norwood, or licensed for use by other companies.

Patent Application Family	Full Title	Priority Date	Commercialisation
Mobility	A System, Method, Computer Program and Data Signal for the Re-routing of Enterprise Voice Traffic	20 Feb 2013	Applicable to CORONA™ and EUROPA™
Configuration	Method and Device for Configuring a Communication System	14 Jul 2011	Applicable to CORONA™
Topology	Method, Device and System for Determining Topology of a Wireless Communication Network	14 Jul 2011	Potential for future commercialisation or licensing

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Head Loss	Determining Effects on Communication Signals	5 Apr 2013	Potential for future commercialisation or licensing
WiFi Handover	Communications	29 Apr 2011	Potential for future commercialisation or licensing

The prospect of attaining patent protection for products and the technology such as those proposed to be used in the Norwood business is highly uncertain and involves complex and continually evolving factual and legal questions. In addition, the scope of patent applications can be significantly reduced during prosecution of the patent applications, with the result that the scope of protection in the issued patent being significantly less than the scope of protection sought by Norwood. As a result, Norwood's patent application may not proceed to an issued patent and, if issued, may not be of commercial benefit to Norwood, or may not afford Norwood adequate protection from competing products.

The potential protection offered by patents notwithstanding, CORONA™, EUROPA™, Work Phone and World Phone collectively comprise sophisticated telecommunication systems that have had significant engineering time invested in their development by engineers skilled and experienced in bringing such telecommunication platforms and services to market. Norwood believes that an investment of this magnitude in intellectual property itself offers a reasonable barrier to imitation with or without patent protection. Norwood is not aware of the existence of any third party patents that would prevent its activities or impact on its business model.

Patent Applications Applicable to CORONA™

Mobility

The CORONA™ platform has the ability to route voice traffic off an IP network (such as the internet) and instead through the Public Switched Telephone Network (**PSTN**) based on the invention described in the patent applications in the Mobility patent application family.

The Mobility patent application family broadly covers inventions relating to technology for re-routing enterprise voice traffic data, allocating an identification to a communications device, and reconfiguring such identifications. This patent application family includes a pending patent application in Australia and a pending International patent application under the Patent Cooperation Treaty, comprised of:-

Official Number	Country	Status
2013200690	Australia	Examination Report received; priority application for international application
PCT/AU2014/000152	WO (international)	Application filed; International Search Report and Written Opinion issued addressing Norwood's first response. Norwood preparing further response

The written opinion issued in relation to the international patent application in the Mobility patent application family includes objections to the application based on the novelty and inventive step requirements, citing an existing patent owned by a third party. These objections have been raised in two versions of the written opinion – the first opinion was issued in response

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to Norwood's initial application under the PCT, and the second opinion was issued following Norwood's response to the first written opinion.

Norwood's view is that the cited third party patent makes general references to multiple varieties of communication networks, which in and of themselves do not address Norwood's unique intellectual property, specifically the intent to choose one network over another based on cost or quality criteria. Norwood intends to further amend the claims the subject of its patent application to highlight the novelty of Norwood's innovation. It should be noted that it is not unusual, in the course of pursuing a patent to have such objections raised – a patent application can be an iterative process that involves the refinement of the claims the subject of the application to address objections raised by the relevant examiner. Norwood management is confident in the uniqueness and novelty of its intellectual property and is working with its patent attorneys to maximise the likelihood of patents being granted. However, there is a risk that Norwood will not be awarded a PCT patent if it is not able to satisfy the examiner that the application meets the novelty and inventive step requirements. Norwood has until 19 April 2015 to respond to the second written opinion.

Norwood has not yet responded to the Examination Report received in response to its Australia patent application in the Mobility patent application family at this stage – it has until 29 October 2015 to overcome all objections to the application. The Australian examiner is not bound by the findings of the international examiner, but the international examiner's opinion may be used as a guide during the Australian examination process.

Configuration

Another important feature of the CORONA™ platform is the ability to associate a user's Work Phone application (on their smartphone) to their existing office phone number. This feature is based on the invention broadly covered by the Configuration patent application family and differentiates the CORONA™ platform from other voice services in the market as it simplifies the experience for both the user and those who need to call that user.

The Configuration patent application family broadly covers an invention relating to technology for configuring a communication system. This patent application family includes pending patent applications in Australia, Europe, and the USA, comprised of:-

Official Number	Country	Status
2011902814	Australia	Priority application for international application
PCT/AU2012/000849	WO (international)	National/regional phase entered
2012283687	Australia	Examination requested
12811348.7	European Patent Convention	Application filed
14/232,688	USA	Application filed

Patent Applications with Potential for Future Commercialisation or Licensing

Overview

Current technology presents opportunities for the fusion of sensor data to associate real world locations with wireless environments. For example, 'WiFi positioning' observes that a given set of signal readings can probably only occur at one physical location. Norwood has conducted R&D in this space and a number of ideas emerged that were considered patentable:

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- A method for developing a spatial description of the layout of a wireless network by utilising the full range of sensors now available in handheld devices is described under the heading **Topology** below. With consideration of position, direction and acceleration, more meaningful use can be made of radio signal information that is traditionally used for this purpose.
- When a smartphone, with a range of sensors, is held to the ear such as during a call, it causes a predictable change in the radio environment experienced by the device. This observation forms the basis for the invention described under the heading **Head Loss** below, which provides even more information to automatically construct better spatial mapping of wireless infrastructure.
- Finally, the spatial information built with the inventions described under the headings **Topology** and **Head Loss** below can be used by the invention described under the heading **WiFi Handover** below to improve the continuity of the user experience within a complex wireless network, such as the WiFi network for a business or a campus. Traditionally, a device would select a base station and cling to it until the signal degrades before searching for a new station. With WiFi Handover a number of sensors are used to provide better predictive and pre-emptive handover to provide the best possible connectivity.

Topology

The Topology patent application family broadly covers an invention relating to technology for determining topology of a wireless communication system. This patent application family includes pending patent applications in Australia, Europe, and the USA, comprised of:-

Official Number	Country	Status
2011902807	Australia	Priority application for international application
PCT/AU2012/000848	WO (international)	National/regional phase entered
2012283686	Australia	Examination requested
12810647.3	European Patent Convention	Application filed
14/232,696	USA	Application filed

Head Loss

The Head Loss patent application family broadly covers an invention relating to technology for determining effects of factors, such as anisotropic signal reception properties of a wireless communication enabled device and proximity to a source of interference, on a property, such as attenuation of a signal received by the wireless communication device. This patent application family includes a pending patent application in Australia and a pending International patent application under the Patent Cooperation Treaty, comprised of:-

Official Number	Country	Status
2013202735	Australia	Application filed
PCT/AU2014/000369	WO (international)	Application filed; International Search Report and Written Opinion issued. Response pending.

WiFi Handover



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The WiFi Handover patent application family broadly covers inventions relating to technology for implementing an action, such as a handover decision, in a wireless communication network, and for estimating and correcting an estimate of a state, such as position or velocity, of a mobile device in the wireless communication network. This patent application family includes pending patent applications in Australia and the USA, comprised of:-

Official Number	Country	Status
2011901585	Australia	Priority application for international application
PCT/AU2012/000438	WO (international)	National/regional phase entered
2012248121	Australia	Examination requested
14/114,637	USA	Application filed

Trade Mark Applications

Norwood's trade mark portfolio consists of four pending Australian trade mark applications related to the words 'Norwood', the Norwood logo, the word 'CORONA' and the CORONA logo. These trade mark applications consist of:

	Official Number	Country	Classes	Status
NORWOOD SYSTEMS – Word	1608213	Australia	38, 42	Application filed – waiting for examination report
 NORWOOD SYSTEMS	1608215	Australia	38, 42	Application filed – waiting for examination report
CORONA – Word	1608214	Australia	38, 42	Application filed – waiting for examination report
 CORONA	1608216	Australia	38, 42	Application filed – waiting for examination report

Objections have been raised by the relevant examiner in all cases to the wording of the services claimed and, in the case of the Norwood marks only, on the basis of allegedly similar trade marks on the Trade Marks register. There is a risk that these objections may not be able to be overcome, and accordingly a risk that the trade mark application may not be accepted, and subsequently registered. While this may not prevent Norwood from continuing to trade under the relevant brands, it may limit Norwood's ability to prevent a competing product from being made available by another party using the same or similar branding.

3.4.9 Budget

Following the Acquisition and the Capital Raising, the Company intends to apply funds as follows:

PROPOSED BUDGET	Min Raising	Max Raising
Existing Cash	\$350,000	\$350,000
Proceeds from Capital Raising	\$4,000,000	\$5,500,000
Total Cash on completion of re-compliance	\$4,350,000	\$5,850,000
USE OF FUNDS		

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Sales & marketing	\$1,237,226	\$2,131,154
Corporate & Admin	\$861,763	\$875,450
Research & Development Costs	\$622,211	\$872,279
CORONA™ / EUROPA™ Platform Support	\$578,926	\$828,307
General Working Capital	\$99,874	\$102,810
Payment of Trade Creditors	\$500,000	\$500,000
Costs of the Offer	\$450,000	\$540,000
Total	\$4,350,000	\$5,850,000

Note:

The above table is a statement of the Board's current intention as at the date of this Notice and assumes the minimum raising of \$4,000,000 and the maximum raising of \$5,500,000 under the Capital Raising. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

3.5 Board and Management Changes

Following the completion of the Acquisition, the Company will seek changes to its Board of Directors, with existing Directors, Mr Sandy Barblett and Mr Andrew Habets stepping down from their positions.

The outgoing Directors will be replaced on the Board by directors to be nominated by Norwood. Under the Term Sheet, the Company will appoint three nominees of Norwood to the Board of the Company. Norwood has nominated Mr Paul Ostergaard as Managing Director and Mr Amit Pau to be appointed as Non-Executive Directors. Norwood is considering a third nominee to nominate to be appointed as an independent chairman. The remaining Director appointment is expected to be finalised after the Capital Raising is closed and details will be provided to Shareholders. Shareholder approval for these appointments is being sought pursuant to Resolutions 8 and 9. Refer to the relevant explanatory memorandum sections for more information on the qualifications of each of these nominees.

In accordance with the Term Sheet, Mr Michael Edwards, the current CEO of the Company, was appointed to the Board of the Company as a non-executive Director on 20 January 2015 and intends to remain on the Board following completion of the Acquisition. Mr Edwards will remain CEO for the Company until completion of the Acquisition.

3.6 Proposed Executive Services Agreement

Following completion of the Acquisition, the Company will employ Mr Ostergaard as Managing Director on terms to be agreed between the parties including the following:

- (a) base salary of \$175,000, to be reviewed after six months;

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- (b) six month notice period;
- (c) cash bonus, calculated as follows:
 - (i) An amount equal to 5% of revenues generated by the EUROPA/World Phone platform to the Company (net of payments made to re-sellers of the EUROPA/World Phone Application, including parties such as the Apple, Inc. App Store) in the period of 12 months following the public launch of EUROPA/World Phone; and
 - (ii) An amount of \$25,000 payable on satisfaction of a gross revenue target of \$200,000 from a third party contract in a 12 month period for each of the first two separate third party contracts, within 30 months from the date of completion of the acquisition of Norwood by the Company to achieve this target.
- (d) participation in the Company's ESOP, as and when approved, at prevailing public company benchmark rates, taking into account Mr Ostergaard's position and the stage of development of the Company.

