INTERNATIONAL COAL LIMITED (TO BE RENAMED "VELPIC LIMITED") ACN 149 197 651

PROSPECTUS

For an offer of up to 200,000,000 Shares at an issue price \$0.025 per Share to raise up to \$5,000,000 with a minimum subscription of \$3,000,000 (**Offer**).

This Prospectus also contains an offer of the Consideration Shares to the Vendors (Consideration Offer).

Completion of the Offers is conditional upon ASX conditional approval to re-admit the Shares to Official Quotation. No Shares will be issued pursuant to this Prospectus until such time as the Condition is satisfied.

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

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered highly speculative.

Lead Manager to the Offer



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CORPORATE DIRECTORY

Directors

John Lester

Non-Executive Chairman

Hugh Dai¹

CEO, Executive Director

Noel T. Halgreen¹

Non-Executive Director

Harry Karelis

Non-Executive Director

Additional Proposed Directors

Glen Moora

Proposed Executive Director

Patrick Connell

Proposed Executive Director

Russell Francis

Proposed Executive Director

Leanne Graham

Proposed Non-Executive Director

Company Secretary

Piers Lewis

Current ASX Code

ICX

Proposed ASX Code

VPC

Share Registry²

Link Market Services Limited Telephone: 1300 554 474 Facsimile: 02 9287 0303 **Registered Office**

<u>ICX</u>

ANZ Bank Building

Level 15, 324 Queen Street

Brisbane

Queensland 4000

Telephone: (07) 3320 2233 Facsimile: (07) 3228 4999

Email: john.lester@intercoal.com.au Website: http://www.intercoal.com.au

Velpic

Email: info@velpic.com

Website: http://www.velpic.com

Lead Manager

Baillieu Holst Ltd

Level 26

360 Collins Street Melbourne VIC 3000

Investigating Accountant

BDO Corporate Finance Pty Ltd 38 Station Street

Subiaco WA 6008

Auditor²

Hall Chadwick Level 40 2 Park Street Sydney NSW 2000

Solicitors to the Company

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

¹ To resign on Settlement of the Acquisition.

² These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTICE

2.1 General

This Prospectus is dated 9 September 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

2.2 Re-compliance Prospectus

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

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.4 Conditional Offers

The Offers are conditional on ASX conditional approval to re-admit the Shares to Official Quotation on conditions satisfactory to the Company (**Condition**).

Accordingly, the Offers under this Prospectus are effectively inter-conditional on the successful completion of each other part of the Acquisition.

2.5 Expiry Date

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

2.6 Website - Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.intercoal.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

There is no facility for the Offers to be accepted electronically or by applying online. Shares will not be issued under the electronic version of the Prospectus.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

No document or information included on our website is incorporated by reference into this Prospectus.

2.7 Forwarding-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 5D and 9 of this Prospectus.

2.8 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

2.9 Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and

interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 16 of this Prospectus.

2.10 Time

All references to time in this Prospectus are references to Australian Western Standard Time.

2.11 Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section 9 of this Prospectus for details relating to risk factors.

2.12 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers, please call the Company Secretary, Piers Lewis on +61 409 374 893.

3. INDICATIVE TIMETABLE*

Lodgement of Prospectus with the ASIC	9 September 2015
Opening Date of the Offers	14 September 2015
Offer Closing Date	25 September 2015
Consideration Offer Closing Date	30 September 2015
Issue of Shares under the Offers	30 September 2015
Settlement of the Acquisition	30 September 2015
Despatch of holding statements	2 October 2015
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	14 October 2015
Re-quotation of Securities (including Shares issued under the Offers) on ASX	21 October 2015

^{*} The above dates are indicative only and may change without notice. The Company reserves the right to extend the Offer Closing Date, the Consideration Offer Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with any of the Offers at any time before the issue of Shares to Applicants.

[^] The above stated date for Settlement of the Acquisition is only a good faith estimate by the Directors and may have to be extended.

4. CHAIRMAN'S LETTER

Dear Investor

The Board of Directors of International Coal Limited (to be renamed Velpic Ltd) (**ICX** or the **Company**) is pleased to present you with this Prospectus and the opportunity to increase your existing shareholding or to become a new shareholder in the Company as it transitions from its previous coal development activities to focusing on expanding Velpic's cloud-based, training and induction platform.

The Company entered into the Acquisition Agreement with Dash Digital Pty Ltd (ACN 120 899 747) (**Dash Digital**) as trustee for the Dash Unit Trust (ABN 56 293 448 491) (**Dash Unit Trust**), Inductor Pty Ltd (ACN 159 196 120) (**Inductor**) as trustee for the Inductor Trust (ABN 33 885 280 391 (**Inductor Trust**) and the Vendors under which it has been granted an option to acquire 100% of the:

- (a) shares in Dash Digital and Inductor; and
- (b) units in the Dash Unit Trust and the Inductor Trust,

(together, the **Vendor Entities**).

Dash Digital is a brand technology agency and Inductor holds the business trading as "Velpic", a cloud-based e-learning platform (**Velpic**), (together the **Business**).

Shareholders of ICX approved the acquisition of Velpic at a General Meeting held on the 3^{rd} of September 2015. This Offer is one of the conditions precedent to Settlement of the Acquisition and is for up to \$5,000,000 through the issue of new Shares at an issue price of \$0.025 per Share.

Pursuant to the Acquisition Agreement, the Company will issue Shares to the Vendors as part of the consideration to acquire the Vendor Entities. This Prospectus also contains an offer of the Consideration Shares to the Vendors (**Consideration Offer**).

Since the Company announced the proposed Acquisition, Velpic has continued to demonstrate solid progress with its commercialisation activities, having secured several new clients across the country in a variety of industries, and has released new product features that have the potential to expand revenue growth.

Your Board remains excited by the future potential of Velpic and the Offer will provide the necessary growth capital which will be managed by a very experienced leadership team being led by the Managing Director Mr Russell Francis and his colleagues.

In addition and as previously announced, Ms Leanne Graham has agreed to join the board of the new Velpic. Leanne is a former senior executive of the highly successful cloud-based accounting software firm Xero and was a large driver of their impressive global expansion strategy. Her knowledge and expertise will be of huge benefit to Velpic, helping it to focus on the most effective and profitable strategies for growth.

I commend the Company and its new direction to you and encourage you to consider the Offer.

Investors should be aware of the potential risks inherent in this investment which are fully detailed in this Prospectus. Before making your decision to invest, I ask that you carefully read this Prospectus and seek professional advice if required.

Yours sincerely

John Lester Chairman

5. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Compan	у	
Who is the issuer of this Prospectus?	International Coal Limited (ACN 149 197 651) (ASX:ICX)	
Who is ICX?	ICX listed on the ASX on 28 July 2011 as an explorer focussed on coal opportunities. Since listing, the Company has focussed on coal exploration and mining and its principal activity has been exploration for coal, with its Bundaberg Project, Consuelo Project, South Blackall Project and Don Juan Project each in Queensland (together, the Projects). For the past 12 months, the Company has also been evaluating alternative corporate opportunities, both in Australia and overseas and on 17 May 2015, the Company announced that it had entered into a binding terms sheet with Dash Digital Pty Ltd (ACN 120 899 747) (Dash Digital) as trustee for the Dash Unit Trust (ABN 56 293 448 491) (Dash Trust Unit), Inductor Pty Ltd (ACN 159 196 120) (Inductor) as trustee for the Inductor Trust (ABN 33 885 280 391) (Inductor Trust) and the Vendors under which it has been granted an option to acquire 100% of the shares in Dash and Inductor and the units in the Dash Unit Trust and the Inductor Trust (Option) on the terms and conditions set out in the Acquisition Agreement. Dash Digital is a brand technology agency and Inductor holds the business trading as 'Velpic', a cloud-based e-learning platform (Velpic), (together the Business). The Company announced to ASX on 8 September 2015 that it had exercised its option to acquire the Vendor Entities.	Section 6.1

Item	Summary	Further information
How will the Acquisition be implemented?	The Company called the General Meeting, held on 3 September 2015, to seek the approval of its Shareholders to the change in focus from its exploration projects to developing and operating a technology business.	Sections 6.2, 6.5, and 6.6
	At the General Meeting, Shareholders approved resolutions relating to the change in the nature and scale of the Company's activities, as well as resolutions required for Settlement of the Acquisition and undertaking the Offers.	
	The Company intends to pursue the orderly divestment of its exploration projects following Settlement of the Acquisition and to focus on developing and commercialising Velpic and the Business. As such, the Projects are not considered material in the context of the Offers.	
	ICX proposes to change its name to "Velpic Limited" on Settlement of the Acquisition, which in the Board's opinion will be better suited to the Company's new strategic direction.	
Who is Velpic and Dash	The Velpic Group consists of two related entities:	Sections 6.4 and 8
Digital?	(a) Velpic, a software as a service (SaaS) technology company with a cloud-based video e-Learning platform technology; and	
	(b) Dash Digital, a brand technology agency.	
	Velpic has developed an online platform that provides a scalable, cloud-based training, induction and education solution for businesses. The platform has been over two years in development, and allows businesses to create their own training lessons and distribute them to staff and contractors, who can then access all their training on all devices including mobile phones and tablets.	
	Velpic's platform has global potential and is seeking to disrupt the growing traditional Learning Management System (LMS)	

Item	Summary marketplace. Dash Digital is a full service digital branding, marketing, web and app development organisation that blends creative and	Further information
	development talents across visual design, print graphics, websites, software development and online marketing.	
B. Business	Model	
How will ICX generate income?	The business model of Velpic is that businesses may subscribe to the Velpic Platform and create online lessons which allow their staff access from any location. Businesses are charged for the use of the Velpic Platform in a variety of ways.	Sections 8.2, 8.4 and 8.6
	Following Settlement of the Acquisition, the Company anticipates that it will generate revenue streams through:	
	(a) Software as a Service Fees – monthly subscription fees to access the Velpic Platform;	
	(b) Pay Per View (PPV) Fees– for each lesson completed on the Velpic Platform the client will be charged a fee; and	
	(c) Professional Services – Dash Digital earns fee for service income for brand, web and app development professional services.	
	Velpic has commenced generating revenue from each of these three sources.	
What are the key business strategies of ICX?	Upon successful Settlement of the Acquisition, the Company will focus on the further development of the Business. In particular, the Company intends to expand its customer presence on Australia's east coast, complete development of and launch a Small and Medium Enterprise (SME) version of the Velpic Platform to better access the small business sector, complete and globally launch version 3.0 of the platform and expand its customer presence internationally.	Sections 8.2, 8.4 and 8.6

Item		Summary	Further information
What are the key		ey factors that ICX will depend on to its objectives are the Company's:	Section 8.5
dependencies of ICX's business	(a)	ability to acquire new customers, both enterprise scale clients and SME clients;	
model?	(b)	ability to retain first mover advantage by consistently updating and improving platform features;	
	(c)	ability to protect its intellectual property in the Business;	
	(d)	ability to keep key personnel; and	
	(e)	ability to keep clients and minimise client turnover.	
C. Key Inve	stment	Highlights	
What are the key investment highlights?	the vie	virectors and Proposed Directors are of ew that an investment in the Company des the following non-exclusive list of key ghts:	Section 6.3
	(a)	represents a significant opportunity for the Company to increase the scale of its activities which should increase the number and size of the investor pool that may invest in the Company's Shares;	
	(b)	represents an attractive investment opportunity for the Company to change its business focus to that of a SaaS-based technology company;	
	(c)	the Company will obtain ownership of the Vendor Entities and the Business, providing the Company an opportunity to diversify its interests to include Velpic which is engaged in the business of developing and operating a cloud- based e-learning platform;	
	(d)	the Company may be able to raise further funds at higher prices by way of share equity as a result of the Acquisition;	
	(e)	the Company will be managed by directors and officers with significant experience in the technology sector	

ltem	Summary	Further information
	with a view to guiding the Company to be a significant player in that sector; (f) the opportunity to acquire a SaaS-	
	based technology solution already operating in the growing LMS Market;	
	(g) the technology has already been developed and the commercial model validated by the client base in Western Australia. Velpic is looking to expand national and international marketing initiatives over the course of the next 12-24 months; and	
	(h) with two complementary entities, Dash Digital is an established revenue earning business coupled with Velpic, a potential global SaaS business.	

D. Key Risks

What are the key risks of an investment in ICX?

