



CIRRUS NETWORKS HOLDINGS LIMITED

(ASX:CNW)

(formerly Liberty Resources Limited)

QUARTERLY ACTIVITIES REPORT

JUNE 2015

CORPORATE HIGHLIGHTS

- Shareholders approve acquisition of Cirrus Networks Pty Ltd
- Prospectus lodged and heavily oversubscribed with \$5,000,000 maximum subscription achieved
- Name of Company changed to Cirrus Networks Holdings Limited (ASX:CNW)
- Share consolidation on 1:2 basis completed
- Company receives approval to be re-admitted to ASX (re-admitted on 8 July 2015)
- New Board members appointed
- All remaining mining interests disposed of
- Company re-admitted to ASX on 8 July 2015

CIRRUS NETWORKS HIGHLIGHTS

- Cirrus delivered full year unaudited revenue of \$14.9m for FY 2015, representing a 154% increase over FY14 revenue of \$5.9m.
- Cirrus achieved revenue of \$4.6 million in the June 2015 quarter, representing a growth rate of 91% on the June 2014 quarter revenue of \$2.4 million.
- Cirrus has secured new contracts that expand its reach into new market sectors, including tertiary education, financial institutions and other service providers; including employment and mining equipment supplies.

CORPORATE

The Extraordinary General Meeting of Shareholders held on 22 May 2015 voted overwhelmingly to approve the acquisition by the Company of all the issued shares in Cirrus Networks Pty Ltd.

As part of this process, Shareholders approved:

- A change to the nature and scale of the Company's activities from mineral exploration to information technology;
- The acquisition of all the issued capital of Cirrus Networks Pty Ltd;
- The issue of Initial and Deferred Consideration Shares to the Cirrus vendors;
- The change of name of the Company;
- The consolidation of the Company's share capital on a 1:2 basis;
- The Company raising up to \$5,000,000 as part of the ASX re-admission process;
- The issue of certain Advisor Securities; and
- The disposal of certain mining interests.

The Prospectus to raise a maximum of \$5million was lodged with ASIC and ASX on 15 May 2015 and closed oversubscribed. The maximum 166,666,667 shares were issued on the Cirrus acquisition settlement date of 2 July and the Company re-commenced trading on ASX on 8 July 2015.

The Board of the Company now comprises Cirrus founder Frank Richmond as Managing Director, Andrew Milner as non-executive Chairman; and Matthew Sullivan, Daniel Rohr and Patrick Glovac as non-executive Directors.

With a wide range of experience and skills over a number of industries, the new Board is well placed to ensure Cirrus continues its strong growth.

Please note as a consequence of the Cirrus acquisition completing on 2 July 2015, the attached Appendix 5B relates to the financial position of the Company as “Liberty” as at 30 June 2015, which therefore does not take into account the cash position of Cirrus Networks Pty Ltd at that date nor the \$5,000,000 raised as part of the re-admission process.

CIRRUS – A SUMMARY OF ITS BUSINESS

Cirrus Networks Pty Ltd, acquired as a wholly owned subsidiary by the Company on 2 July 2015, is an Australian-based IT solutions integrator that provides an independent, flexible approach to advising, integrating and managing IT cloud infrastructure. Cirrus understands and has significant skills in the fundamentals of cloud (what is known as its “DNA”, or “building blocks”) and has structured its business to deliver beneficial change for clients.

Cirrus has established a clear point-of-difference in designing solutions that enable clients to scale more efficiently, reduce operating costs and drive revenue growth. This approach has seen Cirrus experience rapid growth as it uses its expertise to enable clients to do “more with less” through innovative, leading edge technology solutions that drive efficiency and profits.

A strong commitment to customer service teamed with robust, next generation IT solutions has resulted in the swift establishment of a blue-chip customer base and a high level of repeat business through the signing of Master Service Agreements and achieving “Preferred Supplier” status with some of Australia’s premier companies including;

- Argyle Diamonds;
- Western Australia Police;
- Roy Hill Iron Ore;
- LandCorp;
- Independence Group NL;
- Tronox Ltd;
- Emeco Holdings Ltd;
- Keystart Home Loans;
- Curtin University;
- iiNet;
- Arafmi WA; and
- Community First International.

