

# DOURADO RESOURCES LIMITED

ABN: 84 131 090 947

*Dourado Resources Ltd is a Perth based exploration company that has been established to predominantly explore for deposits of gold and copper mineralization.*

## Registered Office Address

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## Directors & Management

Dr James Ellingford  
Non-Executive Chairman

Mr Peter Wall  
Non-Executive Director

Mr Paul Callander  
Non-Executive Director

## Company Secretary

Mrs Elizabeth Hunt

**ASX Code: DUO**

**Website:**

[www.dourado.com.au](http://www.dourado.com.au)

2 September 2015

## DOURADO RESOURCES LTD TO ACQUIRE ZYBER SECURE MOBILE SOLUTIONS INC

Dourado Resources Ltd (ACN 131 090 947) (**Dourado**) is pleased to announce it has entered into a binding heads of agreement (**Agreement**) to acquire 100% of the issued capital of Zyber Secure Mobile Solutions Inc, a company incorporated in British Columbia, Canada (**Zyber**), which holds various intellectual property interests pertaining to data security and software (**Acquisition**).

### TRANSACTION HIGHLIGHTS

- Zyber Secure Mobile Solutions Inc, a Canadian based provider of ubiquitous secure file sharing solutions is to combine with ASX listed Dourado Resources Ltd, to create an international, publicly listed, cyber security company that is well managed, well financed and well positioned for future growth.
- Dourado shareholders will benefit from the significant value proposition of the Zyber solution as it provides a revolutionary vision for the future of secure file sharing technology, a sector that currently enjoys significant interest from international investors.
- Zyber shareholders benefit from expanded access to public capital, enhanced corporate visibility and international exposure for the Zyber product.
- Both groups benefit from the experience of the current Zyber senior executives, and a core group of dedicated investors all of whom position the company to compete in a lucrative but vastly disjointed market.

### ZYBER BUSINESS

- Zyber's product is a secure, easy to install, mobile communication platform that allows users to transact, share data and collaborate across multiple devices and operating systems.
- Zyber provides the ultimate in control and security without leaving a digital footprint on anyone's device.
- Zyber's solution can virtually eliminate the negligent end user as a threat to the security of mobile networks. If a negligent end user loses or otherwise compromises a device, it contains no data.
- The Zyber platform can be deployed behind an enterprise's firewall via Zyber's proprietary server appliances or on customers' own hardware, allowing end users secure access to banking, file sharing, email/SMS, online payments and virtual desktops.
- Zyber's product addresses individual and commercial concern about Zero Day, APT (Advanced Persistent Threat) attacks which typically feature highly sophisticated cyber techniques previously unavailable to hackers. Hackers now specifically target foreign agencies, businesses and/or individuals in order to steal information or disrupt operations. Instead of simply developing generic malware,

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hackers today launch "manned missions" into enemy networks, remotely directing a campaign over weeks, months or years to worm their way from server to server, hunting for the target's "crown jewels". This patient, expensive and sophisticated approach to cyber conflict has transformed both warfare and network security in general in recent years. Not only are nations attacking businesses and individuals (e.g. the North Korean attack on Sony, or the Iranian DDoS attack on Bank of America), but these offensive skills and techniques have migrated into criminal organizations. Governments, hacktivists and criminals now target the "crown jewels" of any business, such as product designs, embarrassing emails, financial reports, employee data, and customer credit cards. Currently, the private sector is inadequately prepared for this threat.

## TERMS OF AGREEMENT

Dourado has entered into the Agreement with Zyber and Blue Cove Capital Corp (the founding shareholder of Zyber) setting out the terms upon which Dourado, through a wholly owned Canadian subsidiary of Dourado (**Newco**), has agreed to acquire all of the shares in Zyber, subject to the satisfaction of certain conditions precedent set out below. A summary of the material terms of the Agreement are as follows:

### 1. Condition Precedents

Completion of the Acquisition is subject to a number of conditions, including:

- completion of mutual due diligence by Dourado and Zyber on each other;
- Zyber preparing audited financial accounts for the past three years or since incorporation;
- all of the shareholders of Zyber (**Vendors**) executing formal share sale agreements with Dourado (on terms reasonably acceptable to Dourado) or, in the event that any Vendor does not execute a formal share sale agreement by 15 October 2015, an amalgamation of Newco and Zyber is approved by the required majority of the Vendors at a meeting of Zyber;
- the warrant holders of Zyber entering into cancellation agreements in respect of their Zyber warrants in consideration for the issue of options to acquire Dourado Shares (**Option**) conditional on completion of the Acquisition, with the Options to be on terms and conditions acceptable to Zyber and the warrant holders, acting reasonably;
- Dourado and Zyber obtaining all necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) (**Corporations Act**) or any other law to allow completion of the Acquisition (including ASX reinstating Dourado's quoted securities to trading on ASX following completion of the Acquisition);
- Dourado raising a minimum of A\$3,000,000 (or such other amount sufficient to meet ASX's admission requirements) through the issue of Dourado Shares at an issue price of **not less** than A\$0.02 per Dourado Share (**Capital Raising**); and
- the Vendors and warrant holders entering into any escrow agreements required by ASX under the ASX Listing Rules.

### 2. Consideration

In consideration for Dourado acquiring Zyber, Dourado has agreed to procure Newco to issue to the Vendors the following non-voting, convertible, redeemable shares (**Exchangeable Shares**), with each Exchangeable Share being exchangeable for one fully paid ordinary Dourado share (**Dourado Share**) at the election of the holder of the Exchangeable Share:

- (a) 700,000,000 Exchangeable Shares to be issued upon settlement of the Acquisition (**Settlement**);
- (b) 90,000,000 Exchangeable Shares to be issued in the event that Zyber has commenced or has contracted product development and production testing "proof of concept" trials with a minimum of 5 enterprises/corporations who each have annualized revenues of at least \$100,000,000 and, of these, 2 of which have been converted into binding commercial contracts for purchase and use of a Zyber product within 12 months of Settlement;
- (c) 90,000,000 Exchangeable Shares to be issued in the event that Zyber generates gross revenue from sales of \$5,000,000 within 36 months of Settlement; and

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- (d) 90,000,000 Exchangeable Shares to be issued in the event that Zyber generates gross revenue from sales of \$10,000,000 within 60 months of Settlement.

Any Exchangeable Shares which have not been exchanged for Dourado Shares within 65 months of Settlement will be automatically redeemed by Newco for the sum of \$0.000001.

The issue of the Exchangeable Shares to the Zyber shareholders is subject to the Company obtaining a waiver from ASX to permit the issue of these shares. In the event that ASX does not grant the waiver, the Company may be required to issue the first tranche of Exchangeable Shares in paragraph (a) above as ordinary shares.

### 3. **Loan**

Subject to the parties being satisfied with the outcome of the due diligence, Dourado has agreed to provide Zyber an initial unsecured loan of up to \$260,000 with an interest rate of 6% p.a (capitalised annually) (**Loan**). The Loan amount shall increase to \$600,000 when all of the Vendors have executed a formal share sale agreement (or alternatively, when a meeting of the Vendors approves the Acquisition). The Loan is repayable either in cash or in fully paid ordinary shares in Zyber at a deemed issue price C\$0.05 each, at the sole discretion of Zyber. In the event that the Acquisition does not proceed, the Loan shall be repayable 12 months after termination of the Agreement.

### 4. **New board & Management team**

Upon completion of the Acquisition, the current Dourado directors (other than Peter Wall) will resign as directors and Zyber will have the right to nominate 4 directors of Zyber to the Dourado board.

Clay Epstein will be joining the Board as the CEO/Managing Director and Jason Tomkinson will be joining the Board as a Non-Executive Director. A biography on each of these persons is set out below:

#### **Clay Epstein**

Prior to Zyber, Clay was the VP and Technical Manager at Bank of America responsible for the Bank's global Public Key Infrastructure and Cryptography Engineering Group. Previous to Bank of America, Clay was the CIO and Head of Operations at Venafi which provided a policy-based lifecycle management platform for encryption keys and SSL certificates. Clay was responsible for the IT infrastructure and Security, Customer Installations and Customer Support for all of Venafi's customers. Previously, Clay served as Head of eCommerce Technologies for Australia and New Zealand Banking Group (ANZ) building ANZ's secure Web infrastructure, Internet banking, and Internet-based payments processing systems.