Details of Mr Ostergaard's experience and qualifications are provided at section 10.2.

3.7 Pro-forma Balance Sheet

A pro-forma balance sheet (statement of financial position) of the Company as at 31 December 2014 based on half-year audit reviewed accounts of the Company and Norwood is set out in Schedule 5. The pro-forma balance sheet is taken from section 5.4 of the Independent Expert's report prepared by Stantons.

3.8 Effect of the Acquisition on the Company

- (a) Capital Structure

Below is a table showing the Company's current capital structure and the capital structure on completion of the Capital Raising, completion of the Acquisition and upon conversion of the maximum possible Performance Shares and assuming none of the Options expire, or are exercised, and none of the existing performance shares convert, prior to the date that all of the Performance Shares have converted.

	Shares	Options	Performance Shares
Balance at the date of this Notice	130,800,710	9,000,000 ⁽¹⁾	2,000,000 ⁽²⁾
Balance following completion of the Capital Raising	330,800,710 ⁽³⁾	24,000,000 ⁽⁴⁾	2,000,000
Balance following Completion of the Acquisition	698,859,598 ⁽³⁾⁽⁵⁾	67,593,213 ⁽⁶⁾	159,739,522 ⁽⁷⁾
Balance following conversion of the Norwood Class A and Norwood Class B Performance Shares	856,599,120 ⁽⁸⁾	67,593,213	2,000,000

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- (1) Comprising the following Options on issue:-
 - 2,000,000 Options each exercisable at \$0.25 on or before 30 November 2015;
 - 4,000,000 Options each exercisable at \$0.25 on or before 30 November 2015;
 - 1,000,000 Options each exercisable at \$0.30 on or before 8 October 2015;
 - 1,000,000 Options each exercisable at \$0.40 on or before 8 October 2016; and
 - 1,000,000 Options each exercisable at \$0.25 on or before 30 November 2016.

- (2) Comprising the following Performance Shares on issue:-
 - 1,000,000 Performance Shares each convertible into a Share on achievement of the Company delineating a JORC indicated resource on any of the Vema tenements of >500,000 ounces of gold of >1.5g/t Au (at 0.5g/t cutoff) expiring on 8 October 2017; and
 - 1,000,000 Performance Shares each convertible into a Share on achievement of the Company delineating a JORC indicated resource on any of the Vema tenements of >1,000,000 ounces of gold of >1.5g/t Au (at 0.5g/t cutoff) expiring on 8 October 2017.

- (3) Assumes the raising of the minimum amount under the Capital Raising of \$4,000,000 (200,000,000 Shares issued). If the Company raises an additional \$1,500,000 under the Capital Raising then up to an additional 75,000,000 Shares may be issued.

- (4) Includes 15,000,000 Corporate Raising Advisory Options to be issued to an adviser of the Company as consideration for advisory and professional services provided in connection with the Norwood Acquisition. Refer to Section 13 for further information.

- (5) Includes 368,058,888 Shares issued as part of the consideration for the Acquisition.

- (6) Includes 43,593,213 Norwood Acquisition Options to be issued to past and present advisors and employees of Norwood pursuant to the Term Sheet. Refer to Section 8 for further information.

- (7) Includes 78,869,761 Norwood Class A Performance Shares and 78,869,761 Norwood Class B Performance Shares issued as part of the consideration for the Acquisition.

- (8) Assumes all of the Norwood Class A and Norwood Class B Performance Shares are converted to Shares prior to the expiry date of the Performance Shares.

The table above shows the possible capital structure of the Company that will give the Vendors the maximum voting power. For details of other scenarios possible as a result of various combinations of securities to be issued, refer to section 2.8 – 2.10 of the Independent Expert's Report.

(b) The Ostergaard Parties' Voting Power

Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust and Ocean Broadband are shareholders of Norwood. The Company is proposing to issue up to:

- (i) 166,548,715 Shares, 35,689,011 Norwood Class A Performance Shares (and 35,689,011 Shares on conversion of the Norwood Class A Performance Shares) and 35,689,011 Norwood Class B Performance Shares (and 35,689,011 Shares on conversion of the Norwood Class B Performance Shares) to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust;

- (ii) 27,410,142 Shares, 5,873,602 Norwood Class A Performance Shares (and 5,873,602 Shares on conversion of the Norwood Class A Performance Shares) and 5,873,602 Norwood Class B Performance Shares (and 5,873,602 Shares on conversion of the Norwood Class A Performance Shares) to Ocean Broadband

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as consideration for their Shares in Norwood.

In addition it is proposed that Chillcast will participate in the Capital Raising to the extent of up to \$100,000 being 5,000,000 Shares each at an issue price of \$0.02.

The Ostergaard Securities proposed to be issued as set out above, will exceed 20% of the Company's fully diluted share capital. Accordingly Resolution 3 seeks Shareholder approval under item 7 of section 611 of the Corporations Act for the issue of these Shares and Performance Shares (and Shares on conversion of the Performance Shares) to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust, Ocean Broadband and Chillcast (together the **Ostergaard Shareholders**).

Mr Paul Ostergaard, as a trustee of the Ostergaard Family Trust, will be a joint holder of the Ostergaard Securities to be issued to the Ostergaard Family Trust and he has an interest of over 20% in the issued capital of Ocean Broadband and Chillcast. Accordingly, Mr Paul Ostergaard will have a relevant interest in the Ostergaard Securities proposed to be issued to all of the Ostergaard Shareholders.

Mrs Fiona Meiklejohn, as a trustee of the Ostergaard Family Trust, will be a joint holder of the Ostergaard Securities to be issued to the Ostergaard Family Trust. Accordingly, Mrs Fiona Meiklejohn will have a relevant interest in the Ostergaard Securities proposed to be issued to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust.

The following tables outline the voting power of Mr Paul Ostergaard and Mrs Fiona Meiklejohn (together the **Ostergaard Parties**) under various scenarios depending on whether the Performance Shares convert (and assuming none of the Options are exercised and none of the existing performance shares convert).

Each of the Ostergaard Shareholders will not have a relevant interest in the Shareholding of each other Ostergaard Shareholder.

Voting Power of Mr Paul Ostergaard

Event causing the Share issue	Number of Shares held by the Ostergaard Shareholders	% of Share capital held by the Ostergaard Shareholders on issue of the Shares
Prior to Completion of the Acquisition	Nil	0%
On Completion of the Acquisition and Capital Raising	198,958,857	28.5% ⁽¹⁾
On achievement of the Milestones prior to the expiry date of the Performance Shares	282,084,083 ⁽²⁾	32.9% ⁽²⁾⁽³⁾

(1) Assumes the raising of the minimum amount under the Capital Raising of \$4,000,000. If the Company raises an additional \$1,500,000 under the Capital Raising, the voting power of the Ostergaard Shareholders will be 25.7%.

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- (2) Assumes all of the Performance Shares issued to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust and Ocean Broadband are converted to Shares prior to the expiry date of the Performance Shares.
- (3) Assumes the raising of the minimum amount under the Capital Raising of \$4,000,000. If the Company raises an additional \$1,500,000 under the Capital Raising, the voting power of Mr Paul Ostergaard will be 30.3%.

Voting power of Mrs Fiona Meiklejohn

Event causing the Share issue	Number of Shares held by Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust	% of Share capital held by Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of Ostergaard Family Trust Parties on issue of the Shares
Prior to Completion of the Acquisition	Nil	0%
On Completion of the Acquisition and Capital Raising	166,548,715	23.8% ⁽¹⁾
On achievement of the Milestones prior to the expiry date of the Performance Shares	237,926,737 ⁽²⁾	27.8% ⁽²⁾⁽³⁾

- (1) Assumes the raising of the minimum amount under the Capital Raising of \$4,000,000. If the Company raises an additional \$1,500,000 under the Capital Raising, the voting power of Mrs Fiona Meiklejohn will be 21.5%.
- (2) Assumes all of the Performance Shares issued to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust are converted to Shares prior to the expiry date of the Performance Shares.
- (3) Assumes the raising of the minimum amount under the Capital Raising of \$4,000,000. If the Company raises an additional \$1,500,000 under the Capital Raising, the voting power of Mrs Fiona Meiklejohn will be 25.5%.

(c) The Ostergaard Parties' Voting Power Increase/Decrease

The Ostergaard Parties' voting power in the Company may change as follows:

- (i) Increase in the Ostergaard Parties' voting power:
- (A) Acquisition of Shares by the holder of Shares in which the Ostergaard Party has a relevant interest on and off market. The holder of Shares in which the Ostergaard Party has a relevant interest could increase their Shareholding under the creep provisions of the Corporations Act allowing them to acquire 3% every 6 months; and
- (B) Cancellation of Shares held by Shareholders other than the holder of Shares in which the Ostergaard Party has a relevant interest.
- (ii) Decrease in the Ostergaard Parties' voting power:

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- (A) Disposal of Shares held by the holder of Shares in which the Ostergaard Party has a relevant interest;
- (B) Issue of Shares by the Company to Shareholders other than the holder of Shares in which the Ostergaard Party has a relevant interest;
- (C) Conversion of a proportion of Performance Shares rather than all of the Performance Shares; and
- (D) Exercise of Options by Option holders or conversion of existing performance shares.

3.9 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Acquisition Resolutions. Refer to section 12.2 of the Independent Expert's Report for further advantages:

- (a) the global mobile telecommunications sector provides multiple opportunities which have the potential to add significant Shareholder value;
- (b) exposure to the future potential cash flows of an emerging business in a growing industry;
- (c) in the current market environment there is a greater likelihood of restoring shareholder value by changing the nature of the Company's business to focus on global mobile roaming rather than remaining a junior mineral explorer;
- (d) the proposed additions to the Board will provide an experienced and balanced set of skills to guide the growth of the Company while it seeks to commercialise the CORONA™ service platform;
- (e) the potential increase in market capitalisation of the Company following completion of the Acquisition and the associated Capital Raising may lead to increased coverage from investment analysts, access to improved equity capital market opportunities and increased liquidity;
- (f) no cash consideration will be paid for the Acquisition and part of the share based payments (the Performance Shares) will be subject to operational performance hurdles linked to revenue; and
- (g) an increased focus on marketing at Norwood and customer recruitment will allow the Company to scale its operations.

3.10 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Acquisition Resolutions. Refer to section 12.3 of the Independent Expert's Report for further disadvantage:

- (a) the Company will be changing the nature of its activities to become a company focused on global mobile roaming and telecommunications technology, which may not be consistent with the objectives of some Shareholders;
- (b) the Acquisition will result in the issue of Shares to Vendors and under the Capital Raising which will have a dilutive effect on the current holdings of Shareholders. Existing Shareholders will hold 18.7% of the issued capital of the Company post the Acquisition,

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assuming the minimum \$4,000,000 is raised under the Capital Raising and no options are converted into ordinary shares;

- (c) Following the issue of the Shares and Performance Shares as the consideration under the Acquisition, the Ostergaard Shareholders will become the largest shareholders of the Company. In this scenario, the Ostergaard Shareholders may have the ability to significantly influence or control the Company;
- (d) there are risk factors associated with the telecommunication industry which the Company will be exposed to (some of these risks are set out in Schedule 2); and
- (e) the Company will seek to re-comply with ASX Listing Rules if shareholder approval is obtained. There is no guarantee that Company will successfully re-comply with the requirements or that ASX will quote all securities of the Company on passing the Resolutions.