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

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

Based on the information available, a nonexhaustive list of the key risk factors affecting the Company are as follows:

(a) Re-Quotation of Shares on ASX

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of the ASX. There is a risk that the Company may not be able to meet the requirements of the ASX for

Section 9

Item	Summary	Further information
	re-quotation of its Shares of Shareholders may be prevented trading their Shares so Company be suspended time as it does re-comply which is the Listing Rules.	ented from hould the until such
	(a) Technology Risk	
	Upon completion of the the Company will be recertain technologies and successful commercialisati technologies as currently hold Vendor Entities. There is a marketable technologies and develop there may be certain developments that super render obsolete, the proservices of the Company, adversely affect the profitor Company and likely the volume of the Company and likely the volume.	eliant upon upon the on of the neld by the risk that as continue to ain product sede, and oducts and this would ability of the
	(b) New Market Entrants and Risk	Technology
	The emergence of new conthe market, or any tendevelopments providing and to the Vendor Entities offerings could impact that the Company acquire and cause down pressure on consumer soft services platforms, thus recompany's margins and Further, existing providers consumer services may all aggressively to the Vendomarket growth to retain market share, which could the Company's margins and	chnological alternative by product the market is able to ward price ftware and ducing the ducing the doing the formular so respond for Entities or regain also impact
	(c) Failure to Deal with Growth	
	The Business has the poten rapidly. If that occurs Company fails to proper that growth, then that for harm its business. Any failu customer demand prop	and the ly manage uilure could ure to meet

Item		Summary	Further information
		adversely affect the business.	
	(d)	Competition	
		New suppliers and traditional suppliers in the global learning and development (L&D) market begin to produce similar technology or platform solutions. If the Company is unable to compete successfully, it may be unable to generate, grow and sustain its revenue.	
	(e)	Maintaining First Mover Advantage risk	
		In lieu of patents and more traditional forms of protection of intellectual property, SaaS firms employ a strategy of constant innovation to stay ahead of the competition especially when entering existing markets where the solution is novel but the problem being solved is not, this is called 'First Mover Advantage'. If innovation is stifled through lack of creativity or funds then this may adversely affect the Company.	
E. Directors	and Ke	ey Management Personnel	
Who are the Directors and	It is p	proposed that upon Settlement of the sition:	Section 10
Proposed Directors?	(a)	Glen Moora, Patrick Connell, Russell Francis and Leanne Graham will be appointed to the Board;	
	(b)	John Lester and Harry Karelis will remain on the Board in their current roles; and	
	(c)	Noel T. Halgreen and Hugh Dai will resign from the Board.	
	Propo Details	orofiles of each of the Directors and sed Directors are set out in Section 10.3. In so of the personal interests of each of the experimental interests of each of the experimental interests of each of the experimental interests.	
F. Financia	l Inform	ation	
How has ICX being		eviewed statement of financial position X as at 30 April 2015 is set out in the	Section 11

Item performing? What is the financial outlook for ICX? Does ICX have	Investigating Accountant's Report in Section 11. The reviewed pro-forma statement of financial position for ICX as at 30 April 2015 (which assumes Settlement of the Acquisition) is set out in the Investigating Accountant's Report in Section 11. The funding for ICX's short to medium term	Further information Section 11 Section 7.4
sufficient funds for its activities?	activities will be generated from a combination of the money raised under the Offer and existing cash reserves.	
G. Offers		
What is the purpose of the Offer?	The purpose of the Offer is to position the Company to seek to achieve the objectives set out below in Section 7.1 and to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules. The satisfaction of Chapters 1 and 2 of the ASX Listing Rules is sought for the purpose of seeking ASX's approval for reinstatement of the Company's Shares to quotation following the continuing suspension following the General Meeting. The purpose of the Offer is also to provide sufficient capital for product development, sales and marketing, compliance and management and sufficient working capital to meet the Company's anticipated overhead and administration expenses over the next 24 months. On completion of the Offer the Board believes the Company will have sufficient working capital to achieve these objectives. The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following reinstatement of the Company to quotation on the official list of ASX in the manner set out in the table in Section 7.4.	Sections 7.1 and 7.4
What is the purpose of the Consideration Offer?	The purpose of the Consideration Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Consideration Shares.	Section 7.2

Item	Summary	Further information
Is the Offer underwritten?	The Offer is not underwritten.	Section 7.1(b)
What is being offered and who is entitled to participate in the Offers?	ICX will be offering under the Offer up to 200,000,000 Shares at an issue price of \$0.025 per Share to raise up to \$5,000,000. The Consideration Offer is made to the Vendors. Accordingly, you should not complete an Application Form in relation to the Consideration Offer unless specifically directed to do so by the Company.	Section 7
What will ICX's capital structure look like after completion of the Offers and the Acquisition?	Refer to Section 8.10 for a pro forma capital structure following Settlement of the Acquisition showing the Consideration Shares and Shares under the Offer.	Section 8.10
Will I be guaranteed a minimum allocation under the Offer?	No, the Company is not in a position to guarantee a minimum application of Shares under the Offer.	Section 7.1
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offers are set out in Section 14.2.	
Will any Securities be subject to escrow?	Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, certain Securities (including those issued under the Consideration Offer) on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.	Section 8.12

Item	Summary	Further information
Will the Shares be quoted?	Application for quotation of all Shares that are to be listed to be issued under the Offers will be made to the ASX no later than 7 days after the date of this Prospectus.	Section 7.8
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 3.	Section 3
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (80,000 Shares) and thereafter, in multiples of \$200 worth of Shares (8,000 Shares).	Section 7.1(c)
Are there any conditions to the Offers?	The Offers are conditional on ASX conditional approval to re-admit the Shares to Official Quotation on conditions satisfactory to the Company.	Section 2.4
	If any the Condition is not satisfied, the Acquisition and the Offers will not proceed.	
H. Use of pr	oceeds	
How will the proceeds of the Offer be used?	 The Offer proceeds will be used for: expenses of the Offers; development of Velpic and the Business; operating expenses of the Company; and working capital requirements of the Company. 	Section 7.4 and 14.8
I. Addition	al information	
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.	
What are the tax implications of investing in Shares?	Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.	
	The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under	

ltem	Summary	Further information
	this Prospectus.	
Where can I find more information?	By speaking to your sharebroker, solicitor, accountant or other independent professional adviser	
	 By reviewing ICX's public announcements, which are accessible from ASX's website at http://www.asx.com.au under the ASX code "ICX" 	
	• By visiting ICX's website at http://www.intercoal.com.au/	
	 By visiting Velpic's website at http://www.velpic.com 	
	• By contacting Piers Lewis, ICX's Company Secretary, on +61 409 374 893	
	• By contacting the Share Registry on +61 8 9211 6670.	

6. TRANSACTION OVERVIEW

6.1 The Company

International Coal Ltd (**ICX** or the **Company**) is a public company listed on the official list of ASX (ASX code: ICX) with its principal focus being coal exploration and mining. The Company was incorporated in February 2011 and was admitted to the official list of the ASX on 28 July 2011.

In addition to its principal business activities, the Company has been actively investigating and assessing new opportunities as announced to the ASX Market Announcements Platform.

Since listing, the Company has focussed on coal exploration and mining and its principal activity has been exploration for coal, with its Bundaberg Project, Consuelo Project, South Blackall Project and Don Juan Project each in Queensland. Pursuant to its continuous disclosure obligations, the Company has kept the market fully informed and updated in relation to its projects. Details of these projects and the work done to date are available on the Company's ASX announcements platform.

The current corporate structure of the Company includes its two 100% owned subsidiaries – Great White Nominees Pty Ltd (ACN 118 130 760) (**Great White**) and Gen Resources Pty Ltd (ACN 148 130 310) (**Gen Resources**). Gen Resources holds 75% of the Bundaberg Project and 100% of the South Blackall Project. Great White is a tenement holding company.

In addition to its principal business activities, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas, which have the potential to deliver strong future growth for Shareholders. Following Settlement of the Acquisition, it is the current intention of the Board to pursue an orderly divestment of its exploration Projects.

6.2 The Acquisition

On 17 May 2015, the Company announced that it had entered into a binding terms sheet with Dash Digital as trustee for the Dash Unit Trust, Inductor as trustee for the Inductor Trust and the Vendors for the option to acquire 100% of the shares in Dash Digital and Inductor and the units in the Dash Unit Trust and the Inductor Trust on the terms and conditions set out in the Acquisition Agreement.

The Company announced to ASX on 8 September 2015 that it had exercised its option to acquire the Vendor Entities.

Upon successful Settlement of the Acquisition, the Company will focus on developing and operating Velpic and the Business. A more detailed summary of Velpic and the proposed business of the Company following Settlement is set out in Section 8.

6.3 Key investment highlights

The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exclusive list of key highlights:

(a) represents a significant opportunity for the Company to increase the scale of its activities which should increase the number and size of the investor pool that may invest in the Company's Shares;

- (b) represents an attractive investment opportunity for the Company to change its business focus to that of a technology company;
- (c) the Company will obtain ownership of the Velpic platform providing the Company with an opportunity to diversify its interests to include Velpic which is engaged in the business of developing and operating a cloudbased e-learning platform;
- (d) the Company may be able to raise further funds at higher prices by way of share equity as a result of the Acquisition;
- (e) the Company will be managed by directors and officers with significant experience in the technology sector with a view to guiding the Company to be a significant player in that sector;
- (f) the opportunity to acquire a SaaS-based technology solution already operating in the growing LMS Market;
- (g) the platform technology has already been developed and the commercial model tested by the client base in Western Australia and Velpic is looking to expand national and international marketing initiatives over the course of the next 12-24 months:
- (h) the platform is highly scalable and requires minimal capital expenditure to reach its expansion goals; and
- (i) with two complementary entities, Dash Digital is an established revenue earning business coupled with Velpic, a potential global SaaS business.

6.4 Details on Velpic and Dash Digital

(a) About Velpic – SaaS Video-Based eLearning Platform in the Cloud

The Velpic platform allows companies to create their own highly engaging video lessons and distribute them online to their staff and contractors. Users can also track, manage and schedule all their employee's training and learning. No specialist technical skills are required and the platform has been designed for ease of use.

Companies can build and edit compelling, effective video-based lessons in-house, all managed and delivered in the 'cloud'.

The Velpic platform has commercial potential for training and presentations across all industries. Velpic is already supporting its clients to deliver training in areas including occupational health & safety induction, product sales training, professional development training and compliance activities.

Velpic is designed for a number of businesses to improve skills and productivity, onboard new staff and find engaging and efficient ways to inform, educate and empower their workforce.

Please refer to Section 8, specifically Sections 8.2 to 8.6, for a more detailed summary of the Velpic Platform and the Company's proposed business following Settlement of the Acquisition.

(b) Dash Digital – Digital Brand Agency

Dash Digital is a full service digital branding, marketing, web and app development organisation that blends creative and development talents across visual design, print graphics, websites, software development and online marketing.

6.5 Suspension and Re-admission to ASX

As ICX is currently focussed on coal exploration and mining, the Acquisition, if successfully completed, will represent a significant change in the nature and scale of ICX's operations to a technology company focused on developing the Business, including the Velpic platform.

ASX has indicated that this change in the nature and scale of ICX's activities will require:

- (a) the approval of Shareholders; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

ICX applied for voluntary suspension of its Shares with effect from the close of the General Meeting held on 3 September 2015. The Shares will not be reinstated to Official Quotation until ICX has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by the ASX to the Official List.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- (b) the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3.

It is expected that the conduct of the Offers pursuant to this Prospectus will enable the Company to satisfy the above requirements.

Applicants should be aware that the ASX will not re-admit or admit any Shares to Official Quotation until ICX re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by the ASX to the Official List. In the event that ICX does not receive conditional approval for re-admission to the Official List, ICX will not proceed with the Offers and will repay all Application monies received by it in connection with this Prospectus (without interest).

6.6 Change of Name

Subject to Shareholder approval being obtained, the Company will change its name to "Velpic Limited" as a condition precedent to Settlement of the Acquisition, which in ICX's opinion will be better suited to ICX's new strategic direction.

An overview of the Company's business following Settlement of the Acquisition is set out in Section 8.

7. DETAILS OF THE OFFER

7.1 The Offer

Pursuant to this Prospectus, the Company will be offering up to 200,000,000 Shares at an issue price of \$0.025 per Share to raise up to \$5,000,000.

The Shares offered under the Offer will rank equally with the existing Shares on issue. Refer to Section 14.2 for a summary of the terms of Shares.

(a) Minimum subscription

The minimum subscription is \$3,000,000 for the Offer.

(b) Underwriting

The Offer is not underwritten.

(c) Minimum application amount

Applications under the Offer must be for a minimum of \$2,000 worth of Shares (80,000 Shares) and thereafter, in multiples of \$200 worth of Shares (8,000 Shares).

(d) Eligible participants

To participate in the Offer you must be a resident of Australia. See Section 7.10 for further details.

Where the Company accepts oversubscriptions, the Shares to be issued under the oversubscriptions will be issued at the absolute discretion of the Directors.

Accordingly, the Company is not in a position to guarantee a minimum application of Shares under the Offer.

(e) Quotation and trading

Application for quotation of the Shares issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.8 for further details.

No Shares issued pursuant to the Offer will be subject to any escrow requirement by the ASX.