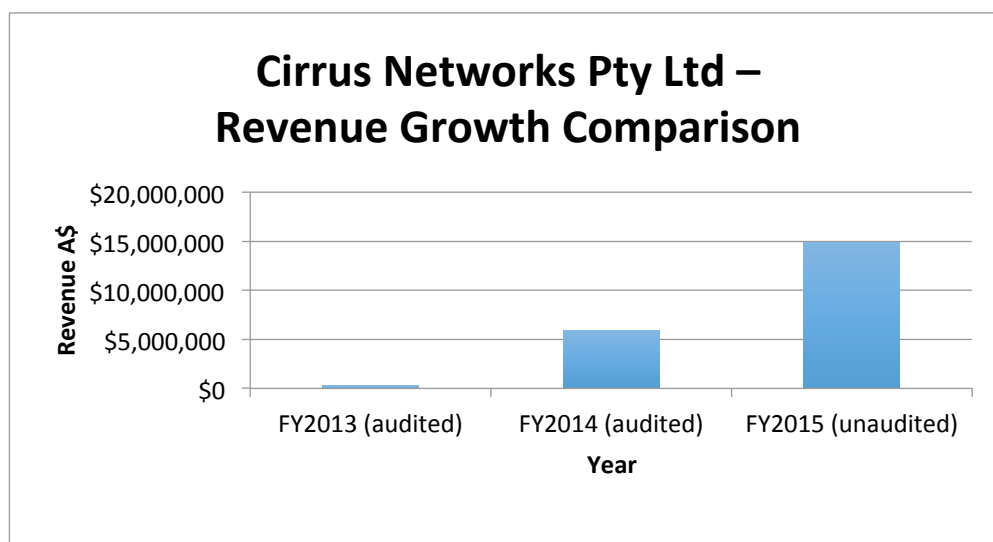
Cirrus’ success was recently recognised at the *Deloitte Australia’s Technology Fast 50 Awards*, where it was named the second fastest growing “Rising Star” technology company in Australia in 2014. In its 14th year, these awards rank the 50 fastest growing public or private technology companies based on percentage revenue growth over three years (in this case 2012 to 2014). In an extremely competitive and international dominated environment, this is an outstanding achievement and an early indicator of what Cirrus can achieve over the coming years of the cloud dominated industry.

Activities during the Quarter

While the transition of the Company to the Cirrus business did not complete until 2 July 2015, during the June quarter Cirrus Networks Pty Ltd continued to achieve record (unaudited) revenue, with \$4.6 million achieved in the quarter ended 30 June 2015, representing a growth rate of 91% on the June 2014 quarter revenue of \$2.4 million.

This result drove FY2015 unaudited revenue to a record \$14.9m, representing a growth rate of 154% over the revenue result for FY14 of \$5.9m. The strong revenue growth has been driven by key client wins including Western Australia’s largest locally operated bank, iinet, Curtin University, Western Australian Police Department and Emeco Holdings and reflects Cirrus’s ability to secure blue chip clients and deliver at an enterprise level.

The chart below shows the growth rate of Cirrus as it continues to consolidate and build on its position.



Cirrus continued to build its platform for growth by developing its managed services business. As announced on 20 July 2015, Cirrus secured new contracts totaling \$1.5m for its managed services business. This was the culmination of 18 months of development and with a solid industry position the company is now at the forefront in providing efficient information technology solutions for blue chip clients focusing on the higher margin managed services contracts.

STATUS OF CONDITIONS FOR EXERCISE OF DEFERRED CONSIDERATION SHARES

As required by the waiver to ASX Listing Rule 7.3.2 granted to the Company by ASX on 17 April 2015 in relation to the issue of “Deferred Consideration Shares” to the Cirrus vendors as part of the Cirrus acquisition, the Company advises as follows:

Number of Deferred Consideration Shares issued during the reporting period	0
Number of Deferred Consideration Shares that remain to be issued on the following bases:	
1. Cirrus achieving AUD\$12,000,000 in actual gross revenue with a minimum Gross Profit of 10% within a period of 2 years from 2/7/2015 (“Milestone 1”)	50,000,000 ordinary shares
2. Cirrus achieving AUD\$2,000,000 in EBIT during any rolling period of 12 months within a	25,000,000 ordinary shares

period of 3 financial years from 2/7/2015 ("Milestone 2")	
3. Cirrus achieving AUD\$4,000,000 in EBIT during any rolling period of 12 months within a period of 3 financial years from 2/7/2015 ("Milestone 3")	17,500,000 ordinary shares

MINING ASSETS

As part of the Cirrus acquisition, the Company had been seeking to dispose of its remaining mining interests. As a subsequent event, the Company advises that this process has been commenced (and in some cases completed).

As approved by Shareholders at the Meeting held on 22 May, wholly owned subsidiary Rhodes Resources Pty Ltd ("Rhodes") was sold to ex-Managing Director Andrew Haythorpe and this transaction completed on 2 July 2015 and so is referred to herein only as a subsequent event. Rhodes is the applicant for Western Australian Application E66/89.

As Shareholders did not approve the sale of subsidiaries Urea Corp of Australia Pty Ltd or Boab Energy Pty Ltd to Ngai Sing Trading Limited and no other options for these subsidiaries or the tenements held by them could be identified, the Company had no option but to relinquish the relevant tenement (MDL 446) and has notified the Queensland Department of Mines and Natural Resources of that. Notification was also given to that Department that the Company wish to withdraw its tenement application MDLa 479.

As announced on 22 July 2015, wholly owned subsidiary Boab Energy Pt Ltd ("Boab") has withdrawn from the Joint Venture in place between it and Walloon Energy Pty Ltd ("Walloon") with the result that the 40% of EPC 1949 held by Boab has reverted to Walloon. Walloon also advised the Company that it no longer required EPC 1386 which it had previously contracted to acquire as part of the reduction of capital transaction undertaken by the Company in November 2014, and thus application has also been made by the Company to relinquish EPC 1386.

None of these changes to ownership or status of these tenements is effective as at 30 June 2015, but all necessary documents have been lodged with the Department.