#### **Jason Tomkinson**

Jason is a capital markets professional with 10+ years experience in venture capital services, raising start-up capital, secondary offerings, marketing, prospecting, writing and evaluating business plans, risk assessment and market analysis. Prior to joining Zyber, Jason was a licensed investment advisor with public broker-dealers including Macquarie Group and Canaccord Genuity where he specialized in financing venture market new issues. During his brokerage career, Jason directly or as part of a syndicate, raised several hundred million dollars of venture capital for both public and private companies in sectors ranging from technology and biosciences to mining and oil and gas. Prior to that, Jason held several board positions on publicly listed junior companies. Jason has a degree in economics from Simon Fraser University.

### 5. **Change of Name**

Dourado will seek shareholder approval to change its name to a more appropriate name to reflect the change in business. Such name shall be determined by Zyber and be subject to shareholder approval.

## **RE-COMPLIANCE WITH ASX LISTING RULES CHAPTERS 1 AND 2**

The Acquisition will result in a significant change to the nature and scale of Dourado's activities. For this reason, the Acquisition will require Dourado shareholders' approval under ASX Listing Rule 11.1.2 and will also require Dourado to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

To enable Dourado to re-comply with the ASX Listing Rules and to support its growth strategy post-completion of the Acquisition, Dourado plans to conduct the Capital Raising under a full form prospectus to raise at least A\$3 million (**Prospectus**). The price of Dourado Shares offered under the Capital Raising is yet to be determined. Dourado intends to appoint one or more brokers to manage the Capital Raising.

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## SHAREHOLDER APPROVAL

A notice of meeting seeking shareholder approval for the resolutions required to effect the Acquisition will be sent to Dourado shareholders in due course. It is expected that Dourado will convene a meeting to facilitate shareholder approval in or around October 2015.

On the date of the meeting, Dourado securities will be suspended and, subject to Dourado shareholder approval being obtained, will remain suspended until Dourado has re-complied with the ASX Listing Rules and completed the Acquisition.

## PRO-FORMA CAPITAL STRUCTURE

On the basis Dourado completes the Acquisition and associated transactions on the terms set out above, Dourado's capital structure will be as follows (assuming no other shares or options are issued by Dourado)<sup>1,2</sup>:

	Shares	Options
Current Issued Capital	586,235,041	54,045,306
Securities issued under Acquisition	700,000,000 <sup>3</sup>	3,900,000
<b>Post Acquisition</b>	<b>1,286,235,041</b>	<b>57,945,306</b>

Note 1: The above table shows Dourado's pre and post-Acquisition capital structure. As part of the Acquisition process, Dourado may need to undertake a consolidation of its issued securities in order to comply with Chapters 1 and 2 of the ASX Listing Rules. If a consolidation of capital is required, the number of securities issued under the Acquisition will be adjusted in accordance with the consolidation ratio.

Note 2: In addition to the above securities, Dourado will issue Dourado Shares pursuant to the Capital Raising at a minimum issue price of \$0.02 per Dourado Share to raise A\$3 million.

Note 3: These Shares are in the form of Exchangeable Shares in the capital of Newco, which may be exchanged for Dourado Shares on a one-for-one basis at the election of the holder. In addition to the initial consideration of 700,000,000 Exchangeable Shares, Dourado shall procure Newco to issue up to an additional 270,000,000 Exchangeable Shares upon the satisfaction of certain milestones as described in clause 2 of the summary of the Agreement in this announcement.

## PRO-FORMA BALANCE SHEET

A pro forma balance sheet of Dourado showing the effect of the Acquisition is annexed to this announcement.