7.2 Consideration Offer

This Prospectus also includes an offer of 76,628,900 Shares to be issued to the Vendors (or their nominees) pursuant to the Acquisition Agreement in consideration for the acquisition by the Company of 100% of the issued capital of Velpic (**Consideration Offer**).

The material terms and conditions of the Acquisition Agreement are summarised at Section 13.1 of this Prospectus.

Application for quotation of the Shares issued under the Consideration Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.8 for further details.

Only the Vendors (or their nominees) may accept the Consideration Offer. A personalised Application Form in relation to the Consideration Offer will be issued to the relevant Vendors together with a copy of this Prospectus.

The Shares issued under the Consideration Offer may be subject to escrow under the ASX Listing Rules. Please refer to Section 8.12 for a summary of the likely escrow position.

7.3 Purpose of the Offers

The primary purpose of the Offer is to:

- (a) assist ICX to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (e.g. Shareholder spread) (see Section 6.5 for further details); and
- (b) to provide the Company with additional funding to progress the development and marketing of the Velpic Platform and the Business and provide the Company with sufficient working capital to meet its anticipated overhead and administrative expenses over the next 24 months.

ICX intends on applying the funds raised under the Offer along with its current cash reserves in the manner detailed in Section 7.4.

The purpose of the Consideration Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Consideration Shares.

7.4 Use of Funds

ICX intends to apply funds raised from the Offer, together with existing cash reserves, in the next two years following re-admission to the Official List of the ASX (for the purpose of satisfying the ASX's requirements for re-listing following a significant change to the nature and scale of the Company's activities) as follows:

	Funds to be raised under Offer (\$3,000,000)	Percentage of Funds (\$3,000,000)	Funds to be raised under Offer (\$5,000,000)	Percentage of Funds (\$5,000,000)
Existing cash reserves ¹	\$834,000	21.75%	\$834,000	14.3%
Funds raised from the Offer	\$3,000,000	78.25%	\$5,000,000	85.7%
TOTAL	\$3,834,000	100%	\$5,834,000	100%
Expenses of the Offers ²	\$370,000	9.65%	\$540,000	9.2%
Development of the Company's existing assets	\$50,000	1.3%	\$50,000	0.9%
Estimated costs of the Acquisition	\$75,000	1.96%	\$75,000	1.3%

Velpic / Dash Digital Product Development	\$730,900	19.06%	\$1,170,900	20.1%
Sales and Marketing	\$1,198,500	31.26%	\$2,202,000	37.7%
Compliance and Management	\$590,000	15.39%	\$724,000	12.4%
Working capital and corporate administration	\$819,600	21.38%	\$1,072,100	18.4%
TOTAL	\$3,834,000	100%	\$5,834,000	100%

Notes:

- 1 Refer to the Investigating Accountant's Report set out in Section 11 of this Prospectus for further details.
- 2 Refer to Section 14.8 of this Prospectus for further details in relation to expenses of the Offers.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 9).

The Board believes that the funds raised from the Offer, combined with existing funds will provide ICX with sufficient working capital at anticipated expenditure levels to achieve its objectives set out in this Prospectus.

7.5 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in ICX are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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

7.6 Applications

Applications for Shares under the Offers must be made using the relevant Application Form. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by:

- in respect of the Offer no later than 5.00pm (WST) on the Offer Closing Date, which is currently scheduled to occur on 25 September 2015; and
- (b) in respect of the Consideration Offer no later than 5.00pm (WST) on the Consideration Offer Closing Date, which is currently scheduled to occur on 30 September 2015.

Applications under the Offer must be accompanied by payment in full in Australian currency by cheque, direct debit or BPAY® in accordance with the instructions set out in the Application Form.

Participation in the Consideration Offer is personal and personalised Application Forms in relation to the Consideration Offer will be issued to the relevant participants together with a copy of this Prospectus.

The Company reserves the right to close the Offers early.

If you require assistance in completing an Application Form, please contact the Share Registry on 1300 554 474.

7.7 Issue of Shares and Allocation Policy

(a) General

Subject to the satisfaction of the Condition (see Section 2.4), the issue of Shares offered by this Prospectus will take place as soon as practicable after the Consideration Offer Closing Date and in accordance with the timetable set out in Section 3.

(b) Offer

The allocation of Shares under the Offer will be determined by the Board in their absolute discretion.

There is no guaranteed allocation of Shares under the Offer.

The Board reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus Application monies will be refunded (without interest) to the Applicant as soon as practicable after the Offer Closing Date.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

(c) Consideration Offer

The Consideration Offer is a personal offer to the Vendors. As such, Shares offered under those Offers will be allocated and issued to those parties (or their respective nominees) only.

Subject to satisfaction of the Condition, allocations under the Consideration Offer are guaranteed.

(d) **Defects in Applications**

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an Application as valid, or how to construe, amend or complete it, will be final.

(e) Interest

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by ICX in trust for Applicants in a separate bank account as required by the Corporations Act. ICX, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

7.8 ASX listing

ICX will apply for Official Quotation of all Shares issued under this Prospectus within 7 days after the date of this Prospectus. However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until ICX has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List (see Section 6.5). As such, the Shares may not be able to be traded for some time after the close of the Offers.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, or if ASX otherwise rejects ICX's application for re-admission to the Official List (see Section 6.5), ICX will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest. In those circumstances ICX will not proceed with the Acquisition.

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

7.9 Clearing House Electronic Sub-Register System and Issuer Sponsorship

ICX participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by ICX.

Electronic sub-registers mean that ICX will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of Shares can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in ICX during the preceding month. Shareholders may request a holding

statement at any other time, however a charge may be made for such additional statements.

7.10 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Shares in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit an offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Persons who are resident in countries other than Australia should not apply for Securities under the Offers.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. Other than Australia, this Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

7.11 General

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Shares in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in order to accept any of the Offers.

If you are outside Australia, it is your responsibility to ensure compliance with all laws of any country relevant to, and obtain all necessary approvals for, the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by ICX to constitute a representation and warranty by you that there has been no breach of any such laws and all relevant approvals have been obtained.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. Other than Australia, this Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

The Offers do not and will not constitute an offer of Shares in the US. Furthermore, no person ordinarily resident in the US is or will become permitted to submit an Application Form. If the Company believes that any Applicant is ordinarily

resident in the US, or is acting on behalf of a person or entity that is ordinarily a resident of the US, the Company will reject that applicant's application.

7.12 Enquiries

If you have any queries in relation to the Offers, please contact Piers Lewis, the Company Secretary on +61 409 374 893.

8. COMPANY OVERVIEW

8.1 Business Overview

As detailed in Section 6.1, since listing, the Company has focused on coal exploration, with its principal focus being on exploration in Queensland. Further information can be found on ICX's website, http://www.intercoal.com.au.

On 17 May 2015, the Company has entered into a binding terms sheet with Dash Digital as trustee for the Dash Unit Trust, Inductor as trustee for the Inductor Trust and the Vendors for the option to acquire 100% of the shares in Dash Digital and Inductor and the units in the Dash Unit Trust and the Inductor Trust on the terms and conditions set out in the Acquisition Agreement.

The Company announced to ASX on 8 September 2015 that it had exercised its option to acquire the Vendor Entities.

8.2 About the Vendor Entities

(a) **Background**

The Velpic Group consists of two related entities: Velpic, a cloud-based video e-Learning platform, and Dash Digital, a brand technology agency.

Velpic has developed an online platform that provides a scalable, cloud-based training, induction and education solution for businesses. The platform has been over two years in development, and allows businesses to create their own training lessons and distribute them to staff and contractors, who can access the Velpic Platform on all webenabled devices including mobile phones and tablets.

The cloud-based platform has global potential and is intended to disrupt the traditional LMS marketplace. Velpic has an extensive list of ASX 200 clients already using the platform.

Dash Digital is a full service digital branding, marketing, web and app development organisation that seamlessly blends creative and development talents across visual design, print graphics, websites, software development and online marketing.

The Velpic Group has achieved revenue of approximately \$2.2m over the past 12 months. Please refer to the Investigating Accountant's Report in Section 11 for further details.

(b) Trademark Protection over the Business

Velpic is trademarked in Australia and trademark applications have been filed in the following places:

- (i) Canada;
- (ii) South Africa;
- (iii) China;
- (iv) European Union;

- (v) New Zealand; and
- (vi) Singapore,

across 5 classes:

- (i) Class 9 Computer Software; computer programmes downloaded via the internet; computer software for communication and training purposes;
- (ii) Class 35 Business administration and management;
- (iii) Class 41 Training; training consultancy; training and e-learning;
- (iv) Class 42 Computer software consultancy; computer software design; development of software; online provision of webbased software; and
- (v) Class 45 Licensing software.

(c) The Future of Velpic

Going forward, Velpic Group will focus on delivering growth from its eLearning platform. It intends to expand its customer presence on Australia's east coast, complete development of and launch an SME version of the platform, complete and globally launch version 3.0 of the platform and expand its customer presence internationally.

8.3 Direction of ICX

Upon Settlement of the Acquisition, the Company's focus will shift from coal exploration in Queensland to development of the Velpic Platform and Business. As such, the Company's exploration Projects are not considered material in the context of the Offers.

8.4 Business Model for the Velpic Business

The Company has adopted the following strategies for its business model:

- (a) deliver a Software as a Service platform technology in the cloud;
- (b) target the large and growing LMS market;
- (c) focus on customer growth initially on the domestic Australian market followed by the global SME market;
- (d) expand its customer base into new industries, such as retail, agriculture, banking, telecommunications, health, aged-care, financial services; and
- (e) build an ever increasing recurring revenue stream for its eLearning platform through subscription fees as well as pay per view fees, supported by professional services fees from Dash Digital.

The above business model will be consistently reviewed and amended by the Board to ensure it meets the main objective of maximising Shareholder returns.

8.5 Key Dependencies of the Business Model

The key factors that ICX will depend on to meet its objectives are its ability to:

- (a) acquire new clients;
- (b) retain clients;
- (c) deliver new technology features;
- (d) protect its intellectual property in the Velpic Platform; and
- (e) be and remain competitive.

8.6 Growth Strategy

For growth, the Company intends to increase Shareholder value as per the vision outlined above, by adopting the following strategies:

- (a) adopting appropriate portfolio and risk management polices to achieve operating efficiencies and maximise returns for investors;
- (b) ensuring the application of appropriate debt levels with a view to providing acceptable risk-adjusted returns;
- (c) establishing an Australian, east-coast based sales team to drive customer growth;
- (d) developing new platform features to maintain first mover advantage; and
- (e) adopting appropriate strategies and building an appropriate executive team to expand globally.

8.7 Funding

The funding for the Company for the two years following re-admission to the Official List of ASX will be met by the offer of Shares pursuant to the Offer under this Prospectus and by the Company's existing cash reserves (see Section 7.4 for further details). As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of securities and/or from debt funding.

8.8 Financial Information

(a) Historical financial information

The Investigating Accountant's Report contained in Section 11 of this Prospectus sets out:

- (i) the historical Statements of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2014 and the years ended 30 June 2014 and 30 June 2013 for ICX;
- (ii) the historical Statements of Profit or Loss and Other Comprehensive Income for the 10 month period ended 30 April 2015 and the years ended 30 June 2014 and 30 June 2013 for Velpic;

- (iii) the historical Statements of Profit or Loss and Other Comprehensive Income for the 10 month period ended 30 April 2015 and the year ended 30 June 2014 for Dash Digital; and
- (iv) the pro-forma historical Statement of Financial Position of ICX as at 30 April 2015.

Investors are urged to read the Investigating Accountant's Report in full.

The full financial statements for ICX for its financial year ended 30 June 2014 and half year ended 31 December 2014, which include the notes to the financial statements, can be found from ICX's ASX announcements platform on www.asx.com.au.

(b) Forecast

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of ICX are inherently uncertain. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.9 Dividend Policy

It is anticipated that, post-Settlement of the Acquisition, ICX will focus on the development of the Velpic Platform and the Business. ICX does not expect to declare any dividends during this period.