3.11 Existing Exploration Projects in Burkina Faso

The Company continues to maintain its strategic land holding in Burkina Faso and will re-evaluate the projects in the coming months, subject to completion of the Acquisition, seeking either a strategic partner or divestment. The Company is in the process of relinquishing its option to acquire the Pepin and Guima permits in Burkina Faso for no consideration. The Independent Expert's Report assumes that relinquishment has occurred.

3.12 Timetable

An indicative timetable for the completion of the Acquisition and re-compliance with Chapters 1 and 2 of the ASX Listing Rules is in the table below.

Event	Date*
Lodgement of Prospectus	2 April 2015
Shareholder Meeting	4 May 2015
Closing of the offer under the Prospectus	4 May 2015
Re-instatement to Trading	25 May 2015

*Dates in the above table are indicative only.

3.13 Risk Factors

Shareholders should be aware that if the Company completes the Acquisition, the Company will be changing the nature and scale of its activities which will, because of its nature, be subject to various risk factors. These risks are both specific to the industry in which the Company operates and also relate to the general business and economic environment in which the Company will operate. An investment in the Company is not risk free and prospective new investors along with existing Shareholders should consider the risk factors described in Schedule 2, together with information contained elsewhere in this Notice. The risk factors set out in Schedule 2 are not intended to be an exhaustive list of the risk factors to which the Company will be exposed to on the acquisition of Norwood.

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3.14 Independent Expert's Report

The Directors resolved to appoint Stantons International Securities (**Stantons**) as an independent expert and commissioned it to prepare a report to provide an opinion as to whether or not the proposed participation of the Ostergaard Shareholders in the Acquisition and the Capital Raising is fair and reasonable to the existing Shareholders.

What is fair and reasonable must be judged by the independent expert in all the circumstances of the proposal. This requires taking into account the likely advantages to Shareholders if the proposal is approved and comparing them with the disadvantages to them if the proposal is not approved.

Stantons has concluded that the proposed participation of the Ostergaard Shareholders in the Acquisition and the Capital Raising is not fair but reasonable to the existing Shareholders.

The Company strongly recommends that you read the Independent Expert's Report in full, a copy of which is in Annexure A to this Explanatory Memorandum.

3.15 Section 611 Corporations Act

- (a) Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of the Company if, because of the acquisition, that person's or another person's voting power in the Company increases from:
 - (i) 20% or below to more than 20%; or
 - (ii) a starting point that is above 20% and below 90%.
- (b) The voting power of a person in the Company is determined by reference to section 610 of the Corporations Act. A person's voting power in the Company is the total of the votes attaching to the Shares in the Company in which that person and that person's associates (within the meaning of the Corporations Act) have a relevant interest.
- (c) Under section 608 of the Corporations Act, a person will have a relevant interest in Shares if:
 - (i) the person is the registered holder of the Shares;
 - (ii) the person has the power to exercise or control the exercise of votes or disposal of the Shares; or
 - (iii) the person has over 20% of the voting power in a company that has a relevant interest in Shares, then the person has a relevant interest in said Shares.
- (d) For the purpose of determining who is an associate you need to consider section 12 of the Corporations Act. Any reference in chapters 6 to 6C of the Corporations Act to an associate is as that term is defined in section 12. The definition of 'associate' in section 12 is exclusive. If a person is an associate under section 11, 13 or 15 of the Corporations Act then it does not apply to chapters 6 to 6C. A person is only an associate for the purpose of chapter 6 to 6C if he is an associate under section 12.
- (e) A person (second person) will be an associate of the other person (first person) if:
 - (i) the first person is a body corporate and the second person is:

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- (A) A body corporate the first person controls;
 - (B) A body corporate that controls the first person: or
 - (C) A body corporate that is controlled by an entity that controls the first person;
- (ii) the second person has entered, or proposes to enter into, a relevant agreement with the first person for the purpose of controlling or influencing the composition of the board of a body corporate or the conduct of the affairs of a body corporate; and
- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the affairs of a body corporate.
- (f) The Corporations Act defines 'control' and 'relevant agreement' very broadly as follows:
- (i) Under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company. In determining the capacity you need to take into account the practical influence a person can exert and any practice or pattern of behaviour affecting the financial or operating policies of the Company.
 - (ii) Under section 9 of the Corporations Act relevant agreement means an agreement, arrangement or understanding:
 - (A) whether formal or informal or partly informal and partly informal;
 - (B) whether written or oral or partly written and partly oral; and
 - (C) whether or not having legal or equitable force and whether or not based on legal or equitable rights.
- (g) Associates are determined as a matter of fact. For example where a person controls or influences the Board or the conduct of the Company's business affairs, or acts in concert with a person in relation to the entity's business affairs.
- (h) Section 611 of the Corporations Act has exceptions to the prohibition in section 606 of the Corporations Act. Item 7 of section 611 of the Corporations Act provides a mechanism by which Shareholders may approve an issue of Shares to a person which results in that person's or another person's voting power in the Company increasing from:
- (i) 20% or below to more than 20%; or
 - (ii) a starting point that is above 20% and below 90%.
- (i) To comply with the requirements of the Corporations Act (as contained in ASIC Regulatory Guide 74), the Company provides the information in Section 6 of the Explanatory Memorandum to Shareholders in relation to Resolution 3.

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3.16 Plans for the Company if the Acquisition is not completed

If the Company does not complete the Acquisition, the Company will continue with its current activities and continue to seek, and undertake due diligence on, new opportunities for growth.

4. Resolution 1 – Approval of issue of Vendor Securities

4.1 General

As outlined in Section 3.2 of this Explanatory Memorandum, the Company has entered into the Term Sheet pursuant to which Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust have agreed, and will assist the Company to seek the agreement of the other shareholders and convertible noteholders of Norwood, to sell all of their issued capital in Norwood to the Company for the issue of the Vendor Securities.

The Term Sheet is subject to the Conditions set out in Section 3.2 above, including the requirement to obtain Shareholder approval.

A detailed description of the proposed Acquisition and Norwood's business is outlined in Section 3.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Given the Vendor Securities to be issued under Resolution 1 will exceed the 15% threshold set out in Listing Rule 7.1 and none of the exceptions contained in Listing Rule 7.2 apply, except as related to the issue of Shares and Performance Shares to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust and Ocean Broadband (refer to Section 6.1 for further information), Shareholder approval is required under Listing Rule 7.1.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 to issue the Vendor Securities to the Vendors as contemplated by the Term Sheet.

Resolution 1 is an ordinary resolution. Resolution 1 is subject to the approval of each of the other Acquisition Resolutions.

4.2 Specific Information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) The maximum number of securities to be issued under Resolution 1 is 368,058,888 Shares, 157,739,522 Performance Shares, and 157,739,522 Shares on conversion of the Performance Shares.
- (b) The Vendor Securities will be issued to the Vendors, none of whom are a related party of the Company other than by reason of the Acquisition.
- (c) The Vendor Securities (other than the Shares to be issued on conversion of the Performance Shares) will be issued no later than three months after the date of the

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Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the Vendor Securities (other than the Shares to be issued on conversion of the Performance Shares) will be issued on the same date, being the date of completion of the Acquisition. The Shares to be issued on conversion of the Performance Shares will be issued on achievement of the relevant Milestone by the relevant expiry date, being 12 months from the date of completion of the Acquisition for the Norwood Class A Performance Shares and 36 months from the date of completion of the Acquisition for the Norwood Class B Performance Shares.

- (d) The Vendor Securities will be issued for nil cash consideration as they are being issued as part of the consideration for the Acquisition. Accordingly no funds will be raised from the issue of the Vendor Securities.
- (e) The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) The Performance Shares have the terms and conditions as set out in Schedule 1.
- (g) A voting exclusion statement is included in the Notice.

4.3 What will happen if Resolution 1 is not approved?

The issue of the Vendor Securities by the Company is conditional upon obtaining Shareholder approval under Resolution 1.

If Resolution 1 is not passed by Shareholders at the meeting, one of the conditions of the Acquisition will not have been met and it is likely that the Company will be unable to acquire Norwood.

4.4 Board's recommendation

The Board has resolved to recommend that Shareholders vote in favour of Resolution 1.

5. Resolution 2 – Approval of new class of Securities - Performance Shares

The Company seeks Shareholder approval to create the Performance Shares as a new class of Shares on the terms and conditions in Schedule 1.

Resolution 2 is a special resolution. Resolution 2 is subject to the passing of each of the other Acquisition Resolutions.

Under Article 2.1 of the Constitution and subject to the Corporations Act, the Listing Rules and the Constitution, the Directors may at any time issue such number of shares either as ordinary shares or shares of a named class or classes (being either an existing class or a new class) at the issue price that the Directors determine.

Section 246C(5) of the Corporations Act provides that if a company has one class of share and seeks to issue a new class of share, such issue is taken to vary the rights attached to the shares already issued.

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Under section 246B(1) of the Corporations Act, if a company has a constitution which sets out the procedure for varying or cancelling (in the case of a company with share capital) rights attached to shares in a class of shares, those rights may be varied or cancelled only in accordance with the procedure.

In accordance with Article 11.1 of the Constitution, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied, whether or not the Company is being wound up:

- (a) with the consent in writing of the holders of three quarters of the issued shares of that class; or
- (b) authorised by a special resolution passed at a separate meeting of the holders of the shares of the class.

Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares as a new class of shares on the terms set out in Schedule 1 of this Explanatory Memorandum.

The Company will also seek approval in Resolutions 1 and 3 from Shareholders to issue Performance Shares to the Vendors (including the Ostergaard Parties).

The Company has requested the ASX to consider whether the terms are appropriate and equitable for the purposes of Listing Rule 6.1. Accordingly the terms of the Performance Shares remain subject to approval by the ASX.

6. Resolution 3 – Approval of issue of Ostergaard Securities to the Ostergaard Shareholders

6.1 General

Resolution 3 seeks Shareholder approval under item 7 of section 611 of the Corporations Act to issue securities exceeding 20% of the Company's fully diluted share capital to the Ostergaard Shareholders.

Resolution 3 seeks Shareholder approval to issue of up to:

- (a) 193,958,857 Shares, 41,562,613 Norwood Class A Performance Shares (and 41,562,613 Shares on conversion of the Norwood Class A Performance Shares) and 41,562,613 Norwood Class B Performance Shares (and 41,562,613 Shares on conversion of the Norwood Class B Performance Shares) to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust and Ocean Broadband as part of the consideration for the Acquisition; and
- (b) 5,000,000 Shares each at an issue price of \$0.02 to Chillcast pursuant to the Capital Raising.