The Company is still awaiting confirmation from the Ontario, Canada Ministry of Government Services in relation to its application to dissolve its wholly owned Canadian subsidiary LibertyCAN Inc, which has a nil balance sheet and which dissolution has been approved in writing by the Ontario Ministry of Finance.

Details of all Liberty Permits and Applications as at 30 June 2015 are set out in the following tables:

Permits:

Tenement	Grant Date	Location	Sub Blocks	*Area Km2	Basin
EPC1949 - 40%	16/6/13	138 Km South West of Mackay, Qld	9	38	Bowen
MDL446	28/10/13	35km North West of Injune, Qld	25	87	Denison
EPC1386	17/3/10	80km North West of Roma	228	729	Surat

Applications:

Tenement	Location	Sub Blocks	*Area Sq. Km	Basin
MDLA 479	30km North west of Injune, Qld	25	87	Denison
E 66/89	60km North of Northampton, Ajana, WA	32	72	North Perth

TENEMENTS ACQUIRED BY THE COMPANY DURING THE QUARTER

NIL

TENEMENTS DISPOSED OF DURING THE QUARTER

NIL

For enquiries please contact:

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About Cirrus:

Cirrus Networks Holdings Limited (ASX: CNW) is an IT solutions provider that helps businesses understand their technology needs and implement solutions that are world leading, best of breed, cost effective and efficient for long term operational gain. Cirrus' innovative approach has resulted in the swift establishment of a blue-chip customer base and its success was recently recognised at the Deloitte Australia's Technology Fast 50 Awards, where it was named the second fastest growing "Rising Star" technology company in Australia in 2014.

Cirrus currently has contracts in place with some of Australia's premier companies including Argyle Diamonds, Western Australia Police, Roy Hill Iron Ore, LandCorp, Independence Group NL, Tronox Ltd, Emeco Holdings Ltd and Keystart Home Loans.

APPENDIX 5B

MINING EXPLORATION ENTITY AND OIL AND GAS EXPLORATION ENTITY QUARTERLY REPORT

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Cirrus Networks Holdings Limited

ABN

98 103 348 947

Quarter ended ("current quarter")

30 June 2015

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(6)	(431)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	9	15
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (Refunds - Tax Related)	-	627
	Net Operating Cash Flows	(437)	(1,106)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)	(437)	(1,106)

	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	601
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	-	(25)
	Net financing cash flows	-	576
	Net increase (decrease) in cash held	(437)	(530)
1.20	Cash at beginning of quarter/year to date	602	695
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter **	165	165

** On 2 July 2015, Cirrus Networks Holdings Ltd (formerly Liberty Resources Ltd) completed the acquisition of 100% of Cirrus Networks Pty Ltd, which included a capital raising of \$5m. As this transaction completed after the end of the quarter, the impact of this transaction is not included in the above statement of cashflows as it includes only the cashflows relating to the operations of Liberty Resources Limited for the quarter ending 30 June 2015.

PAYMENTS TO DIRECTORS OF THE ENTITY, ASSOCIATES OF THE DIRECTORS, RELATED ENTITIES OF THE ENTITY AND ASSOCIATES OF THE RELATED ENTITIES

		Current quarter
		\$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	109
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payments include director's salaries, director's fees and director's superannuation

NON-CASH FINANCING AND INVESTING ACTIVITIES

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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FINANCING FACILITIES AVAILABLE

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities		
3.2 Credit standby arrangements		

ESTIMATED CASH OUTFLOWS FOR NEXT QUARTER

	\$A'ooo
4.1 Exploration and evaluation	
4.2 Development	
4.3 Production	
4.4 Administration	849
Total	849

On 2 July 2015, Cirrus Networks Holdings Ltd completed the acquisition of 100% of Cirrus Networks Pty Ltd, which included a capital raising of \$5m. The above table reflects estimated cash outflows only in relation to Cirrus Networks Holdings Ltd (formerly Liberty Resources Ltd). As a result of the acquisition of Cirrus Networks Pty Ltd on 2 July 2015, there will be a further estimated net cash inflow of \$58,000 for the next quarter.

RECONCILIATION OF CASH

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	147	554
5.2 Deposits at call	18	48
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22) **	165	602

** On 2 July 2015, Cirrus Networks Holdings Ltd completed the acquisition of 100% of Cirrus Networks Pty Ltd, which included a capital raising of \$5m.

CHANGES IN INTERESTS IN MINING TENEMENTS AND PETROLEUM TENEMENTS

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				

7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	143,724,728	143,724,728		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(b) (143,724,601) due to 1:2 consolidation (with rounding)	(b) (143,724,601) due to 1:2 consolidation (with rounding)		
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	No. 3,000,000 4,500,000 7,700,000 7,000,000 Total: 22,200,000		Exercise price 30.0C 30.0C 18.0C 8.0C	Expiry date 31/12/2016 31/12/2017 31/12/2018 31/12/2019
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	20,000,000		2.0C	01/04/2015
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

COMPLIANCE STATEMENT

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date:31/7/2015.....

Company secretary

Print name:Catherine Anderson.....

NOTES

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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