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

8.10 Capital Structure

The expected capital structure of the Company following completion of the Offers and all related matters (assuming no Options are exercised) will be as follows:

	Minimum subscription (\$3,000,000)		Maximum subscription (\$5,000,000)	
Securities	ICX Shares	ICX Options	ICX Shares	ICX Options
Existing issued securities	183,689,5031	31,200,0002	183,689,5031	31,200,0002
Consideration Shares	76,628,900		76,628,900	
Debt Repayment Shares	48,371,100		48,371,100	
Offer	120,000,000		200,000,000	

Milestone Shares	125,000,000		125,000,000	
Related Party Shares (part payment of fees) ³	10,220,242		10,220,242	
Related Party Options ³		4,000,0004		4,000,0004
Consultant Shares ³	1,040,500		1,040,500	
TOTAL SECURITIES POST- COMPLETION	564,950,245	35,200,000	644,950,245	35,200,000

Notes

- 1. Assumes no further securities are issued or Options converted prior to completion of the Acquisition, other than as set out in the table.
- 2. 4,500,000 unlisted Options each exercisable at \$0.30 on or before 31/12/2015; 3,500,000 unlisted Options each exercisable at \$0.50 on or before 31/12/2015; 2,000,000 unlisted Options each exercisable at \$0.35 on or before 21/11/2015; 1,000,000 unlisted Options each exercisable at \$0.40 on or before 21/11/2015; 1,000,000 unlisted Options each exercisable at \$0.20 on or before 01/02/2016; 3,200,000 unlisted Options each exercisable at \$0.35 on or before 12/01/2017; 1,000,000 unlisted Options each exercisable at \$0.30 on or before 31/12/2015; 1,000,000 unlisted Options each exercisable at \$0.50 on or before 31/12/2015; 2,750,000 unlisted Options each exercisable at \$0.20 on or before 10/10/2018; 7,250,000 unlisted Options each exercisable at \$0.20 on or before 18/06/2019 and 4,000,000 unlisted Options each exercisable at \$0.06 on or before 31/01/2018.
- 3. Shareholder approval was obtained for the issue of the Related Party Shares, Related Party Options and Consultant Shares at the General Meeting. The issue of the Related Party Shares, 2,000,000 of the Related Party Options (to be issued to Harry Karelis) and the Consultant Shares is not conditional upon Settlement of the Acquisition and these Securities will be issued in accordance with the requirements of the ASX Listing Rules.
- 4. Unlisted Options each exercisable at \$0.06 on or before 31 January 2018 and otherwise the terms set out in Section 14.4. 2,000,000 Related Party Options to be issued to Harry Karelis and 2,000,000 Related Party Options to be issued to Leanne Graham.

This is a statement of current intentions as at the date of this Prospectus. Intervening events may alter how the Company funds the Acquisition which may impact the proposed capital structure.

8.11 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Ms Natalie Olive Horsefield	26,000,000	14.15
The Trust Company (Australia) Limited	11,000,000	5.99

On completion of the Offers (assuming full subscription under the Offer and issue

of the Milestone Shares), the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Russell John Francis ¹	75,000,002	11.63
Patrick Connell ²	75,000,002	11.63
Glen Moora ³	75,000,002	11.63

Notes:

- 1. Russell Francis is a Vendor and proposed Director of the Company. Refer to Section 10.4 for further details regarding Mr Francis' shareholdings.
- 2. Patrick Connell is a Vendor and proposed Director of the Company. Refer to Section 10.4 for further details regarding Mr Connell's shareholdings.
- 3. Glen Moora is a Vendor and proposed Director of the Company. Refer to Section 10.4 for further details regarding Mr Moora's shareholdings.

8.12 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, certain Securities on issue (including the Consideration Shares) may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

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

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

8.13 Top 20 Shareholders

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offers and prior to the Securities re-commencing trading on ASX.

9. RISK FACTORS

The business, assets and operations of the Company, including after completion of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of our Company. The Company's Securities comprise a speculative investment, particularly as it is proposed for the Company's business after the Acquisition to comprise participation in the digital currency sector and its associated business.

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

Set out below are specific risks that the Company is exposed to.

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from the Vendor Entities, parties contracted or associated with the Vendor Entities and the Acquisition Agreement and other agreements, including, but not limited to, those summarised in this Prospectus.

The risks and uncertainties described below are not intended to be exhaustive. The summary of risks that follows is not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company, the Vendor Entities and their related entities and consequently Applicants. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire all the Vendor Entity Shares are as follows.

9.1 Risks relating to the Change in Nature and Scale of Activities

Re-Quotation of Shares on ASX

The acquisition of the Vendor Entities constitutes a significant change in the nature and scale of the Company's activities and the Company needs to recomply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

(a) Dilution Risk

The Company currently has 183,689,503 Shares on issue. On completion of the Acquisition, the Company proposes to issue the relevant number of Shares under the Acquisition and issue a minimum of 120,000,000 Shares to raise up to \$3,000,000 as part of the Offer. On issue of the Shares under the Acquisition and the minimum subscription of the Shares

under the Offer (assuming no exercise of Options and satisfaction of all Milestones), the existing Shareholders will retain approximately 34.5% of the issued capital of the Company, with the Vendors holding 44.25%, and the investors under the Offer holding 21.25% of the issued capital of the Company respectively.

Upon issue of the consideration under the Acquisition and the maximum subscription of the Shares under the Offer, being 200,000,000 Shares to raise up to \$5,000,000, (assuming no exercise of Options and satisfaction of all Milestones), the existing Shareholders will retain approximately 30.23% of the issued capital of the Company, with the Vendors holding 38.76%, and the investors under the Offer holding 31.01% of the issued capital of the Company respectively.

There is also a risk that the interests of Shareholders will be further diluted as a result of exercise of Options and future capital raisings required in order to seek to fund the development of the Company's proposed businesses after completion of the Acquisition.

(b) Liquidity Risk

On completion of the Acquisition, the Company proposes to issue a total of 76,628,900 Consideration Shares, 48,371,100 Debt Repayment Shares and 125,000,000 Milestone Shares to the Vendors. These securities will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. Based on the post-offer capital structure (and assuming no further Shares are issued or Options exercised and satisfaction of all Milestones), these Shares will equate to approximately 44.25% of the post-Offer issued Share capital (assuming minimum subscription under the Offer). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(c) Contractual Risk

Pursuant to the Acquisition Agreement the Company has agreed to acquire 100% of the issued shares and units of the Vendor Entities subject to the fulfilment of certain conditions precedent set out in Section 13.1(b).

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

9.2 Risks specific to the Company

There are a number of specific risks involved for the Company, and consequently its Security holders, in the acquisition of the Vendor Entities including risks specific to the businesses and assets of each of the Vendor Entities which include the following non-exhaustive list

(a) Technology Risk

Upon completion of the Acquisition, the Company will be reliant upon certain technologies and upon the successful commercialisation of the technologies as currently held by the Vendor Entities. There is a risk that

as marketable technologies continue to develop 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 the value of the Shares.

(b) New Market Entrants and Technology Risk

The emergence of new competitors in the market, or any technological developments providing an alternative to the Vendor Entities' product offerings could impact the market share that the Company is able to acquire and cause downward price pressure on consumer software and services platforms, thus reducing the Company's margins and revenue. Further, existing providers of similar consumer services may also respond aggressively to the Vendor Entities' market growth to retain or regain market share, which could also impact the Company's margins and revenue.

(c) Failure to Deal with Growth

The Business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the business.

(d) Availability of IT Staff in the Market

The Vendor Entities are reliant upon employees with specialist IT skills in order to develop and maintain its projects. Any shortage of availability of these skills in the IT employment market could impair the development of the platform and the rate of such development. Such shortage could also cause wage inflation, which may impact on the Company's profitability.

(e) Security Breaches and Hacker Attacks

A malicious attack on the Vendor Entities' systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation, and brand damage resulting in reduced or failing revenues. The Vendor Entities follow best practice in relation to security policies, procedures, automated and manual protection, encryption systems and staff screening to minimise this risk.

(f) Customer Service Risk

The Vendor Entities' 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 products or services. If any of these occur, it may adversely impact the Company's revenues.

(g) Exploration Risks

As set out in Section 6.1, following Settlement of the Acquisition, it is the current intention of the Board to pursue an orderly divestment of its exploration Projects. Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(h) Mining Risks

In relation to the Company's current interests, the business of coal mining involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents, occupational and health hazards, cave-ins and rock bursts. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

As set out in Section 6.1, following Settlement of the Acquisition, it is the current intention of the Board to pursue an orderly divestment of its exploration Projects.

9.3 Industry specific risks

(a) Competition

New suppliers and traditional suppliers in the global Learning and Development market produce similar technology or platform solutions. If the Company is unable to compete successfully, it may be unable to generate, grow and sustain its revenue.

(b) Intellectual Property

Securing rights to intellectual property, and in particular patents, is not an integral part of securing potential product value with SaaS products entering traditional markets. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

The granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

Although the Company is not aware of any third party interests in relation to the intellectual property rights of the intellectual property, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

Although the Company will implement all reasonable endeavours to protect its intellectual property, there can be no assurance that these measures have been, or will be sufficient

(c) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the estimates summarised in Section 1.7 above. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(d) Maintaining First Mover Advantage risk

In lieu of patents and more traditional forms of protection of intellectual property, SaaS firms employ a strategy of constant innovation to stay ahead of the competition especially when entering existing markets where the solution is novel but the problem being solved is not. This is called First Mover Advantage. If innovation is stifled through lack of creativity or funds then this may adversely affect the Company.

9.4 General risks

(a) 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 (including in relation to the Vendor Entities) 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 financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's and the Vendor Entities' activities and future projects

may result in delay and indefinite postponement of their activities and potential research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company or one or more of the Vendor Entities and might involve substantial dilution to Shareholders.

(b) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's and the Vendor Entities' business activities and potential research and development programmes, as well as on their ability to fund those activities.

(c) Dependence on outside parties

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

(d) Market conditions

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Security holders arising from the transactions the subject of this Prospectus or otherwise.

(e) Market acceptance

The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns.

Accordingly, there is a risk that the Company may not be able to commercialise its products, which could adversely impact the Company's operations.

(f) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company and the Vendor Entities depend substantially on their senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company or Vendor Entities if one or more of these employees cease their employment or if one or more of the Directors leaves the Board.

10. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

10.1 Directors and key personnel

As at the date of this Prospectus, the Board comprises of:

- (a) Mr John Lester (Non-Executive Chairman & Director);
- (b) Mr Hugh Dai (CEO, Executive Director);
- (c) Mr Noel T. Halgreen (Non-Executive Director); and
- (d) Mr Harry Karelis (Non-Executive Director).

It is proposed that upon Settlement of the Acquisition:

- (a) Mr Glen Moora, Mr Patrick Connell, Mr Russell Francis and Ms Leanne Graham will be appointed to the Board of the Company (together, **Proposed Directors**);
- (b) Mr John Lester and Mr Harry Karelis will continue as Directors in their current roles; and
- (c) Mr Noel T. Halgreen and Mr Hugh Dai intend to resign as Directors.

Our Company is aware of the need to have sufficient management to properly manage the Business and the Board will continually monitor the management roles in the Company. The Board may look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company and Velpic.

10.2 Current Directors and Senior Management

The profiles of each of the current Directors and Senior Management are set out below:

John Lester (Non-Executive Chairman & Director)

John has extensive experience in mining and corporate financing. He graduated from Oxford University with a degree in natural science before being trained as a mining analyst at Joseph Sebag & Co. brokers. John spent a number of years as a stockbroker and corporate financier in Sydney and has held positions in senior management and on the Boards of mining companies in Australia and overseas.

Hugh Dai (CEO, Executive Director)

Hugh has over 25 years' experience in the mining and resources, finance and international trade sector businesses in both China and Australia. This gives him a vital understanding and awareness of the practices of the relevant regulatory bodies, financial institutions and government agencies in both countries and how these can be brought to bear in regard to the Company's operations. He has regularly played key roles in negotiating international trade and mining agreements, particularly in the formation of investment ventures between Chinese corporations and Australian mining companies.

As set out in Section 10.1, Mr Dai will retire on Settlement of the Acquisition.

Noel T. Halgreen (Non-Executive Director)

Noel has more than 30 years' experience in the coal business and brings a strong record of achievement on major coal resource project developments, mergers, acquisitions and commercial negotiations across the Australian and international coal resources industry. He has held a range of senior positions within companies in the mining industries in Australia and overseas, such as: Vice President Business Development – BHP Billiton Coal (2001-2005), Executive Director Business Development – Billiton Coal (1995 – 2001), Executive Director – Trans Natal Coal Corporation (1991 – 1995), Chief Operating Officer – Sasol Coal (1986 – 1991).

Mr Halgreen is currently a director of ASX-listed company Kimberley Diamonds Ltd and was also a director of Kimberley Diamonds Ltd's wholly-owned subsidiary Kimberley Diamond Company Pty Ltd (**Kimberley Diamond Co**). Kimberley Diamond Co was placed into voluntary administration on 1 July 2015. The Directors (other than Mr Halgreen) have considered the circumstances surrounding Mr Halgreen's involvement in Kimberley Diamond Co and are of the view that his involvement as a director of Kimberley Diamond Co (and of Kimberley Diamonds Ltd) in no way impacts on his appointment and contribution as a director of the Company.

As set out in Section 10.1, Mr Halgreen will retire on Settlement of the Acquisition.

Harry Karelis (Non-Executive Director)

Mr Karelis is the founder of Titan Capital Partners - a privately held investment group involved in a range of projects. He graduated from The University of Western Australia with Bachelors and Honours in Science majoring in Biochemistry and Microbiology as well as a Masters in Business Administration. He is a Fellow of the Financial Services Institute of Australia, a Fellow of the Australian Institute of Company Directors and has qualified as a Chartered Financial Analyst (CFA) from the CFA Institute in the United States.