A company is not required to obtain Shareholder approval under Listing Rule 7.1 where Shareholder approval is granted under item 7 of section 611 of the Corporations Act. Notwithstanding this, Resolution 1 seeks Shareholder approval under Listing Rule 7.1 to issue the total Vendor Securities to the Vendors, which includes the Shares and Performance Shares

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proposed to be issued to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust and Ocean Broadband as part of the consideration for the Acquisition for which Shareholder approval is being sought pursuant to this Resolution, even though this issue is exempt from Shareholder approval under Listing Rule 7.1.

Resolution 3 is an ordinary resolution. Resolution 3 is subject to the approval of each of the other Acquisition Resolutions.

6.2 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

The information that Shareholders require under item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74 is as follows:

(a) **The identity of the parties to be issued the Ostergaard Securities and their associates and any person who will have a relevant interest in the Ostergaard Securities to be issued**

It is proposed that the Ostergaard Securities will be issued to the Ostergaard Shareholders. The Ostergaard Shareholders comprise Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust, Ocean Broadband and Chillcast.

The Ostergaard Family Trust is a discretionary trust for the benefit of the family members of Mr Paul Ostergaard. The trustees are Mr Paul Ostergaard and Mrs Fiona Meiklejohn.

Ocean Broadband and Chillcast are companies incorporated in Western Australia, Australia.

Refer to Section 3.8(b) for further information on the Ostergaard Shareholders and the proposed issue of the Ostergaard Securities.

Mr Paul Ostergaard, as trustee of the Ostergaard Family Trust, will be a joint holder of the Ostergaard Securities to be issued to the Ostergaard Family Trust and he holds an interest exceeding 20% of Ocean Broadband and Chillcast. Accordingly, Mr Paul Ostergaard will have a relevant interest in the Ostergaard Securities to be issued to all of the Ostergaard Shareholders.

Mrs Fiona Meiklejohn, as trustee of the Ostergaard Family Trust, will be a joint holder of the Ostergaard Securities to be issued to the Ostergaard Family Trust. Accordingly, Mrs Fiona Meiklejohn will have a relevant interest in the Ostergaard Securities to be issued to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust.

(b) **Full particulars (including the number and percentage) of Shares in the Company which the Ostergaard Shareholders will hold immediately before and after the Acquisition and in which the Ostergaard Shareholders and Ostergaard Parties will have a relevant interest**

None of the Ostergaard Parties or the Ostergaard Shareholders hold any Shares in the Company prior to completion of the Acquisition.

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Refer to the tables in Section 3.8(b) for full particulars (including the number and percentage) of Shares which the Ostergaard Shareholders have or will hold immediately before and after completion of the Acquisition and the Capital Raising and after conversion of the Performance Shares (assuming all of the Performance Shares are converted into Shares) and in which the Ostergaard Shareholders and the Ostergaard Parties have, or will have a relevant interest in.

- (c) **The identity, associations (with the Company, the Ostergaard Parties, the Ostergaard Shareholders or any of their associates) and qualifications of any person who is intended to become a director if Shareholders agree to the Acquisition and any interest that the proposed directors have in the Acquisition or any contract referred to in Section 6.2(e)**

Norwood has nominated Mr Paul Ostergaard and Mr Amit Pau be appointed to the Board of the Company if Shareholders agree to the Acquisition. Shareholder approval for these appointments is being sought pursuant to Resolutions 8 and 9. Refer to the relevant sections in the explanatory memorandum for more information on the qualifications of each of these nominees.

Mr Amit Pau has no association with the Company, the Ostergaard Shareholders, the Ostergaard Parties or any of their associates and do not have any interest in the Acquisition or any contract referred to in Section 6.2(e) below.

- (d) **The Ostergaard Parties intentions regarding the future of the Company if Shareholders agree to the Acquisition and the issue of Shares and Performance Shares to the Ostergaard Shareholders as part of the consideration for the Acquisition and pursuant to the Capital Raising**

The Ostergaard Parties will have a relevant interest in Shares in the Company following Completion of the Acquisition and:

- (i) other than set out in Section 3, there is no intention to change the business of the Company;
 - (ii) there is no intention to inject further capital into the Company (other than as disclosed in this Notice);
 - (iii) there is no intention to change the future employment of the present employees of the Company other than the intended changes to management of the Company set out in Section 3.5;
 - (iv) there is no proposal whereby any property will be transferred between the Company and the Ostergaard Parties, or Ostergaard Shareholders or any parties associated with the Ostergaard Parties or Ostergaard Shareholders; and
 - (v) there is no intention to otherwise redeploy any of the fixed assets of the Company.
- (e) **Particulars of any contract or proposed contract between the Ostergaard Parties or Ostergaard Shareholder and the Company or Norwood or any of their associates which is conditional upon, or directly or indirectly dependent on, Shareholders' agreement to the issue of the Ostergaard Securities to the Ostergaard Shareholders as part of the consideration for the Acquisition and pursuant to the Capital Raising**

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Other than the Term Sheet, the formal sale and purchase agreements and a proposed executive service agreement for Managing Director services with Mr Paul Ostergaard as disclosed at Section 3.6, there are no contracts or proposed contracts between the Ostergaard Parties or the Ostergaard Shareholders and the Company or Norwood or any of their associates which are conditional upon, or directly or indirectly dependent on, Shareholder agreement to the issue of the Ostergaard Securities to the Ostergaard Parties as part of the consideration for the Acquisition and pursuant to the Capital Raising.

(f) **When the issue of the Ostergaard Securities to the Ostergaard Shareholders as part of the consideration for the Acquisition and pursuant to the Capital Raising is to be made**

The Shares and Performance Shares to be issued as part of the consideration under the Acquisition will be issued to the Ostergaard Shareholders on Completion of the Acquisition. Completion is expected to occur shortly after approval of the Acquisition by Shareholders.

The Shares to be issued pursuant to the Capital Raising will be issued upon completion of the Capital Raising which is expected to occur on or around the same day as completion of the Acquisition.

An indicative timetable for the transactions is set out in Section 3.12.

(g) **An explanation of the reasons for the proposed issue of Shares and Performance Shares to the Ostergaard Shareholders and the material terms**

A portion of the Ostergaard Securities, including all of the Performance Shares, will be issued to Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust and Ocean Broadband on completion of the Acquisition as part of the consideration for the Acquisition.

The remaining Ostergaard Securities will be issued to Chillcast pursuant to the Capital Raising.

See Section 3 for a detailed explanation of the material terms of the Acquisition and the effect of the Acquisition on the Company.

(h) **The interests of the Directors in Resolution 3 or the contracts referred to in Section 6.2(e) above.**

None of the Directors have an interest in Resolution 3 or the contracts referred to in Section 6.2(e) above.

(i) **Identity of the Directors who approved or voted against the proposal to put Resolution 3 to Shareholders**

All of the Directors voted in favour of the proposal to put the Acquisition and Chillcast's participation in the Capital Raising to the approval of Shareholders.

(j) **Any intention of the Ostergaard Shareholders and the Ostergaard Parties to change significantly the financial or dividend policies of the Company**

The Ostergaard Shareholder and the Ostergaard Parties do not intend to change significantly the financial or dividend policies of the Company at this time.

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- (k) **Recommendation or otherwise of each Director as to whether Shareholders should agree to the proposed issue and the reasons for the recommendation or otherwise**

See Section 6.3 in respect to the Directors Recommendation.

- (l) **An analysis of whether the proposed issue of Shares and Performance Shares to the Ostergaard Shareholders as part of the consideration for the Acquisition and pursuant to the Capital Raising is fair and reasonable when considered in the context of the interests of the Shareholders other than the Ostergaard Shareholders and the Ostergaard Parties**

Refer to Section 3.13.

6.3 Directors' Recommendation

Based on the information available, including:

- (a) the information contained in this Explanatory Memorandum; and
(b) the Independent Expert's Report in Annexure A,

the Directors consider that Resolution 3 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 3.

Each of the Directors voted for the proposal to be put to Shareholders.

Each of the Directors who holds Shares in the Company (or whose associated entities hold Shares) and is entitled to vote will vote their Shares in favour of the Acquisition and the Ostergaard Parties participation in the Capital Raising.

Other than as set out below, the Directors do not have any material personal interest in the outcome of Resolution 3 other than their interests arising solely in their capacity as Shareholders of the Company.

7. Resolution 4 – Approval of change in nature and scale of activities

7.1 General

Resolution 4 seeks Shareholder approval under Listing Rule 11.1.2 for the significant change in the nature and scale of the Company's activities resulting from the Acquisition.

Resolution 4 is an ordinary resolution. Resolution 4 is subject to the approval of each of the other Acquisition Resolutions.

7.2 Listing Rule 11.1 Requirements

Chapter 11 of the Listing Rules requires Shareholders to approve any significant change in the nature or scale of a company's activities. The acquisition of Norwood by the Company will have the effect of increasing the scale and changing the nature of the Company's activities.

Resolution 4 seeks Shareholder approval to allow the Company to complete the Acquisition thereby increasing the scale and changing the nature of its activities. The Company previously operated in the mineral exploration sector. As previously announced, the Company has

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continued to review potential acquisitions and business opportunities in other business sectors. Therefore the proposed Acquisition will change the scale and nature of the Company's activities. Accordingly the Company must:

- (a) under Listing Rule 11.1.1, notify ASX of the proposed change;
- (b) under Listing Rule 11.1.2, obtain shareholder approval to undertake the change; and
- (c) under Listing Rule 11.1.3, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company was applying for admission to the official list of ASX, if required by ASX. The ASX has confirmed that the Company will need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. The Company proposes to undertake the Capital Raising pursuant to Resolution 6 to meet the requirements of re-compliance.

See Section 3 of this Explanatory Statement for further information on the Acquisition and the likely affect that the Acquisition will have on the Company.

A voting exclusion statement is included in the Notice.

7.3 Waiver of 20 cent rule as part of re-compliance

As set out in Section 7.2, the proposed Acquisition will require the Company to meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company were applying for admission to the official list of ASX. These requirements include:

- (a) that the main class of a company's securities for which a company seeks quotation must have an issue price of at least 20 cents in cash (pursuant to Listing Rule 2.1 Condition 2); and
- (b) that the exercise price for any options on issue must be at least 20 cents in cash (pursuant to Listing Rule 1.1 Condition 11).

The Capital Raising is proposed to be completed at an issue price of 2 cents per Share, which is less than the 20 cent issue price required by Listing Rule 2.1 Condition 2.

In addition, following completion of the Acquisition, the Company will have Options on issue with an exercise price of \$0.02, which is less than the 20 cent exercise price required by Listing Rule 1.1 Condition 11.

On 1 September 2014, ASX released a policy update indicating that ASX will consider a request for the 20 cent rule (Listing Rule 2.1 Condition 2) not to apply to a company, where subject to the satisfaction of certain other requirements, that company's securities have been trading on ASX at a price less than 20 cents and where not applying the 20 cent rule may otherwise be in the interests of a company and its shareholders.

The Company has applied to ASX for a waiver of ASX Listing Rule 2.1 Condition 2 together with a waiver from ASX Listing Rule 1.1 Condition 11 to allow the Company to issue the Shares pursuant to the Capital Raising Shares at 2 cents per Share, and to have Options on issue with an exercise price less than 20 cents. Completion of the Acquisition (including the Company meeting the re-compliance requirements pursuant to Chapters 1 and 2 of the Listing Rules) will be conditional on these waivers being granted. The Company will make an announcement once the result of ASX's decision on the waivers is notified to the Company.