## INDICATIVE TIMETABLE

An indicative timetable for completion of the Acquisition is set out below:

Event	Date
Announcement of Acquisition	2 September 2015
Dispatch of notice of meeting to approve the Acquisition and associated resolutions	23 September 2015
Lodgement of Prospectus with the ASIC for the Capital Raising	14 October 2015
General Meeting of Shareholders	28 October 2015
Closing date of Capital Raising	4 November 2015
Targeted Completion of the Acquisition and reinstatement to the Official List of the ASX	6 November 2015

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Please note this timetable is indicative only and the directors of Dourado reserve the right to amend the timetable as required.

## **CHANGE OF DIRECTORS**

Dourado also advises that Mr Peter Torney has resigned as a director and Mr Paul Callander has been appointed a Non-Executive Director in his place. A biography on Mr Callander is set out below:

Mr Callander has been involved in the technology industry for twenty five years in executive management positions building companies strategies, financing and investor relations, and establishing sales, marketing and services operations. Having initially spent ten years in Silicon Valley with the semiconductor industry, he then moved to Asia where he started his own software company, sold this to a U.S. organisation, listed on NASDAQ and continued as part of the executive management team running Asia Pacific. He has been involved with a number of publicly listed U.S. companies as part of the executive management team running Asia Pacific operations with various electronic commerce and software solutions.

## **CONTACT INFORMATION**

For further information please contact:

Liz Hunt - Company Secretary

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## PRO FORMA BALANCE SHEET

The unaudited balance sheet as at 30 June 2015 and the unaudited pro-forma balance sheet as at 30 June 2015 shown below assume that the Acquisition has completed and the Company has completed a placement of \$3,000,000 (before capital raising costs).

The accounts have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma adjustments include assets acquired and liabilities assumed as reflected in Zyber's unaudited balance sheet as at 31 July 2015. The directors have considered the application of AASB 3 Business Combinations to the transaction and the associated impact this has on the presentation and measurement of this transaction.

The Dourado accounts as at 30 June 2015 have also been adjusted for material post balance date events being the capital raising of \$965,586 pursuant to the non-renounceable entitlement offer and a placement of \$1 million as approved by shareholders at the general meeting held 3 July 2015. The material adjustments further reflect liabilities settled subsequent to the capital raising.

For accounting purposes, pursuant to AASB3 'Business Combinations', this transaction constitutes a reverse acquisition with the result that Zyber was identified as the acquirer of Dourado Resources Limited (the "acquiree" and "legal parent"). From date of acquisition the consolidated financial statements reflect the consolidated liabilities and results of the operations of the Company and Zyber subsequent to the reverse acquisition. The consolidated financial statements are issued under the name of Dourado Resources Limited but are deemed to be a continuation of the legal subsidiary (Zyber).

	<b>Dourado Consolidated Group (Unaudited) 30/06/2015</b>	<b>Pro forma balance sheet (Consolidated) (Unaudited) 30/06/2015</b>
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,203,782	5,181,520
Trade and other receivables	25,665	33,546
<b>TOTAL CURRENT ASSETS</b>	<b>1,229,447</b>	<b>5,215,066</b>
<b>NON-CURRENT ASSETS</b>		
Advance royalty		52,808
Deferred exploration and evaluation expenditure	103,724	103,724
<b>TOTAL NON-CURRENT ASSETS</b>	<b>103,724</b>	<b>156,532</b>
<b>TOTAL ASSETS</b>	<b>1,333,171</b>	<b>5,371,598</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	667,297	274,688
Liability for application money	526,831	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,194,128</b>	<b>274,688</b>
<b>TOTAL LIABILITIES</b>	<b>1,194,128</b>	<b>274,688</b>
<b>NET (LIABILITIES) / ASSETS</b>	<b>139,043</b>	<b>5,096,910</b>
<b>EQUITY</b>		
Issued capital	68,137,631	9,180,255
Accumulated losses	(67,998,588)	(4,083,345)
<b>TOTAL (DEFICIENCY IN EQUITY) /EQUITY</b>	<b>139,043</b>	<b>5,096,910</b>