Prior to establishing Titan, Mr Karelis worked in the financial services industry with roles in financial analysis and funds management both in Australia and overseas including extended periods at Hartley Poynton (now Hartleys) and Challenger Group. He has in excess of 23 years diversified experience in the financial services sector including fundamental analysis, funds management and private equity investing and has acted as a Director on several public and private companies in Australia, Singapore and the United Kingdom.

He is also a non-executive Director of ASX-listed VTX Holdings Ltd.

Piers Lewis (Company Secretary)

Mr Lewis has more than 15 years global corporate experience and is currently Company Secretary for several ASX listed companies. In 2001 Mr Lewis qualified as a Chartered Accountant with Deloitte (Perth) and is a Chartered Company Secretary. Mr Lewis brings to the Company extensive and diverse financial and corporate experience from previous senior management roles with Credit Suisse (London), Mizuho International and NAB Capital.

10.3 Proposed Directors and Senior Management

The profiles of each of the Proposed Directors are set out below:

Glen Moora (Proposed Director and National Sales Director)

Glen brings his entrepreneurial skills to the company and he is well renowned having built several successful businesses prior to becoming a partner and director. It is this business experience that he continually applies to Velpic, Dash Digital and its clients.

Glen has developed an in-depth understanding of all facets of the sales, marketing and strategic process. Glen has a proven ability to build new business relationships and new territories and has experience in developing business opportunities and global partners.

Patrick Connell (Proposed Director and Managing Director of Dash Digital)

Patrick is an expert in corporate identities, marketing strategies and plays an integral role in the strategic development, brand image and message of Dash Digital, its key clients and Velpic.

Patrick achieved his Bachelor of Arts degree from Curtin University where he also studied Fine Art. He has been a member of the Australian Institute of Graphic Arts for the last 20 years and a Gold Member of Tourism South West since 1987.

Patrick has 28 years experience as a design professional in Western Australia and was the founding director of Chameleon Creative for more than 20 years. During that time, he has been involved with government, public and private companies which have covered a wide range of industries.

Russell Francis (Proposed Managing Director of Velpic)

Russell Francis is an entrepreneur and Internet Pioneer with more than 23 years international experience running successful businesses that build enterprise scale applications, web apps and mobile apps for the likes of Citibank, ABN AMRO, P&O, Lloyds TSB, Dixons Stores Group, ASDA, Bankwest, Western Power, Goldman Sachs and JB Were.

He holds a B.Sc with Double Major in Computer Science & Information Technology and Anatomy & Human Biology from the University of Western Australia.

In 1995 Russell built his first web site and by 1998 he successfully negotiated the sale of his London based software development firm to a Silicon Valley based IT consulting firm and then lead his new firm into the Internet revolution building some of the biggest websites and online applications in Europe.

Russell founded Reignite in Perth in 2005 and in March 2012 Russell, Pat and Glen agreed to set up a joint venture to develop Velpic which in July 2013 lead to the merger of Reignite with Pat and Glen's two other long established Perth based businesses, Dash Digital and Chameleon Creative.

Leanne Graham (Proposed Non-executive Director)

Leanne Graham is an outstanding IT entrepreneur with over 28 years' experience at the highest levels in the software sector. As one of New Zealand's few female IT entrepreneurs and chief executives of a listed company on the NZX, she has built a name for herself by enabling multiple companies to embrace the global opportunity of Cloud, Mobility and SaaS.

Since transitioning from her role as CEO at GeoOp to now Executive Director of the NZAX listed company, Leanne has spread her wings internationally by becoming the co-founder and Director of iExecute SaaS Ltd, with offices in the technology hub of San Francisco, CA and in New Zealand. Here, Leanne is able to use her years of experience and specialist expertise to advise emerging and established SaaS companies in areas like business strategy and execution.

Leanne was the General Manager of Sales at the globally successful SaaS accounting software company Xero and was the architect of the Xero Global Sales Strategy around 'recruit, educate and grow'; a key channel strategy used to build Xero's customer base in New Zealand then in Australia, UK and the US when Xero entered these markets. Leanne's strategy took Xero's New Zealand partner base to close to 100% of the country's accounting industry and grew revenues by 500%.

Leanne remains deeply passionate about employing technology to disrupt industries. Through her strategic investment company Cloud Rainmakers Ltd, she assists technology companies to identify how they can develop strategic partnerships and disrupt an industry to become export successes.

10.4 Personal Interests of Directors

Directors are not required under ICX's Constitution to hold any Shares to be eligible to act as a director.

Details of the Directors' and Proposed Directors' remuneration and relevant interest in the Securities of the Company upon completion of the Offers are set out in the table below:

Director	Remuneration for year ended 30 June 2014 \$	Remuneration for year ended 30 June 2015	Proposed remuneration for current financial year	Shares	Options
John Lester ¹	81,888	118,300	42,000	6,620,570	2,000,000
Hugh Dai	191,515	135,734	29,166	10,329,576	2,000,000
Noel T. Halgreen ²	61,500	44,800	14,000	1,501,500	2,000,000
Harry Karelis	Nil	47,694	42,000	Nil	2,000,0003
Leanne Graham ⁴	Nil	Nil	28,000	Nil	2,000,0005
Patrick Connell	Nil	Nil	\$200,000	75,000,0026	Nil
Glen Moora	Nil	Nil	\$230,000	75,000,0027	Nil
Russell Francis	Nil	Nil	\$200,000	75,000,0028	Nil

Notes:

- 1. Mr Dai's proposed remuneration for current financial year assume he resigns from his position on 31 October 2015. This figure represents a pro rata rate of \$87,500.
- 2. Mr Halgreen's proposed remuneration for current financial year assume he resigns from his position on 31 October 2015. This figure represents a pro rata rate of \$42,000.
- Shareholder approval was obtained for the issue of 2,000,000 Related Party Options to Mr Karelis at the General Meeting.

- 4. Ms Graham's proposed remuneration for current financial year assume an appointment date of 31 October 2015. This figure represents a pro rata rate of \$42,000.
- 5. Shareholder approval was obtained for the issue of 2,000,000 Related Party Options to Ms Graham at the General Meeting.
- 6. Pursuant to the Acquisition Agreement, Mr Connell will receive a total of 75,000,002 Shares, made up of 22,988,672 Consideration Shares and 37,500,000 Milestone Shares. 11,494,336 Consideration Shares, 14,511,330 Debt Repayment Shares and 18,750,000 Milestone Shares will be issued to Chameleon Creative Pty Ltd as trustee for The P&S Trust of which Mr Connell is a beneficiary. 11,494,336 Consideration Shares and 18,750,000 Milestone Shares will be issued to Patrick Martin Connell as trustee for The April Trust.
- 7. Pursuant to the Acquisition Agreement, Mr Moora will receive a total 75,000,002 Shares, made up of 22,988,672 Consideration Shares and 37,500,000 Milestone Shares. 11,494,336 Consideration Shares, 14,511,330 Debt Repayment Shares and 18,750,000 Milestone Shares will be issued to Chameleon Creative Pty Ltd as trustee for The G&A Trust of which Mr Moora is a beneficiary. 11,494,336 Consideration Shares and 18,750,000 Milestone Shares will be issued to Glen John Moora as trustee for The City Trust.
- 8. Pursuant to the Acquisition Agreement, Mr Francis will receive a total of 75,000,002 Shares, made up of 22,988,672 Consideration Shares, 14,511,330 Debt Repayment Shares and 37,500,000 Milestone Shares, to be issued to Russell John Francis as trustee for The RJF Family Trust.

ICX's Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Shareholders have approved the payment of fees to the Non-Executive Directors which in aggregate cannot exceed \$500,000 per annum, although this may be varied by ordinary resolution of the Shareholders in general meeting. The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

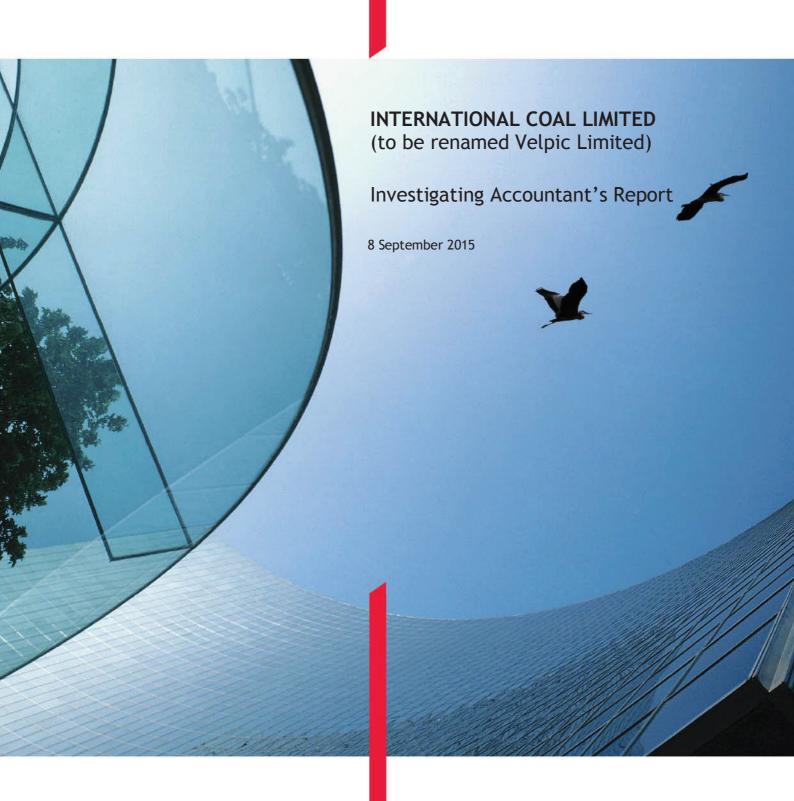
10.5 Director participation in the Offer

None of the Directors or Proposed Directors intend on participating in the Offer.

10.6 Agreements with Directors

The agreements the Company has entered into with Directors and Proposed Directors are contained in Sections 13.1 and Sections 13.4 to 13.6.

11.	INVESTIGATING ACCOUNTANT'S REPORT









38 Station Street Subiaco, WA 6008 PO Box 700 West Perth WA 6872 Australia

8 September 2015

The Directors
International Coal Limited
Level 15, 324 Queen Street
Brisbane, QLD 4000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by International Coal Limited ('ICX' or 'the Company') to prepare this Investigating Accountant's Report ('Report') in relation to certain financial information of ICX for inclusion in the Prospectus. The Prospectus is required under Australian Securities Exchange ('ASX') requirements for ICX to re-comply with Chapters 1 and 2 of the ASX Listing Rules, as a result of ICX entering into a conditional option agreement to purchase 100% of the issued capital of two related entities; Velpic Pty Ltd ('Velpic'), a video eLearning platform in the cloud and Dash Digital Pty Ltd ('Dash Digital'), a brand technology agency (the 'Transaction'). Following completion of the Transaction, it is proposed that ICX will change its name to Velpic Limited.

Broadly, the Prospectus will offer up to 200 million Shares at an issue price of \$0.025 each to raise \$5 million before costs ('the Offer'). The Offer is subject to a minimum subscription level of 120 million shares to raise \$3 million before costs.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') included in the Prospectus:

- the historical Statements of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2014 and the years ended 30 June 2014 and 30 June 2013 for ICX;
- the historical Statements of Profit or Loss and Other Comprehensive Income for the ten month period ended 30 April 2015 and the years ended 30 June 2014 and 30 June 2013 for Velpic;
- the historical Statements of Profit or Loss and Other Comprehensive Income for the ten month period ended 30 April 2015 and the year ended 30 June 2014 for Dash Digital; and
- the historical Statement of Financial Position as at 30 April 2015 for ICX, Velpic and Dash Digital.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The Historical Financial Information of ICX as at 30 April 2015 has been reviewed by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unmodified review conclusion of the 30 April 2015 financial information.

The Historical Financial Information of ICX as at 31 December 2014 was reviewed by Hall Chadwick Chartered Accountants in accordance with the Australian Auditing Standards. Hall Chadwick Chartered Accountants issued an unmodified review opinion on the half year financial report however included an emphasis of matter paragraph regarding the fact that there is a material uncertainty regarding the ability of ICX to continue as a going concern in the event certain fundraising activities do not proceed. The Historical Financial Information of ICX as at 30 June 2014 and 30 June 2013 was audited by Hall Chadwick Chartered Accountants in accordance with the Australian Auditing Standards. Hall Chadwick Chartered Accountants issued unmodified audit opinions on the annual financial reports however included emphasis of matter paragraphs in each audit report regarding the fact that there is a material uncertainty regarding the ability of ICX to continue as a going concern in the event certain fundraising activities do not proceed.