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8. Resolution 5 – Approval to issue Norwood Acquisition Options

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 43,593,213 Norwood Acquisition Options to past and present advisors and employees of Norwood pursuant to the Term Sheet.

The Norwood Acquisition Options will each be exercisable at \$0.02 (being the price at which the Capital Raising is being undertaken), with an expiry date three years from the date of issue.

Resolution 5 is an ordinary resolution and is subject to the approval of each of the other Acquisition Resolutions.

8.1 Specific information required by Listing Rule 7.3

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

- (a) The maximum number of Norwood Acquisition Options to be issued under Resolution 5 is 43,593,213.
- (b) The Company will issue the Norwood Acquisition Options no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Norwood Acquisition Options will be issued for nil cash consideration. Accordingly no funds will be raised from the issue of the Norwood Acquisition Options.
- (d) The Norwood Acquisition Options will be issued to past and present advisors of Norwood in accordance with the Term Sheet. None of the recipients are related parties of the Company other than by reason of the Acquisition.
- (e) The Norwood Acquisition Options will each be exercisable at \$0.02 on or before the date that is three years from the date of grant and otherwise have the terms and conditions as set out in Schedule 3.
- (f) The grant of the Norwood Acquisition Options may occur progressively, subject to paragraph (b) above.
- (g) A voting exclusion statement is included in the Notice.

9. Resolution 6 – Authority to issue Capital Raising Shares

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 275,000,000 Shares each at an issue price of \$0.02 to raise up to approximately \$5,500,000 (before costs of the offer).

The Company intends to undertake the Capital Raising to the general public pursuant to a prospectus issued in accordance with the Corporations Act. As set out in Section 3.3 the Company will seek to raise a minimum of \$4,000,000 and up to \$5,500,000. The funds raised from the Capital Raising will be applied in furthering the Norwood business as described at Section 3.4, to pay the costs of the Acquisition and the Capital Raising as well as to provide general working capital. The proposed use of funds is set out in Section 3.4.

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A summary of Listing Rule 7.1 is provided in Section 4.1.

Resolution 6 is an ordinary resolution and is subject to the approval of each of the other Acquisition Resolutions.

9.1 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) The maximum number of Shares the Company may issue under the Capital Raising is 275,000,000 Shares.
- (b) The Company will issue the Capital Raising Shares no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Capital Raising Shares will be issued at an issue price of \$0.02 each.
- (d) The Capital Raising Shares will be issued to the general public which will exclude related parties of the Company (other than as approved under Resolutions 10, 11, 12 and 13).
- (e) The Capital Raising Shares issued will be fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The funds raised from the Capital Raising will be applied in furthering the Norwood business as described in Section 3.4, pay the costs of the Acquisition and the Capital Raising, as well as to provide general working capital.
- (g) The issue of the Capital Raising Shares may occur progressively, subject to paragraph (b) above.
- (h) A voting exclusion statement is included in the Notice.

10. Resolution 7 – Change of Company Name

As part of the Acquisition, the Directors have determined to change the Company name to Norwood Systems Limited. Resolution 6 seeks Shareholder approval for the change of name in accordance with section 157 of the Corporations Act.

Resolution 7 is a special resolution. Resolution 7 is subject to the approval of each of the other Acquisition Resolutions.

If the proposed change of name is available, that change of name will take effect from when ASIC alters the details of the Company's registration.

11. Resolutions 8 and 9 – Appointment of Directors

11.1 Background

Under the Term Sheet the Company will appoint three nominees of Norwood to the Board of the Company. Norwood has nominated Messrs Paul Ostergaard and Amit Pau as two of its nominees

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to be appointed as Directors of the Company and it is considering a third nominee to nominate as an independent chairman. The remaining Director appointment is expected to be finalised after the Capital Raising is closed and details will be provided to Shareholders.

Article 19.3 of the Constitution provides that the Company in general meeting may by ordinary resolution appoint any person as a Director.

Each of Messrs Paul Ostergaard and Amit Pau, having consented to act, seek approval to be appointed as Directors with effect from Completion of the Acquisition.

11.2 Candidate Director's Profile – Mr Paul Ostergaard (Resolution 8)

Mr Ostergaard founded Norwood in 2011 with the vision to create the world's best private cloud communications platform servicing enterprises' increasingly mobile international workforces. Mr Ostergaard is responsible for implementing Norwood's overall strategic direction, planning and day-to-day running of the business.

Mr Ostergaard has a 25-year track record of success and innovation in the high-technology sector, having worked in senior executive roles in start-ups and large corporations across the North American, European and Asia-Pacific regions. Prior to Norwood, Mr Ostergaard founded several companies in the wireless communications sector including the original Norwood Ltd, the award-winning technology pioneer in fixed mobile convergence platforms, founded in 1999.

Previously, Mr Ostergaard headed the global platform marketing strategy for a \$1 billion systems platform at 3Com Corporation, leading the platform's brand and core technology development across seven divisions and 37 product lines. During his tenure at 3Com, worldwide market share for this platform increased to an all-time peak of 35% with sales increasing at an average of 50% p.a. to reach \$1.2 billion in annual revenues.

Mr Ostergaard holds a Bachelor of Electronic Engineering from the University of Western Australia and an MBA from INSEAD.

11.3 Candidate Director's Profile – Mr Amit Pau (Resolution 9)

Mr Pau has over 20 years of experience in the technology, media and telecommunications industries. Mr Pau has held previous corporate positions at Vodafone and as Managing Director for International Accounts and Business Markets where he was instrumental in creating strategic OEM partnerships with Dell, IBM and HP.

Additionally Mr Pau led the Divisional Units of AT&T and GTS where he launched their e-commerce products which achieved significant scale.

Mr Pau has served on a number of listed and private boards such as Vodafone Spain, Radamec Plc, IOS Plc and Goldnet and has previously been involved in a number of IPO's and trade sales in a Director capacity.

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12. Resolutions 10, 11, 12 and 13 – Authority for Director and Related Party Participation in the Capital Raising

12.1 Background

It is proposed that Mr Michael Edwards and Mr Sandy Barblett (current Directors) and Mr John Hannaford (previous director in the last six months) and/or their nominees and Chillcast (a company controlled by proposed director, Mr Paul Ostergaard) (together the **Related Parties**), participate in the Capital Raising. Further details of the Capital Raising are set out in Section 3. Mr Edwards, Mr Barblett, Mr Hannaford and Chillcast wish to obtain Shareholder approval to subscribe for up to 2,500,000, 1,500,000, 10,000,000 and 5,000,000 Shares respectively (together the **Related Party Capital Raising Shares**).

The Related Parties have offered to participate in the Capital Raising to assist the Company to raise sufficient funds to meet the Company's proposed use of funds in the table in Section 3.4.9.

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Mr Michael Edwards and Mr Sandy Barblett are related parties of the Company by virtue of being Directors, Mr John Hannaford is a related party by virtue of being a previous director in the last six months and Chillcast is a related party by virtue of being controlled by proposed director, Mr Paul Ostergaard. Therefore approval is required under Listing Rule 10.11 for the issue of the Related Party Capital Raising Shares to them.

The Company considers that the Related Parties' participation in the Capital Raising is on an arm's length basis because they are participating in the Capital Raising on the same terms as the general public and the terms of the Capital Raising, and in particular the issue price, were determined by the lead manager, Azure Capital. Notwithstanding this, the Company has decided to seek Shareholder approval for the issue of the Directors Capital Raising Shares to the Related Parties pursuant to Chapter 2E of the Corporations Act.

Resolutions 10, 11, 12 and 13 seek Shareholder approval pursuant to Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of the Related Party Capital Raising Shares to the Related Parties. If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Furthermore, Shareholder approval of the issue of the Related Party Capital Raising Shares means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolutions 10, 11, 12 and 13 are ordinary resolutions and are subject to approval of Resolution 6.

12.1 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13 and section 219 of the Corporations Act, information regarding the issue of the Related Party Capital Raising Shares is provided as follows:

- (a) The maximum number of Shares to be issued to the Related Parties (and/or their nominees) is:
 - (i) Mr Michael Edwards (and/or his nominees) – up to 2,500,000 Shares;
 - (ii) Mr John Hannaford (and/or his nominees) – up to 10,000,000 Shares;

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- (iii) Mr Sandy Barblett (and/or his nominees) – up to 1,500,000 Shares; and
 - (iv) Chillcast – up to 5,000,000 Shares.
- (b) The Related Party Capital Raising Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). The Company will apply to ASX for a waiver of Listing Rule 10.13.3 to permit it to issue the Director Capital Raising Shares no later than three months following the Meeting. There is no guarantee that ASX will grant the waiver. However, if ASX grants the waiver, the Company will advise the market accordingly. It is intended that the Related Party Capital Raising Shares will be issued on completion of the Capital Raising which will be on or about the date of completion of the Acquisition.
- (c) Mr Michael Edwards and Mr Sandy Barblett are related parties of the Company by virtue of being Directors, Mr John Hannaford is a related party by virtue of being a previous director in the last six months and Chillcast is a related party by virtue of being controlled by proposed director, Mr Paul Ostergaard.
- (d) The Related Party Capital Raising Shares will be issued at an issue price of \$0.02 each.
- (e) The Related Party Capital Raising Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The funds raised from the issue of the Related Party Capital Raising Shares will be aggregated with and used for the same purpose as the funds raised from the Capital Raising. See Section 3.4.8 for further details.
- (g) A voting exclusion statement is included in the Notice.
- (h) Each of Mr John Hannaford and Mr Sandy Barblett has an interest in the outcome of Resolutions 10 to 13 and therefore believe it inappropriate to make a recommendation. Mr Andrew Habets recommends that Shareholders vote in favour of Resolutions 10 to 13 as the Related Parties' participation in the Capital Raising will assist the Company to raise sufficient funds to meet the Company's proposed use of funds in the table in Section 3.4.9.
- (i) If all of the Related Party Capital Raising Shares are issued, it may result in a dilution of all other Shareholders' holdings in the Company by:
- (i) 2.72% based on completion of the Acquisition and Capital Raising (assuming \$4,000,000 is raised under the Capital Raising) and none of the Performance Shares convert into Shares; and
 - (ii) 2.22% based on the previous assumptions and assuming the Performance Shares proposed to be issued to the Vendors as part of the consideration for the Acquisition convert in their entirety.
- (each assuming no Options are exercised and none of the existing performance shares convert into Shares).
- (j) Shareholders have previously approved an aggregate amount of up to \$300,000 to be paid as directors fees. The Directors have resolved that each non-executive Director shall receive the amount of \$25,000 per annum as Directors' fees.

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A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Director, Mr Michael Edwards is also the Chief Executive Officer of the Company and will remain CEO until completion of the Acquisition. Mr Edwards is employed on a contract basis as Chief Executive Officer of the Company at a rate of \$1,000 (plus GST) per day or part thereof.