The Historical Financial Information of both Velpic and Dash Digital has been extracted from their respective financial reports for the ten month period ended 30 April 2015, which was audited by BDO Audit Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit Pty Ltd issued unmodified audit opinions on the financial reports for both Velpic and Dash Digital for the ten month period ended 30 April 2015. The Historical Financial Information of both Velpic and Dash Digital for the year ended 30 June 2014 was audited by BDO Audit Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit Pty Ltd issued unmodified audit opinions on the financial reports for both Velpic and Dash Digital for the year ended 30 June 2014. The Historical Financial Information of Velpic for the year ended 30 June 2013 was audited by BDO Audit Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit Pty Ltd issued an unmodified audit opinion on the financial report for Velpic for the year ended 30 June 2013.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of ICX included in the Prospectus:

the pro forma historical Statement of Financial Position as at 30 April 2015.

The Pro Forma Historical Financial Information has been derived from the historical financial information of ICX, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by ICX to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on ICX's financial position as at 30 April 2015. As part of this process, information about ICX's financial position has been extracted by ICX from the Company's financial information for the ten month period ended 30 April 2015.

The Pro Forma Historical Financial Information incorporates the completion of the Transaction whereby ICX will acquire a 100% interest in Velpic and Dash Digital. ICX has paid a \$200,000 option fee to Velpic to be retained as working capital within Velpic. On exercise of the option the consideration will be satisfied by the following:

- The issue of 125 million ordinary shares of ICX ('Consideration Shares');
- The issue of a further 50 million shares of ICX subject to the Company obtaining a total
 of 100,000 pay per views from its interactive training lessons within 3 years from the
 date of Completion ('Milestone 1 Consideration Shares');
- The issue of a further 50 million shares of ICX subject to the Company obtaining total cumulative revenue of \$10 million within 3 years from the date of Completion ('Milestone 2 Consideration Shares'); and
- The issue of a further 25 million shares of ICX subject to the Company achieving annual revenue of \$50 million in any of the first 5 financial years following the date of Completion ('Milestone 3 Consideration Shares').

Under the Acquisition Agreement, the Company has acknowledged that the Vendors are owed approximately \$0.97 million by the Vendor Entities ('Vendor Entity Debt'). Following completion of the Transaction, ICX will change its name to Velpic Limited.

3. Directors' responsibility

The directors of ICX are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the historical Statements of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2014 and the years ended 30 June 2014 and 30 June 2013 for ICX:
- the historical Statements of Profit or Loss and Other Comprehensive Income for the ten month period ended 30 April 2015 and the years ended 30 June 2014 and 30 June 2013 for Velpic;
- the historical Statements of Profit or Loss and Other Comprehensive Income for the ten month period ended 30 April 2015 and the year ended 30 June 2014 for Dash Digital; and
- the historical Statement of Financial Position as at 30 April 2015 for ICX, Velpic and Dash Digital;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

the pro forma historical Statement of Financial Position of ICX as at 30 April 2015;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro forma historical Statement of Financial Position reflects the following events that have occurred subsequent to the period ended 30 April 2015;

- The Company received shareholder approval on 3 September 2015 to issue a total of 4 million options to current and proposed directors (Harry Karelis and Leanne Graham) ('Related Party Options'). The Related Party Options have an exercise price of \$0.06 each and expire on 31 January 2018. These have been valued using the Black Scholes model:
- The Company received shareholder approval on 3 September 2015 to issue 10,220,242 ordinary shares to certain related parties in satisfaction of outstanding fees totaling \$204,405. These outstanding fees are in relation to unpaid salaries, directors' fees and consulting fees that had been recorded as trade and other payables by the Company as at 30 April 2015; and
- The Company received shareholder approval on 3 September 2015 to issue 1,040,500 ordinary shares to consultants of the Company in consideration for consultancy services. On the date of shareholder approval the closing share price of ICX was \$0.03 and therefore the value of these consultant shares totals \$31,215.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of ICX, Velpic and Dash Digital have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 30 April 2015, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 200 million Shares at an offer price of \$0.025 each to raise \$5 million before costs based on the maximum subscription or the issue of 120 million Shares at an offer price of \$0.025 each to raise \$3 million before costs based on the minimum subscription, pursuant to the Prospectus;
- Costs of the Offer are estimated to be \$540,000 based on the maximum subscription or \$370,000 based on the minimum subscription, which are to be offset against contributed equity;
- The issue of the following securities in consideration for a 100% interest in Velpic and Dash Digital;
 - 125 million Consideration Shares (including shares issued to satisfy Vendor Entity Debt);
 - o 50 million Milestone 1 Consideration Shares;
 - o 50 million Milestone 2 Consideration Shares; and
 - o 25 million Milestone 3 Consideration Shares.

- The total consideration being paid by ICX to acquire a 100% interest in both Velpic and Dash Digital will also satisfy the repayment of the Vendor Entity Debt, which is \$967,422; and
- The Company will change its name from International Coal Limited to Velpic Limited.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Offer other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO also provides ICX with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Adam Myers

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Director

APPENDIX 1 INTERNATIONAL COAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed for the half year ended
	31-Dec-14
	\$
Revenue - Interest income	16,774
Administration expenses	(91,659)
Compliance expenses	(27,231)
Consultancy costs	(96,992)
Employee benefits expenses	(121,156)
Exploration costs	(32,473)
Insurance costs	(10,078)
Loss before income tax expense	(362,815)
Income tax expense	-
Loss for the period	(362,815)
Other comprehensive income	-
Total comprehensive loss for the period	(362,815)

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 2 INTERNATIONAL COAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		ICX	Dash Digital	Velpic					
		Reviewed as at	Audited as at	Audited as at	Subsequent	Pro forma a	adjustments	Pro forma	after Offer
		30-Apr-15	30-Apr-15	30-Apr-15	events	\$3 million	\$5 million	\$3 million	\$5 million
	Notes	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS									
Cash and cash equivalents	2	1,256,798	19,096	26,235	-	2,630,000	4,460,000	3,932,129	5,762,129
Trade and other receivables	3	10,411	228,196	9,298	-	(45,758)	(45,758)	202,147	202,147
Work in progress		-	71,552	2,100	-	-	-	73,652	73,652
Other current assets		6,863	-	-	-	-	-	6,863	6,863
TOTAL CURRENT ASSETS		1,274,072	318,844	37,633	-	2,584,242	4,414,242	4,214,791	6,044,791
NON CURRENT ASSETS									
Exploration and Evaluation Assets		275,477	-	-	-	-	-	275,477	275,477
Mineral Assets		924,602	-	-	-	-	-	924,602	924,602
Plant & Equipment		-	73,069	-	-	-	-	73,069	73,069
Intangible assets	4	-	853,189	-	-	5,374,346	5,374,346	6,227,535	6,227,535
Other non current assets		-	104,604		-		-	104,604	104,604
TOTAL NON CURRENT ASSETS		1,200,079	1,030,862	-	-	5,374,346	5,374,346	7,605,287	7,605,287
TOTAL ASSETS		2,474,151	1,349,706	37,633	-	7,958,588	9,788,588	11,820,078	13,650,078
CURRENT LIABILITIES									
Trade and other payables	5	474,216	461,682	103,316	(204,405)	-	-	834,809	834,809
Provisions		35,035	92,405	12,374	-		-	139,814	139,814
TOTAL CURRENT LIABILITIES		509,251	554,087	115,690	(204,405)	-	-	974,623	974,623
NON CURRENT LIABILITIES									
Deferred tax liability	6	-	-	-	-	1,612,304	1,612,304	1,612,304	1,612,304
Borrowings	7	-	1,026,268	45,758	-	(1,013,180)	(1,013,180)	58,846	58,846
TOTAL NON CURRENT LIABILITIES		-	1,026,268	45,758	-	599,124	599,124	1,671,150	1,671,150
TOTAL LIABILITIES		509,251	1,580,355	161,448	(204,405)	599,124	599,124	2,645,773	2,645,773
NET ASSETS/(LIABILITIES)		1,964,900	(230,649)	(123,815)	204,405	7,359,464	9,189,464	9,174,305	11,004,305
EQUITY									
Contributed equity	8	16,144,904	30	105	235,620	7,004,865	8,834,865	23,385,524	25,215,524
Reserves	9	2,052,850	-		44,000			2,096,850	2,096,850
Accumulated losses	10	(16,232,854)	(230,679)	(123,920)	(75,215)	354,599	354,599	(16,308,069)	(16,308,069)
TOTAL EQUITY		1,964,900	(230,649)	(123,815)	204,405	7,359,464	9,189,464	9,174,305	11,004,305

^{*}The cash and cash equivalents balance above does not account for working capital spent during the period from 1 May 2015 until completion. From 1 May 2015 to 31 August 2015, the Company, Velpic and Dash Digital have spent approximately \$470,000 on working capital of the Company, Velpic and Dash Digital and expenses related to the Transaction and the Offer.

The pro-forma consolidated statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4.

APPENDIX 3

INTERNATIONAL COAL LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

Going Concern

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

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is riot recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

b) Impairment

At the end of each reporting period, the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the assets carrying value exceeds its recoverable amount. Recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing value in use, the estimated

future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

c) Revenue and other income

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Revenue is recognised when the service is provided.

Interest revenue

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term high liquid investments with original maturities of three months or less and bank overdrafts.

e) Trade and other receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the entity will riot be able to collect all amounts due according to the original terms. Objective evidence of impairment includes financial difficulties of the debtor or default payments. On confirmation that the trade receivable will riot be collectible the gross carrying value of the asset is written off against the associated provision.

From time to time, the entity elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are riot, in the view of the trustee, sufficient to require the derecognition of the original instrument.

f) Work in progress

Work in progress is stated at the aggregate of costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amount is shown under Current Liabilities as Unearned Revenue.

Contract costs include all costs that relate directly to the specific contract, costs that are specifically changeable to the customer under the terms of the contract.

g) Intangible assets

Dash Digital has libraries of code crafted over years of professional software development that help fast track the implementation of web sites and software applications (including mobile apps). These mature frameworks enable Dash Digital to build sophisticated web sites and applications at a fraction of the cost and time compared to a complete 'green field' implementation. These frameworks are valuable, provide competitive advantage and ensure a best-of-breed implementation.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- i. The consideration transferred;
- ii. Any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- iii. The acquisition date fair value of any previously held equity interest;

Over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss

Goodwill is tested for impairment annually and is allocated to the Company's cash generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

h) Business combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the entity on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the entity obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred over fair value of the identifiable net assets acquired. If the consideration is less than the fair value of the net identifiable assets acquired the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

Assets and liabilities from business combinations involving entities or businesses under common control are accounted for at the carrying amounts recognised in the entity's controlling shareholders consolidated financial statements.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

Contingent consideration is classified as equity or financial liabilities. Amounts classified as financial liabilities are subsequently remeasured to fair value at the end of each reporting period, with changes in fair value recognised in profit or loss.

i) Plant and equipment

Plant and equipment is stated at historical cost, in duding costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed AssetDepreciation rateVehicles25% (Diminishing value)Computer and Software30 - 67% (Diminishing value)Office equipment10 - 50% (Diminishing value)

Office fitouts 2 - 5% (Prime cost)

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

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the assets carrying amount and are included in profit or loss in the year that the item is derecognised.

j) Financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

k) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the entity prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

l) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least I2 months after the end of the reporting period.

m) Employee benefit provisions

Short term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

n) Contributed equity

Units are classified as equity. Incremental costs directly attributable to the issue of new units are shown in equity as a deduction, net of tax, from the proceeds.

o) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

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

Determination of fair values of consideration paid in business combinations

At the time of acquisition, consideration transferred is required to be measured at it acquisition date fair value. With respect to performance shares issued (contingent consideration), management are required to estimate the probability of performance milestones being achieved in determining the acquisition date fair value. Management will continue to monitor and assess the likelihood of this outcome based upon information available at each reporting period.

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

	Reviewed	Pro forma at	ter Offer
	30-Apr-15	\$3 million	\$5 million
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$	\$
Cash and cash equivalents	1,256,798	3,932,129	5,762,129
•			
Reviewed balance of Discovery at 30 April 2015		1,256,798	1,256,798
Audited balance of Dash Digital at 30 April 2015		19,096	19,096
Audited balance of Velpic at 30 April 2015		26,235	26,235
Pro-forma adjustments:			
Proceeds from shares issued under the Offer		3,000,000	5,000,000
Capital raising costs		(370,000)	(540,000)
	_	2,630,000	4,460,000
Pro-forma Balance	_	3,932,129	5,762,129

[#] The cash and cash equivalents balance above does not account for working capital spent during the period from 1 May 2015 until completion. From 1 May 2015 to 31 August 2015, the Company, Velpic and Dash Digital have spent approximately \$470,000 on working capital of the Company, Velpic and Dash Digital and expenses related to the Transaction and the Offer.

	Reviewed	Pro forma
	30-Apr-15	after Offer
NOTE 3. TRADE AND OTHER RECEIVABLES	\$	\$
Trade and other receivables	10,411	202,147
Reviewed balance of Discovery at 30 April 2015		10,411
Audited balance of Dash Digital at 30 April 2015		228,196
Audited balance of Velpic at 30 April 2015		9,298
Pro-forma adjustments:		(4E 7E0)
Elimination of loan between Dash Digital and Velpic on acquisition	_	(45,758)
		(45,758)
Pro-forma Balance	-	202,147
FIO-IOITIA DAIAIICE	_	202,147
	Reviewed	Pro forma
	30-Apr-15	after Offer
NOTE 4. INTANGIBLE ASSETS	\$	\$
Intangible assets	-	6,227,535
-		
Reviewed balance of Discovery at 30 April 2015		-
Audited balance of Dash Digital at 30 April 2015		853,189
Audited balance of Velpic at 30 April 2015		-
Pro-forma adjustments:		
Intangible assets recognised on acquisition (refer note 11)		3,762,042
Deferred tax liability uplift recognised on acquisition (refer note 1	- -	1,612,304
		5,374,346
Dro forma Palanco	-	4 227 525
Pro-forma Balance	_	6,227,535
	Reviewed	Pro forma
	30-Apr-15	after Offer
NOTE 5. TRADE AND OTHER PAYABLES	\$	\$
Trade and other payables	474,216	834,809
·		
Reviewed balance of Discovery at 30 April 2015		474,216
Audited balance of Dash Digital at 30 April 2015		461,682
Audited balance of Velpic at 30 April 2015		103,316
Subsequent events:		
Issue of shares in satisfaction of related party payables	_	(204,405)
		(204,405)
Pro-forma Balance	_	92 / 900
רוט־וטווומ טמנמווככ	_	834,809

	Reviewed	Pro forma
	30-Apr-15	after Offer
NOTE 6. DEFERRED TAX LIABILITIES	\$	\$
Deferred tax liabilities	-	1,612,304
= = = = = = = = = = = = = = = = = = =		
Reviewed balance of Discovery at 30 April 2015		-
Audited balance of Dash Digital at 30 April 2015		-
Audited balance of Velpic at 30 April 2015		-
Pro-forma adjustments:		
Deferred tax liability uplift recognised on acquisition (refer note 1	1)	1,612,304
	_	1,612,304
Pro-forma Balance	_	1,612,304
	-	

Under the accounting standards, the carrying value of the underlying assets of ICX is, on consolidation, reflected at its 'fair value' including any fair value increase in the intangible assets acquired under the Transaction, as explained in Note 11.

Where the 'tax base' of an asset differs from its 'fair value', a deferred tax liability exists which reflects temporary differences between the company's accounting and tax carrying values. This liability may or may not result in an obligation to pay income tax in any given year hence the deferred status. This tax liability is debited to the intangible asset and the credit is made to the deferred tax liability. This results in a final carrying value of intangible assets of \$5,374,346 of which \$1,612,304 relates to the deferred tax liability (at a tax rate of 30%).

	Reviewed	Pro forma
	30-Apr-15	after Offer
NOTE 7. BORROWINGS	\$	\$
Borrowings	-	58,846
Reviewed balance of Discovery at 30 April 2015		-
Audited balance of Dash Digital at 30 April 2015		1,026,268
Audited balance of Velpic at 30 April 2015		45,758
Pro-forma adjustments:		
Elimination of loan between Dash Digital and Velpic		(45,758)
Issue of Consideration Shares in satisfaction of borrowings		(967,422)
	_	(1,013,180)
Pro-forma Balance	_	58,846
	-	

	Reviewed		Pro forma	after Offer
	30-Ap	or-15	\$3 million	\$5 million
NOTE 8. CONTRIBUTED EQUITY	9	;	\$	\$
Contributed equity	16,14	4,904	23,385,524	25,215,524
	Number of	Number of		
	shares (min)	shares (max)	\$	\$
Fully paid ordinary share capital of ICX as at 31 December 2014	183,689,503	183,689,503	16,144,904	16,144,904
Fully paid ordinary share capital of Dash Digital as at 30 April 2015	-	-	30	30
Fully paid ordinary share capital of Velpic as at 30 April 2015	-	-	105	105
Subsequent events:				
Issue of shares in satisfaction of related party payables	10,220,242	10,220,242	204,405	204,405
Issue of shares in satisfaction of consultancy services	1,040,500	1,040,500	31,215	31,215
	11,260,742	11,260,742	235,620	235,620
Pro-forma adjustments:				
Proceeds from shares issued under the Offer	120,000,000	200,000,000	3,000,000	5,000,000
Capital raising costs	-	-	(370,000)	(540,000)
Issue of consideration shares for acquisition (refer note 11)	125,000,000	125,000,000	4,375,000	4,375,000
Elimination of Dash Digital contributed equity on acquisition	-	-	(30)	(30)
Elimination of Velpic contributed equity on acquisition		-	(105)	(105)
	245,000,000	325,000,000	7,004,865	8,834,865
Pro-forma Balance	439,950,245	519,950,245	23,385,524	25,215,524
The Company also has a total of 125,000,000 Milestone Consideration Share	es on issue.			

	Reviewed	Pro forma
	30-Apr-15	after Offer
NOTE 9. RESERVES	\$	\$
Reserves	2,052,850	2,096,850
Reviewed balance of Discovery at 30 April 2015		2,052,850
Audited balance of Dash Digital at 30 April 2015		-
Audited balance of Velpic at 30 April 2015		-
Subsequent events:		
Issue of Related Party Options		44,000
	_	44,000
Pro-forma Balance		2,096,850

Using the Black-Scholes option valuation methodology the fair value of the Related Party Options to be issued has been calculated. The following inputs were used:

Related Party Options to be issued	
Number of options	4,000,000
Underlying share price*	\$ 0.03
Exercise price	\$ 0.06
Expected volatility	90%
Expiry date (years)	2.4
Share price vesting conditions	No
Expected dividends	Nil
Risk free rate	1.88%
Underlying share price is based on the closing price of an ICX share on 3 September 2015	

	Reviewed	Pro forma
	30-Apr-15	after Offer
NOTE 10. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(16,232,854)	(16,308,069)
Reviewed balance of Discovery at 30 April 2015		(16,232,854)
Audited balance of Dash Digital at 30 April 2015		(230,679)
Audited balance of Velpic at 30 April 2015		(123,920)
Subsequent events:		
Issue of shares in satisfaction of consultancy services		(31,215)
Issue of Related Party Options		(44,000)
	-	(75,215)
Pro-forma adjustments:		
Elimination of Dash Digital contributed equity on acquisition		230,679
Elimination of Velpic contributed equity on acquisition		123,920
	-	354,599
Pro-forma Balance		(16,308,069)

NOTE 11: ACQUISITION ACCOUNTING

Provisional accounting for the acquisitions of Velpic and Dash

A summary of the acquisition details with respect to the acquisitions of Velpic and Dash Digital as included in our Report is set out below. The acquisition accounting has been determined under AASB 3: Business Combinations. The fair value of the consideration paid, assets acquired and liabilities assumed by ICX have been determined for the purposes of the pro-forma adjustments based on preliminary fair value estimates as at 30 April 2015 however will require redetermination as at the successful acquisition date which may result in changes to the values as disclosed below.

Details of the net assets acquired, purchase consideration and notional fair value attributable to intangible assets is show below:

	Dash Digital	Velpic
	Fair value	Fair value
	\$	\$
Cash	19,096	26,235
Trade and other receivables	228,196	9,298
Work in progress	71,552	2,100
Plant & Equipment	73,069	-
Intangible assets	853,189	-
Other non current assets	104,604	-
Trade and other payables	(461,682)	(103,316)
Provisions	(92,405)	(12,374)
Borrowings	(1,026,268)	(45,758)
Net identifiable assets/(liabilities) to be acquired	(230,649)	(123,815)
Purchase consideration for both Dash Digital and Velpic comprises: 125 million Consideration Shares issued at \$0.025 each* 50 million Milestone 1 Consideration Shares** 50 million Milestone 2 Consideration Shares** 25 million Milestone 3 Consideration Shares***		3,125,000 1,250,000 - -
	_	4,375,000
Value of Consideration Shares used to repay Vendor Entity Debt	_	967,422
Fair value attributable to intangible assets acquired	_	3,762,042
Pro-forma adjustment to intangible assets incorporating deferred tax liability (DTL)	-	5,374,346
DTL uplift recognised at 30% of the value of intangible assets (refer Note 6)		1,612,304
		.,012,507

^{*}The Consideration Shares have been valued using an underlying share price of \$0.025 per share. Therefore the total value assigned to the Consideration Shares is \$3.125 million.

NOTE 12: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 13: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

^{**}The Milestone 1 Consideration Shares have been valued using an underlying share price of \$0.025 per share and applying a 100% probability of achieving the milestone based on the Director's current expectation. Therefore the total value assigned to the Milestone 1 Consideration Shares is \$1.25 million.

^{***}The Milestone 2 Consideration Shares and Milestone 3 Consideration Shares have been assigned a nil value as both milestones are based on the Company achieving revenue targets in the future. The Director's currently have no reasonable grounds in which to assess the likelihood of these milestones being met and therefore have assigned nil value to these.

APPENDIX 4 INTERNATIONAL COAL LIMITED

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

	Audited as at	Audited as at
Historical Consolidated Statement of Financial Position	30-Jun-14	30-Jun-13
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	1,213,352	1,459,231
Trade and other receivables	39,200	47,131
Income tax receivable	285,829	708,227
Other current assets	11,332	22,572
TOTAL CURRENT ASSETS	1,549,713	2,237,161
NON CURRENT ASSETS		
Plant and equipment	564	1,341
Intangible assets	583	1,360
Exploration and evaluation assets	3,158,979	3,270,778
Mineral assets	9,245,984	7,790,084
TOTAL NON CURRENT ASSETS	12,406,110	11,063,563
TOTAL ASSETS	13,955,823	13,300,724
CURRENT LIABILITIES		
Trade and other payables	549,538	690,094
TOTAL CURRENT LIABILITIES	549,538	690,094
TOTAL LIABILITIES	549,538	690,094
NET ASSETS	13,406,285	12,610,630
EQUITY		
Issued capital	15,674,904	14,309,154
Reserves	2,052,850	1,951,600
Accumulated losses	(4,321,469)	(3,650,124)
TOTAL EQUITY	13,406,285	12,610,630
	Audited for the	Audited for the
Historical Consolidated Statement of Profit or Loss and	year ended	year ended
Other Comprehensive Income	30-Jun-14	30-Jun-13
	\$	\$
Revenue	54,521	158,254
Compliance expenses	(50,382)	(44,670)
Consultancy and professional services expenses	(287,693)	(793,520)
Employee benefits expenses	(386,803)	(785,249)
Occupancy expenses	(24,309)	(238,444)
Other expenses	(243,933)	(171,359)
Exploration expenditure	(18,574)	(89,709)
Interest expense	-	(87)
Loss before income tax expense	(957, 173)	(1,964,784)
Income tax benefit	285,828	700,454
Loss for the year	(671,345)	(1,264,330)
Other comprehensive income	-	-
Total comprehensive loss for the year	(671, 345)	(1,264,330)

APPENDIX 4 VELPIC PTY LTD

HISTORICAL FINANCIAL INFORMATION (CONT)

	Audited as at	Audited as at
Historical Statement of Financial Position	30-Jun-14	30-Jun-13
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	12,934	6,094
Trade and other receivables	67,535	122,422
Work in progress	29,910	-
TOTAL CURRENT ASSETS	110,379	128,516
NON CURRENT ASSETS		
Intangible assets	2,362	2,362
TOTAL NON CURRENT ASSETS	2,362	2,362
TOTAL ASSETS	112,741	130,878
CURRENT LIABILITIES		
Trade and other payables	30,222	16,839
Provisions	2,793	5,475
TOTAL CURRENT LIABILITIES	33,015	22,314
NON CURRENT LIABILITIES		
Borrowings	89,470	108,464
TOTAL NON CURRENT LIABILITIES	89,470	108,464
TOTAL LIABILITIES	122,485	130,778
NET ASSETS	(9,744)	100
EQUITY		
Contributed equity	105	100
Accumulated losses	(9,849)	75,968
Distributions to beneficiaries		(75,968)
TOTAL EQUITY	(9,744)	100