Amounts paid to the Directors proposing to participate in the Capital Raising and previous director, Mr John Hannaford in the period from 1 July 2014 to the 31 March 2015 are as follows:

	Salary and Fees (\$)	Other benefits (\$)	Share based Payments Options (\$)	Total (\$)
Mr Michael Edwards ⁽¹⁾	34,312 ⁽²⁾	Nil	Nil	34,312
Mr Sandy Barblett	16,667	Nil	Nil	16,667
Mr John Hannaford ⁽³⁾	13,844	Nil	Nil	13,844

(1) Mr Edwards was appointed a director on 20 January 2015.

(2) Mr Edwards received \$31,489 (ex GST) for Chief Executive Officer services and \$2,823 as non-executive director fee.

(3) Mr Hannaford resigned as a director on 20 January 2015.

Other than as set out in this Notice, the Directors proposing to participate in the Capital Raising do not receive any other emoluments except as incurred in the normal operation of the business.

Chillcast is a related party by virtue of being controlled by proposed director, Mr Paul Ostergaard. Upon completion of the Acquisition, Mr Ostergaard will be appointed as the Managing Director of the Company and will receive a salary of \$175,000 per annum. Refer to Section 3.6 for further information about the terms of Mr Ostergaard's appointment.

(k) The current relevant interests of the Related Parties in security holdings in the Company are as follows:

	Shares	Options
Mr Michael Edwards	3,572,976	Nil
Mr Sandy Barblett	180,000	1,000,000 ⁽¹⁾

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Mr John Hannaford	16,560,830	2,250,000 ⁽²⁾
Chillcast	Nil	Nil

- (1) 1,000,000 Options, each exercisable at \$0.25 on or before 30 November 2016
- (2) 4,250,000 Options total, comprising:-
 - 2,250,000 Options, each exercisable at \$0.25 on or before 30 November 2016; and
 - 2,000,000 Options, held by Ventnor Capital Pty Ltd, a company of which Mr Hannaford is a director and shareholder, each exercisable at \$0.25 on or before 30 November 2015.

Other than as disclosed in this Section 7.2, none of the Related Parties currently have any other security holding in the Company.

- (l) The value of the financial benefit proposed to be provided to the Related Parties through the issue of the Related Party Capital Raising Shares may be calculated as the difference between the issue price of the Related Party Capital Raising Shares to that Related Party and the market value of the Related Party Capital Raising Shares to be issued (based on the quoted prices of the Related Party Capital Raising Shares).

The issue price of the Related Party Capital Raising Shares is \$0.02. The market value of the maximum total Related Party Capital Raising Shares at 8 December 2014 (closing sale price on the last trading day prior to the announcement of the Capital Raising, being \$0.015) was \$285,000, representing an indicative total net financial loss of \$95,000 for the maximum total Related Party Capital Raising Shares. The market value of the Related Party Capital Raising Shares at 30 March 2015 (the last trading day prior to the issue of this Notice) was \$0.031, representing an indicative net financial benefit of \$209,000 for the maximum total Related Party Capital Raising Shares. The net financial benefit to each of the Related Parties is as follows:

	Issue Price of the shares	Net financial benefit/(loss) (based on the value of the Shares at 8 December 2014)	Net financial benefit (based on the value of the Shares at 30 March 2015)
Mr Michael Edwards	\$0.02	(\$12,500)	27,500
Mr Sandy Barblett	\$0.02	(\$7,500)	16,500
Mr John Hannaford	\$0.02	(\$50,000)	110,000
Chillcast	\$0.02	(\$25,000)	55,000

The net financial benefit may go up or down depending upon the future market value of the Related Party Capital Raising Shares.

- (m) Historical share price information for the 12 months prior to the date of this Notice is as follows:

	Price	Date
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Highest	\$0.039	27 March 2015
Lowest	\$0.005	6 June 2014
Last	\$0.031	30 March 2015

- (n) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 10 to 13.

13. Resolution 14 – Approval to issue Capital Raising Advisory Options

Resolution 14 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 15,000,000 Capital Raising Advisory Options to an adviser of the Company as consideration for advisory and professional services provided in connection with the Norwood Acquisition.

Resolution 14 is an ordinary resolution.

13.1 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 14:

- (a) The maximum number of Capital Raising Advisory Options to be issued under Resolution 14 is 15,000,000.
- (b) The Company will issue the Capital Raising Advisory Options no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Capital Raising Advisory Options will be issued for nil cash consideration as part of the fee for advisory and professional services provided in connection with the Norwood Acquisition. Accordingly no funds will be raised from the issue of the Capital Raising Advisory Options.
- (d) The Capital Raising Advisory Options will be issued to an adviser of the Company, Gold Resources Ltd, who is not a related party of the Company.
- (e) The Capital Raising Advisory Options will each be exercisable at \$0.02 on or before the date that is three years from the date of grant and otherwise have the terms and conditions as set out in Schedule 4.
- (f) The grant of the Capital Raising Advisory Options may occur progressively, subject to paragraph (b) above.
- (g) A voting exclusion statement is included in the Notice.

14. Definitions

\$ means Australian Dollars.

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Acquisition means the acquisition of Norwood by the Company as contemplated by the Term Sheet.

Acquisition Resolutions means Resolutions 1 - 9.

AirBnB means the website and mobile phone application that connects travellers and accommodation providers, based in San Francisco, California.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Business to Business to Consumer (B2B2C) is an emerging e-commerce model that combines 'business to business' (B2B) collaboration and 'business to consumer' (B2C) collaboration for a complete product or service transaction. B2B2C is a collaboration process that, in theory, creates mutually beneficial service and product delivery channels

Capital Raising has the meaning in Resolution 6.

Capital Raising Advisory Option means an Option exercisable at \$0.02 on or before the date that is three years from the date of grant and otherwise with the terms and conditions in Schedule 4.

Capital Raising Shares has the meaning in Resolution 6.

Chairman means the chairman of this Meeting.

Chillcast means Chillcast Pty Ltd ACN 008 798 534.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Completion means the completion of the Acquisition.

Constitution means the current constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Enterprise means a customer with more than 500 employees.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Independent Expert's Report means the independent expert's report prepared by Stantons in Annexure of this Notice.

Listing Rules means the listing rules of ASX.

Lyft means the mobile-phone application which facilitates peer-to-peer ridesharing by connecting passengers who need a ride to drivers who have a car, developed by a privately held, San Francisco-based American transportation network company.

Meeting has the meaning in the introductory paragraph of the Notice.

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Milestones means the milestones to be achieved in order for each class of the Performance Shares to convert into Shares, as set out in Item 1 of the terms and conditions of the Performance Shares set out in Schedule 1.

Notice means this notice of meeting.

Norwood means Norwood Systems Pty Ltd (ACN 149 094 039)

Norwood Acquisition Option means an Option exercisable at \$0.02 on or before the date that is three years from the date of grant and otherwise with the terms and conditions in Schedule 3.

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

Ocean Broadband means Ocean Broadband Ltd ACN 110 380 820.

Options means an option to acquire a Share.

Ostergaard Parties means Mr Paul Ostergaard and Mrs Fiona Meiklejohn.

Ostergaard Shareholders means Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust, Ocean Broadband and Chillcast.

Performance Share means a performance share convertible into a Share upon achievement of the relevant milestone, issued on the terms and conditions set out in Schedule 1, and each of **Norwood Class A Performance Share** and **Norwood Class B Performance Share** have a corresponding meaning in relation to the relevant milestone applicable to each class.

Prospectus has the meaning in Section 9.

Prosumers is an industry term, referring to well-informed, discriminating professional customers.

Proxy Form means the proxy form attached to the Notice.

Related Party Capital Raising Shares has the meaning in 12.1

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Term Sheet means the binding term sheet between the Company, Mr Paul Ostergaard and Mrs Fiona Meiklejohn as trustees of the Ostergaard Family Trust and Norwood.

Uber means the mobile application based transportation network and taxi company headquartered in San Francisco, California.

Vendors means the shareholders and convertible noteholders of Norwood.

Vendor Securities has the meaning in Resolution 1.

MONTERAY MINING GROUP LIMITED
ACN 062 959 540

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WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

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Schedule 1 – Terms and Conditions of Performance Shares

For the purpose of these terms and conditions:

ASX means ASX Limited ACN 008 624 691 or, as the context permits, the securities exchange operated by that entity.

Change of Control Event means:

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the Company that:
 - (i) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement.

Company means Monteray Mining Group Pty Ltd ACN 062 959 540.

Completion means completion of the sale and purchase of all of the issued capital in Norwood pursuant to the share sale agreement between the Company, Norwood, Mr Paul Ostergaard and the Ostergaard Family Trust and the sale agreements between the Company and each of the other shareholders of Norwood other than the Ostergaard Family Trust.

Expiry Date means the A Expiry Date and the B Expiry Date (as relevant).

Holder means a holder of a Performance Share.

Listing Rules means the Listing Rules of the ASX.

Norwood means Norwood Systems Pty Ltd ACN 149 094 039.

Performance Shares means a Norwood Class A Performance Share and/or a Norwood Class B Performance Share (as applicable).

Share means a fully paid ordinary share in the Company.

The Performance Shares will be subject to the standard terms and conditions applied to performance shares by the ASX.

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1. **Conversion and expiry of Norwood Class A Performance Shares and Norwood Class B Performance Shares**

- (a) **(Conversion on achievement of A Milestone)** Upon Norwood generating gross revenue of at least \$200,000 from two separate third party contracts in any 12 month period (which may be the same 12 month period or different 12 month periods for each contract) **(A Milestone)**, each Norwood Class A Performance Share will convert into a Share on a one for one basis.
- (b) **(A Expiry)** The A Milestone must be achieved on or before 5.00pm (WST) on the date which is 30 months after the date of Completion **(Expiry Date)**.
- (c) **(Conversion on achievement of B Milestone)** Upon Norwood generating gross revenue for any 12 month consecutive period of at least \$3,000,000 **(B Milestone)**, each Norwood Class B Performance Share will convert into a Share on a one for one basis.
- (d) **(B Expiry)** The B Milestone must be achieved on or before 5.00pm (WST) on the date which is 36 months after the date of Completion **(Expiry Date)**.
- (e) **(No conversion)** To the extent that:
 - (i) Norwood Class A Performance Shares have not converted into Shares on or before the A Expiry Date, then all such unconverted Norwood Class A Performance Shares held by each holder will automatically consolidate into one Norwood Class A Performance Share and will then convert into one Share; and
 - (ii) Norwood Class B Performance Shares have not converted into Shares on or before the B Expiry Date, then all such unconverted Norwood Class B Performance Shares held by each holder will automatically consolidate into one Norwood Class B Performance Share and will then convert into one Share.
- (f) **(Conversion procedure)** The Company will issue a Holder with a new holding statement for the Share or Shares as soon as practicable following the conversion of each Performance Share.
- (g) **(Ranking of shares)** Each Share into which the Performance Share will convert will upon issue:
 - (i) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;
 - (ii) be issued credited as fully paid;
 - (iii) be duly authorised and issued by all necessary corporate action; and
 - (iv) be issued free from all liens, charges and encumbrances whether known about or not including statutory and other pre-emptive rights and any transfer restrictions.

2. **Conversion on change of control**

- (a) If there is a Change of Control Event in relation to the Company prior to the conversion of the Performance Shares, then:

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

- (i) the A Milestone and the B Milestone will be deemed to have been achieved; and
- (ii) each Performance Share will automatically and immediately convert into Shares,

however, if the number of Shares to be issued as a result of the conversion of all Norwood Class A Performance Shares, together with the number of Shares to be issued as a result of the conversion of all Norwood Class B Performance Shares, due to a Change in Control Event in relation to the Company is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of Norwood Class A Performance Shares and Norwood Class B Performance Shares to be converted will be prorated so that the aggregate number of Shares issued upon conversion of the Norwood Class A Performance Shares and all Norwood Class B Performance Shares is equal to 10% of the entire fully diluted share capital of the Company.

3. Rights attaching to Performance Shares

- (a) **(Share capital)** Each Performance Share is a share in the capital of the Company.
- (b) **(General meetings)** Each Performance Share confers on a Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. A Holder has the right to attend general meetings of shareholders of the Company.
- (c) **(No Voting rights)** A Performance Share does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (d) **(No dividend rights)** A Performance Share does not entitle a Holder to any dividends.
- (e) **(Rights on winding up)** Each Performance Share entitles a Holder to participate in the surplus profits or assets of the Company upon winding up of the Company, but only to the extent of \$0.0001 per Performance Share.
- (f) **(Not transferable)** A Performance Share is not transferable.
- (g) **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a Holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
- (h) **(Quotation of shares on conversion)** An application will be made by the Company to ASX Limited for official quotation of the Shares issued upon the conversion of each Performance Share within the time period required by the Listing Rules.
- (i) **(Participation in entitlements and bonus issues)** A Performance Share does not entitle a Holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (j) **(No other rights)** A Performance Share does not give a Holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

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Schedule 2 – Risk Factors of the Acquisition

The Acquisition is not risk free. Before deciding whether to approve the Acquisition, Shareholders should read the entire Notice and Explanatory Memorandum and consider at least the risk factors set out below in light of their personal circumstances and investment objectives (including financial and taxation issues).

1.1 Risks specific to Norwood's business

Following are certain risks specific to Norwood's business:

(a) Reinstatement to the Official List of ASX

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. The Company's Shares may be suspended after the General Meeting scheduled to be held on 10am at 4 May 2015 at CWA House 1176, West Perth WA 6005. It is anticipated that the Company's Shares will remain suspended until completion of the Acquisition and Offer, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently remain suspended from quotation.

In the event that the conditions of the Prospectus offer are not satisfied or the Company does not receive conditional approval for re-quotation on ASX, the Company will not proceed with the issue of the Shares under the Offer and the Acquisition may not proceed.

(b) Limited trading history

Norwood is essentially a start-up company with limited trading history. Norwood has to date principally developed its product as well as seeking patent protection. However Norwood is now in the commercialisation phase of the business cycle and as such carries the normal risks of a start-up business. Given the limited trading history of Norwood, no assurance can be given that Norwood will achieve commercial viability through the implementation of its business plan. Whilst Norwood is now in a position to earn revenue through customers paying to use its CORONA™ & EUROPA™ services, there is no certainty around the number of customers (if any) that will use the services. Accordingly Norwood is not in a position to give any guidance around likely revenue or profitability.

(c) Uncertainty of future profitability

Norwood is in the commercialisation stage for its CORONA™ and EUROPA™ services. To date, it has funded its activities principally through issuing securities and other capital raising activities.

Whilst Norwood is in discussions with a number of potential customers, there is no guarantee these discussions will lead to commercial sales. Furthermore its profitability will be impacted by its ability to successfully deliver a high level of service to any future potential customers, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability are uncertain. Moreover, the level of such profitability cannot be predicted.

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(d) Regulation of the Global Voice Roaming Market

Norwood's short term objective is to develop and supply high-quality, low-cost global voice roaming solutions to travellers to exploit the business opportunity that exists as a result of the gross overcharging on roaming by the incumbent telecommunications providers. There is a risk that governments and/or regulatory bodies may seek to increase the regulation of the global voice roaming market or force structural changes to drive down the rates charged by pushing for bilateral agreements between countries and/or carriers.

Recent examples of changes in regulation include the proposed bilateral agreement between Australia and New Zealand pursuant to the Telecommunications Legislation Amendment (International Mobile Roaming) Bill 2014 and also the changes within the European Union (EU) where it was agreed to abolish mobile roaming charges within the EU by 2015. Any increased regulation that reduced global voice roaming charges may adversely impact the profitability of the Company by reducing the attractiveness of the Company's service offerings.

(e) New product development and technology risk

Moving forward the Company will be reliant upon certain technologies and upon the successful commercialisation of these technologies. There is a risk that as marketable technologies continue to develop in the communications industry there may be certain product developments that supersede, and render obsolete, the products and services of the Company. This would adversely affect the profitability of the Company and likely value of the Shares.

(f) Dependence on third party servers and products

Part of the business model of the Company will be reliant upon leased third party servers and the performance of those servers. If servers upon which the technology of the Company depends do not operate as expected then the services that the Company provides may be adversely affected.

The majority of the products of the Company require the use of a smart phone or other similar device and as such the business model of the Company will be dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they are currently or that they will not be replaced by alternative devices upon which the Company's technology will not function as described in this notice of meeting.

(g) Security breaches and hacker attacks

Norwood is reliant upon leased third party servers and the performance of those servers, and its CORONA™ and EUROPA™ service platforms rely on integration with certain capabilities of wholesale telecommunications service providers using publicly available application programming interfaces (APIs).

Those servers and APIs may be subject to cyber-attacks by hackers, which could render those servers or APIs unavailable through a disrupted denial of service or other disruptive attacks. Unavailability of those servers or APIs could lead to a loss of revenues for the Company. Further, it could hinder the Company's ability to retain existing customers and attract new customers, particularly if Norwood's products were perceived to be less secure or reliable than its competitors, which would have a material adverse impact on the Company's growth.

(h) Competition

There is significant competition in the telecommunications industry generally. There is no assurance that the Company will succeed in the strategy of developing and supplying high-quality,

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low-cost global voice roaming solutions. Competitors' products may render CORONA™, EUROPA™ or other related global roaming products developed by the Company obsolete and/or otherwise uncompetitive.

Existing competitors to Norwood's current suite of service offerings include callback services, calling cards, pre-paid mobile cards, VOIP and APP services, local SIM Cards and VPN services.

These competitors have various other advantages over Norwood, including:

- greater market presence, name recognition and brand reputation;
- a larger installed base of telecommunications and networking systems with enterprise customers;
- larger and more geographically distributed services and support organizations and capabilities;
- a broader offering of telecommunications and networking products, applications and services;
- a more established international presence to address the needs of global enterprises;
- substantially larger patent and intellectual property portfolios;
- longer operating histories;
- a longer history of implementing large-scale telecommunications or networking systems;
- more established relationships with industry participants, customers, suppliers, distributors and other technology companies; and
- the ability to acquire technologies or consolidate with other companies in the industry to compete more effectively.

The Company may be unable to compete successfully against these or future competitors where aggressive policies are employed to capture market share and the quality of the service offered is comparable. Furthermore advancements in ancillary services such as an increased availability of Wi-Fi may also impact Norwood by increasing the quality of, and/or customer access to, Norwood's competitors.

If the Company is successful in developing global roaming products, which may never occur, such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Company's potential future business, operating results and financial position.

(i) Development and commercialisation of CORONA™ & EUROPA™

Norwood's business model is reliant on its ability to develop and commercialise its CORONA™ and EUROPA™ services. A failure to develop and commercialise its CORONA™ and EUROPA™ services successfully would lead to a loss of opportunities and adversely impact on the operating results and financial position of Norwood. Furthermore, any third party developing superior technology or with greater commercial appeal in the fields in which Norwood operates may harm the future prospects of Norwood.

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(j) Norwood's sales cycle can be lengthy and unpredictable, which makes it difficult to forecast the amount of its sales and operating expenses in any particular period

Norwood's sales cycle can be lengthy and unpredictable. Part of its strategy is to increasingly target its sales efforts on larger enterprises. Because the sales cycle for large enterprises is generally longer than for smaller enterprises, Norwood's sales cycle in the future may be very long. As a result, it may have limited ability to forecast whether or in which period a sale will occur. The success of its product sales process is subject to many factors, some of which it has little or no control over, including:

- the timing of enterprise customers' budget cycles and approval processes;
- a technical evaluation or trial by potential enterprise customers;
- Norwood's ability to introduce new products, features or functionality in a manner that suits the needs of a particular enterprise customer;
- inertia or resistance to change or adopt new products within the IT or procurement functions of potential enterprise customers;
- the announcement or introduction of competing products; and
- the strength of existing relationships between Norwood's competitors and potential enterprise customers.

Norwood may expend substantial time, effort and money educating its current and prospective enterprise customers as to the value of, and benefits delivered by, its products and services, and ultimately fail to produce a sale. If it is unsuccessful in closing sales after expending significant resources, its operating results will be adversely affected. Furthermore, if future sales for a particular period do not occur in such period, its operating results for that period could be substantially lower than anticipated and the market price of Norwood's shares could decline

(k) The gross margins on Norwood's services may decrease due to competitive pressures or otherwise, which could negatively impact Norwood's profitability

It is possible that the gross margins on Norwood's services will decrease in the future in response to competitive pricing pressures, new service introductions by Norwood or its competitors, changes in the costs of inputs or other factors. If Norwood experiences decreased gross margins and is unable to respond in a timely manner by introducing and selling new, higher-margin services successfully and continually reducing the cost of delivering such services, its gross margins may decline, which will harm its business and results of operations.

(l) Customer service risk

Norwood's business model is based on recurring revenue arising from usage. Poor customer service experiences may result if the Company loses key customer service personnel, fails to provide adequate training and resources for customer service personnel or there is a disruption to monitoring and account management systems utilised by customer service personnel. Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of the Company's products or services. If any of these occur, it may adversely impact the Company's revenues.

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(m) If Norwood is unable to a) maintain good relationship with its wholesale telecommunications service providers or b) develop and grow its relationships with additional providers, its business will suffer

Norwood's CORONA™ and EUROPA™ service platforms rely on integration with certain capabilities of wholesale telecommunications service providers using publicly available application programming interfaces (APIs). In general, Norwood relies on the fact that such providers continue to allow Norwood access to their APIs to enable these service platform integrations. To date, Norwood has not relied on long-term written contracts to govern its relationship with such wholesale providers. Instead, Norwood is subject to the standard terms and conditions for application developers who are using such APIs, which govern generally the terms of use of access to, and use of, the wholesale telecommunications service providers' platforms, and which are subject to change by these providers from time to time. Any deterioration in Norwood's relationship with any such wholesale service provider could harm its business and adversely affect its operating results.

Norwood's business may be harmed if any wholesale telecommunications service provider:

- discontinues or limits access to its APIs and/or services by Norwood;
- terminates or does not allow Norwood to renew or replace its contractual relationship;
- modifies its terms of service or other policies, including fees charged to, or other restrictions on, Norwood, other application developers, or changes how customer information is accessed by Norwood or its customers;
- establishes more favorable relationships with one or more of Norwood's competitors, or acquires one or more of Norwood's competitors and offers competing services to Norwood; or
- otherwise develops its own competitive offerings.

(n) Brand and reputation risks

The reputation and brand of Norwood and its individual products are important in attracting potential corporate customers. Any reputational damage or negative publicity around Norwood or its CORONA™ service could adversely impact on Norwood's business.

(o) New Technology risk

The CORONA™ and EUROPA™ services are new technologies, which Norwood has recently launched. As with any new technology there may be unexpected issues, which arise with the commercial roll out of the service which may affect the operation of the CORONA™ and EUROPA™ services and any future potential revenues which may be generated from the CORONA™ and EUROPA™ services. Further the adoption and success of such new technology is reliant on acceptance of such technology by relevant stakeholders including corporate organisations (as the party contracting with Norwood) and the end user of the service (the employee of a corporate organisation). If the CORONA™ or EUROPA™ systems are not accepted by such stakeholders it may have an adverse consequence on Norwood's ability to successfully achieve its business objectives regarding the CORONA™ and EUROPA™ systems with resulting effects on revenue and financial performance.

(p) Retention and recruitment of key personnel

The emergence of Norwood and development of its CORONA™ and EUROPA™ systems has been in large part due to the talent, effort, experience and leadership of its management team, including its CEO and founder Paul Ostergaard. Norwood is substantially dependent on the continued service of

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

its existing management team due to the complexity of its services and products. There is no assurance that the Company will be able to retain the services of such persons

Furthermore Norwood expects to grow its sales and marketing teams in both Australia and internationally. An inability to attract quality sales and marketing personnel may adversely impact on Norwood's growth plans and any first mover advantage.

(q) Additional requirements for capital

The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders.

(r) Patent rights

Norwood is the applicant of pending patent applications. The prospect of attaining patent protection for products and the technology such as those proposed to be used in the Norwood business is highly uncertain and involves complex and continually evolving factual and legal questions. These include legislative and judicial changes, or changes in the examination guidelines of governmental patent offices, which may negatively affect Norwood's ability to obtain patents for its products and technologies. In addition, the scope of patent applications can be significantly reduced during prosecution of the patent applications, with the result that the scope of protection in the issued patent being significantly less than the scope of protection sought by Norwood. As a result, Norwood's patent application may not proceed to an issued patent and, if issued, may not be of commercial benefit to Norwood, or may not afford Norwood adequate protection from competing products. In particular, objections have been raised in relation to Norwood's international patent application in the Mobility patent application family based on the novelty and inventive step requirements, citing an existing patent owned by a third party. If Norwood is not able to overcome these objections, there is a risk that the patent will not be awarded to it. Alternatively, in modifying the relevant claims to address the objections, there is a risk that the scope of protection in the issued patent being significantly less than the scope of protection sought by Norwood.

In addition since most patent applications remain secret for eighteen months from the time of filing, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, Norwood cannot be certain that it is the first to make the inventions covered by the pending patent applications or that its patent application for its invention was the first to be filed.

Even if Norwood succeeds in obtaining patent protection for its products, its patents could be partially or wholly invalidated following challenges by third parties.

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(s) Trade mark rights

Norwood is the applicant of pending trade mark applications. Objections have been raised by the relevant examiner in all cases to the wording of the services claimed and, in the case of the Norwood marks only, on the basis of allegedly similar trade marks on the Trade Marks register. There is a risk that these objections may not be able to be overcome, and accordingly a risk that the trade mark application may not be accepted, and subsequently registered. While this may not prevent Norwood from continuing to trade under the relevant brands, it may limit Norwood's ability to prevent a competing product from being made available by another party using the same or similar branding.

(t) Infringement of third party intellectual property rights

If a third party accuses Norwood of infringing its intellectual property rights or if a third party commences litigation against Norwood for the infringement of patent or other intellectual property rights, Norwood may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that Norwood incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against Norwood may be able to obtain injunctive or other equitable relief that could prevent Norwood from further developing discoveries or commercialising its products. In the event of a successful claim of infringement against Norwood, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent Norwood from commercialising available products and could cause it to incur substantial expenditure.

(u) Liquidity risks

Upon reinstatement of the Company's Shares to quotation on the ASX, a significant portion of the Shares on issue will be subject to escrow restrictions imposed by the Listing Rules. Investors may consider that there is an increased liquidity risk as a large portion of the issued capital may not be able to be traded freely for a period of up to 24 months. Please see Section 3.2 for further information on escrow arrangements.

1.3 General Risks

(a) Investment risk

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

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(b) Share market

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- i) general economic outlook;
- ii) interest rates and inflation rates;
- iii) currency fluctuations;
- iv) changes in investor sentiment toward particular market sectors;
- v) the demand for, and supply of, capital;
- vi) terrorism or other hostilities; and
- vii) other factors beyond the control of the Company.

(c) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

- i) general economic conditions in jurisdictions in which the Company operates;
- ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- vi) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) Legal proceedings

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Notice, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

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Schedule 3 – Terms and Conditions of Norwood Acquisition Options

- 1. Entitlement**
The Options entitle the holder to subscribe for one Share upon the exercise of each Option.
- 2. Exercise price**
The exercise price of each Option is \$0.02.
- 3. Expiry date**
The expiry date of each Option is three years from the date of grant.
- 4. Exercise period**
The Options are exercisable at any time on or prior to the Expiry Date.
- 5. Notice of exercise**
The Options may be exercised by notice in writing to the Company (Notice of Exercise) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- 6. Shares issued on exercise**
Shares issued on exercise of the Options will rank equally with the then issued Shares of the Company.
- 7. Options not quoted**
The Company will not apply to ASX for quotation of the Options.
- 8. Quotation of Shares on exercise**
Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.
- 9. Timing of issue of Shares**
After an Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

 - (a) issue the Share;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (c) do all such acts, matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option.
- 10. Participation in new issues**
There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

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11. Adjustment for bonus issues of Shares

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

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

12. Adjustment for rights issue

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

13. Adjustments for reorganisation

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

14. Options not transferable

The Options are not transferable, except with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.

15. Lodgment instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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Schedule 4 – Terms and Conditions of Capital Raising Advisory Options

- 1. Entitlement**
The Options entitle the holder to subscribe for one Share upon the exercise of each Option.
- 2. Exercise price**
The exercise price of each Option is \$0.02.
- 3. Expiry date**
The expiry date of each Option is three years from the date of grant.
- 4. Exercise period**
The Options are exercisable at any time on or prior to the Expiry Date.
- 5. Notice of exercise**
The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- 6. Shares issued on exercise**
Shares issued on exercise of the Options will rank equally with the then issued Shares of the Company.
- 7. Options not quoted**
The Company will not apply to ASX for quotation of the Options.
- 8. Quotation of Shares on exercise**
Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.
- 9. Timing of issue of Shares**
After an Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

 - (a) issue the Share;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (c) do all such acts, matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option.
- 10. Participation in new issues**
There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

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11. Adjustment for bonus issues of Shares

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

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

12. Adjustment for rights issue

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

13. Adjustments for reorganisation

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

14. Options not transferable

The Options are not transferable, except with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.

15. Lodgment instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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Schedule 5 – Pro-Forma Balance Sheet

Set out below is the audit reviewed consolidated balance sheet (statement of financial position) of the Company (Balance Sheet “A”) and Norwood as at 31 December 2014 (Balance Sheet “B”). In addition, disclosed is a pro-forma consolidated balance sheet (“Balance Sheet “C”) using reverse acquisition principles and assuming the following:

- The issue of 200,000,000 Capital Raising Shares at an issue price of 2 cents each to raise a gross \$4,000,000 and incurring Capital Raising costs estimated at \$450,000 (including commissions of \$240,000 payable to Azure Capital Limited);
- The acquisition of 100% of the shares on issue in Norwood by way of an issue of 368,058,888 Shares. The Company will also issue a total of 157,739,522 Performance Shares as part of the Acquisition but no value has been allocated to the Performance Shares due to the uncertainty of meeting the two performance milestones;
- The issue of 43,593,213 Norwood Acquisition Options to the past and present employees and advisers of Norwood for a total fair value of approximately \$435,931 and the issue of 15,000,000 Capital Raising Advisory Options at a fair cost of \$150,000 and expensed;
- The conversion of 31 December 2014 convertible notes of \$869,219 into Norwood shares;
- Accounting for prior capital issues (no cash received) of \$11 which was not previously recognised in the accounts;
- The conversion of certain creditors and related/non related party loans totalling \$332,138 into share equity; and
- The receipt of new capital and convertible notes of \$354,050 (and conversion of all convertible notes to share equity in Norwood).

	Audit reviewed Adjusted Monteray 31 December 2014 \$000 “A”	Audit reviewed Adjusted Norwood 31 December 2014 \$000 “B”	Pro-forma 31 December 2014 Monteray (including consolidation of Norwood \$000 “C”
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Current Assets

Cash assets	523	28	4,430
Trade and other receivables	13	332	345
Total Current Assets	536	360	4,775

Non Current Assets

Plant and equipment	-	2	2
Acquired exploration and evaluation asset	-	-	308
Investment in Norwood	75	-	-
Total Non Current Assets	75	2	310
Total Assets	611	362	5,085

Current Liabilities

Trade and other payables	69	650	516
Convertible notes and interest	-	908	39

MONTERAY MINING GROUP LIMITED

ACN 062 959 540

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

	Audit reviewed Adjusted Monteray 31 December 2014 \$000 "A"	Audit reviewed Adjusted Norwood 31 December 2014 \$000 "B"	Pro-forma 31 December 2014 Monteray (including consolidation of Norwood \$000 "C"
Other loans	-	406	276
Total Current Liabilities	69	1,964	831
Total Liabilities	69	1,964	831
Net Assets (Liabilities)	542	(1,602)	4,253
Equity			
Issued Capital	12,509	1,325	8,816
Reserves	2,015	-	586
Accumulated Losses	(13,982)	(2,927)	(5,149)
Total Equity (Deficiency)	542	(1,602)	4,253

MONTERAY MINING GROUP LIMITED

ACN 062 959 540

PROXY FORM

The Company Secretary
Monteray Mining Group Limited

By post:
PO Box 902
West Perth, WA 6872

Delivery:
Ground Floor,
16 Ord Street,
West Perth WA 6005

By facsimile:
08 9482 0505

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We ¹ _____ of _____

being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

The Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting to be held at 10:00am (WST) on Monday, 4 May 2015 at CWA House, 1174 Hay Street, West Perth, WA 6005, on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit, except as provided below).

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approval of issue of Vendor Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of new class of Securities - Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of Ostergaard Securities to the Ostergaard Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of change in nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue Norwood Acquisition Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue Capital Raising Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Appointment of Mr Paul Ostergaard as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Appointment of Mr Amit Pau as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Authority for Mr Michael Edwards to participate in the Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Authority for Mr John Hannaford to participate in the Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 12	Authority for Mr Sandy Barblett to participate in the Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Authority for Chillcast Pty Ltd to participate in the Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval to issue Capital Raising Advisory Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
_____	_____	_____
Contact Name	Contact Daytime Telephone	Date

¹Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

- Joint Holding: where the holding is in more than one name all of the holders should sign.
- Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
- Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (WST).

Business address: Ground Floor, 16 Ord Street, West Perth WA 6005

Postal address: PO Box 902, West Perth, WA 6872

Facsimile: 08 9482 0505