Historical Statement of Profit or Loss and Other Comprehensive Income	Audited for the 10 months to 30-Apr-15 \$	Audited for the year ended 30-Jun-14 \$	Audited for the period 22-Aug-12 to 30-Jun-13 \$
Revenue and other income			
Revenue from continuing operations	163,197	330,158	228,408
Other income	-	35	12
Expenses			
Production expense	(15,379)	(41,130)	(11,711)
Accounting expense	(1,080)	(2,890)	(4,220)
Administration expense	-	(7,923)	-
Doubtful debts	(5,000)	(4,000)	(1,500)
Employee benefits expense	(173,879)	(178,562)	(119,744)
Insurance expense	(747)	(1,624)	(225)
Interest expense	(78)	(156)	(67)
Legal expense	(3,180)	-	-
Management expense	(30,333)	(52,000)	-
Rent expense	(38,750)	(43,797)	(14,312)
Other expenses	(8,842)	(7,960)	(673)
Profit/(loss) before income tax expense	(114,071)	(9,849)	75,968
Income tax benefit	-	-	-
Profit/(loss) after income tax expense	(114,071)	(9,849)	75,968

APPENDIX 4

DASH DIGITAL PTY LTD

HISTORICAL FINANCIAL INFORMATION (CONT)

	Audited as at
Historical Statement of Financial Position	30-Jun-14
	\$
CURRENT ASSETS	
Cash and cash equivalents	127,921
Trade and other receivables	418,946
Work in progress	184,162
TOTAL CURRENT ASSETS	731,029
NON CURRENT ASSETS	
Property, plant and equipment	45,415
Intangible assets	853,189
Other non current assets	89,470
TOTAL NON CURRENT ASSETS	988,074
TOTAL ASSETS	1,719,103
CURRENT LIABILITIES	-
Trade and other payables	570,621
Provisions	96,570
TOTAL CURRENT LIABILITIES	667,191
NON CURRENT LIABILITIES	
Borrowings	1,183,405
TOTAL NON CURRENT LIABILITIES	1,183,405
TOTAL LIABILITIES	1,850,596
NET ASSETS	(131,493)
EQUITY	
Contributed equity	30
Accumulated losses	(131,523)
TOTAL EQUITY	(131,493)

APPENDIX 4 DASH DIGITAL PTY LTD HISTORICAL FINANCIAL INFORMATION (CONT)

	Audited for the	Audited for the
Historical Statement of Profit or Loss and Other	10 months to	year ended
Comprehensive Income	30-Apr-15	30-Jun-14
	\$	\$
Revenue and other income		
Revenue from continuing operations	1,764,514	2,567,351
Management fee	69,083	105,046
Other income	-	98
Expenses		
Production expense	(412,872)	(612,993)
Accounting expense	(13,990)	(19,760)
Acquisition expense	-	(40,538)
Depreciation expense	(15,326)	(24,232)
Doubtful debts	(6,737)	(18,134)
Employee benefits expense	(1,242,803)	(1,583,529)
Entertainment expense	(13,632)	(14,403)
Insurance expense	(11,905)	(13,033)
Interest expense	(8,294)	(71,195)
Legal expense	(2,500)	(3,354)
Marketing and advertising expense	(17,747)	(12,614)
Motor vehicle expense	(2,336)	(4,633)
Rent and utilities expense	(114,148)	(299,709)
Repairs and maintenance expense	(8,661)	(3,495)
Subscriptions and publications expense	(11,433)	(17,346)
Travel expense	(3,616)	(5,022)
Other expenses	(46,751)	(60,028)
Profit/(loss) before income tax expense	(99,154)	(131,523)
Income tax benefit	-	-
Profit/(loss) after income tax expense	(99,154)	(131,523)

12. CORPORATE GOVERNANCE

12.1 ASX Corporate Governance Council Principles and Recommendations

Our Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, commensurate with the Company's size and nature, ICX has adopted *The Corporate Governance Principles and Recommendations* (3rd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on ICX's corporate governance procedures, policies and practices can be obtained from the Company website at http://www.intercoal.com.au

12.2 Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value:
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

In light of the Company's size and nature, the Board considers that the proposed board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the

size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

12.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Following Settlement, the Board is proposed to consist of 4 members. The Company has adopted a Nominations Committee Charter, but has not formally adopted a Nominations and Remuneration Committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a Nomination and Remuneration Committee. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the Board.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

12.4 Identification and management of risk

The Board has established a risk management committee which is responsible for overseeing the risk management function. The risk management committee is responsible for ensuring the risks and opportunities are identified on a timely basis. To achieve this, the risk management committee has implemented a risk system which allows for the monthly monitoring of identified risk areas and performance against the activities to minimise or control these identified risks.

12.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

12.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

12.7 Remuneration arrangements

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions

by each Non-Executive Director. The current amount has been set at an amount not to exceed 500,000 per annum.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

12.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The policy generally provides that written notification to the Chairman (or in the case of the Chairman, the Managing Director) must be satisfied prior to trading.

12.9 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

12.10 Audit committee

The Company has an audit committee which fulfils the Company's corporate governance and monitoring responsibilities in relation to the Company's risks associated with the integrity of the financial reporting, internal control systems and the independence of the external audit function.

12.11 Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

12.12 Departures from Recommendations

Following re-admission to the Official List of ASX, ICX will be required to report any departures from the Recommendations in its annual financial report.

13. MATERIAL CONTRACTS

13.1 Acquisition Agreement

In accordance with the terms of the Acquisition Agreement, the Company will acquire all of the issued shares and units in the Vendor Entities on the terms and conditions set out below.

The key terms of the Acquisition Agreement are as follows:

(a) Acquisition

Upon exercise of the Option, the Company will be deemed to have entered into an agreement to acquire 100% of the shares and units in the Vendor Entities.

(b) Conditions Precedent

Completion of the Acquisition is subject to the satisfaction or waiver by the parties of the following outstanding conditions:

- (i) the Company raising sufficient funds under this Prospectus to meet ASX requirements, including holding a minimum of \$3,000,000 cash (net of fees and expenses) being held by the Company following reinstatement;
- (ii) the Company entering into service agreements with key personnel of the Vendor Entities, satisfactory to the Company in its sole discretion;
- (iii) the Company changing its name to Velpic Limited;
- the Company obtaining all necessary regulatory and shareholder approvals or waivers under the ASX Listing Rules, Corporations Act 2001 (Cth) (Corporations Act) or any other law or regulation to allow the Company to lawfully complete the Acquisition and issue the Prospectus, including but not limited to conditional ASX approval to reinstatement to official quotation on ASX on conditions satisfactory to the Company; and
- (v) all other securities on issue in the Vendor Entities are dealt with to the sole satisfaction of the Company,

(together the Conditions Precedent).

(c) Consideration

In consideration for the Acquisition, in addition to the option fee, the Company will issue the following to the Vendors (or their nominees) prorata to their holdings in the Vendor Entities:

- (i) 76,628,900 Consideration Shares at Settlement;
- (ii) 48,371,100 Debt Repayment Shares at Settlement; and
- (iii) up to 125,000,000 Milestone Shares upon satisfaction of the Milestones.

Under the Acquisition Agreement, the Company acknowledged that the Vendors are owed approximately \$1,500,000 by the Vendor Entities (Vendor Entity Debt). The Vendors have since confirmed that the Vendor Entity Debt is \$967,422. The Company will issue to the relevant parties that number of Shares equal to the Vendor Entity Debt divided by a Share price of \$0.02 per Share up to a maximum of 125,000,000 Shares (Debt Repayment Shares). The Company has agreed to repay the Vendor Entity Debt and the Vendors have agreed to accept the repayment of the entire Vendor Entity Debt by the issue of the Debt Repayment Shares.

The Consideration Shares consist of 125,000,000 Shares less the 48,371,100 Debt Repayment Shares, being a total of 76,628,900 Shares. At Completion, the Company will issue the Debt Repayment Shares and the Consideration Shares to the Vendors pro-rata to their holdings in the Vendor Entities.

(d) Board of directors of ICX

At or following Completion, the Company must:

- (i) use its reasonable endeavours to procure that each of the then current directors of the Company, except for two to be decided on by the then current Company board resign; and
- (ii) appoint the following parties to the board of directors of the Company:
 - (A) Glen John Moora;
 - (B) Patrick Martin Joshua Connell; and
 - (C) Russell John Francis.

(e) Termination

The Acquisition Agreement will terminate in the event that:

- (i) the expiry of the Option Period, or such other date as agreed by the Parties (**End Date**);
- (ii) a party enters into some form of external administration;
- (iii) a party fails to comply with any material term of the Acquisition Agreement that is capable of remedy and following written notice from either party fail to remedy the non-compliance within 14 days of such notice;
- (iv) a party fails to comply with any material term of the Acquisition Agreement and the non-compliance is incapable of remedy; or
- (v) a party becomes aware that any of the warranties given were untrue, inaccurate or misleading when given, or when deemed repeated by reference to the facts and circumstances subsisting from time to time until completion of the Acquisition Agreement.

Upon termination the Acquisition Agreement shall be at an end and each party will be released from its obligations under the Acquisition Agreement.

13.2 Amendment to Loan Agreement

On 7 September 2015, Dash Digital and Russell Francis executed a variation to a loan agreement (**Loan Agreement**) between Mr Francis and Dash Digital for the provision of a \$170,000 draw down loan (**Loan**) furnished by My Francis to Dash Digital (**Variation Agreement**). The Variation Agreement confirms that:

- (a) the date of the Loan Agreement is 15 July 2015;
- (b) the Loan is unsecured; and
- (c) as at the date of the Variation Agreement, \$106,160.42 has been drawn down by Dash Digital under the Loan.

13.3 Mandate with Baillieu Holst

On 4 September 2015, International Coal and Baillieu Holst entered into a mandate letter pursuant to which the parties agreed that Baillieu Holst will act as lead manager to the Offer (**Mandate**).

The key terms of the Mandate are as follows:

- (a) Baillieu Holst will act as lead manager to the Offer and provide management services, structuring, due diligence, documentation advice and marketing and aftermarket support in relation to the Offer
- (b) the Company will pay Baillieu Holst:
 - (i) a 2% management fee on the total amount of equity raised under the Offer; and
 - (ii) a 3% selling fee on the total amount of equity raised under the Offer which is sold by Baillieu Holst.
- (c) Baillieu Holst's engagement commences on the date of the Mandate and will continue until the earlier of completion of the Offer and six months after the date of the Mandate, unless extended by mutual written consent or terminated earlier.

The Mandate is otherwise on standard commercial terms for an arrangement of this nature.

13.4 Executive Services Agreement

The Company has entered into an executive services agreements with Mr Hugh Dai, which will be terminated upon Mr Dai's resignation at Settlement. Additionally, the Company has entered into executive service agreements with Proposed Directors Mr Francis, Mr Moora and Mr Connell effective from the date on which the Company is readmitted to the official list of ASX following Settlement of the Acquisition (**ESAs**).

The material terms of these ESAs are as follows:

(a) Mr Russell Francis

ICX and Russell Francis entered into an ESA for his role as CEO of Velpic Group on 7 September 2015. Mr Francis will be based in Perth.

Under the ESA, Mr Francis will receive an annual base salary of \$200,000 plus superannuation.

Under the ESA, Mr Francis will be entitled to certain long term and short term incentives, capped at \$100,000, based on key performance indicators to be agreed between the Company and Mr Francis within 45 days of completion of the Acquisition.

Mr Francis may terminate the ESA by giving six months notice in writing. The Company may terminate the ESA by giving six months notice in writing or by making a payment in lieu of notice.

The ESA is effective from the date on which the Company is readmitted to the official list of ASX following Settlement of the Acquisition.

(b) Mr Glen Moora

ICX and Glen Moora entered into an ESA for his role as National Sales Director on 7 September 2015. Mr Moora will be based in Sydney.

Under the ESA, Mr Moora will receive an annual base salary of \$230,000 plus superannuation. Mr Moora will receive a one-off payment of \$15,000 for his re-location expenses to Sydney.

Under the ESA, Mr Moora will be entitled to certain long term and short term incentives. These incentives will be uncapped and based on Velpic sales, the final terms of which are to be agreed between the Company and Mr Moora within 45 days of completion of the Acquisition.

Mr Moora may terminate the ESA by giving six months notice in writing. The Company may terminate the ESA by giving six months notice in writing or by making a payment in lieu of notice.

The ESA is effective from the date on which the Company is readmitted to the official list of ASX following Settlement of the Acquisition.

(c) Mr Patrick Connell

ICX and Patrick Connell entered into an ESA for his role as Managing Director, Dash Digital on 7 September 2015. Mr Connell will be based in Perth.

Under the ESA, Mr Connell will receive an annual base salary of \$200,000 plus superannuation.

Under the ESA, Mr Connell will be entitled to certain long term and short term incentives. These incentives will be uncapped and based on key performance indicators in relation to Dash Digital, the final terms of which are to be agreed between the Company and Mr Connell within 45 days of completion of the Acquisition.

Mr Connell may terminate the ESA by giving six months notice in writing. The Company may terminate the ESA by giving six months notice in writing or by making a payment in lieu of notice.

The ESA is effective from the date on which the Company is readmitted to the official list of ASX following Settlement of the Acquisition.

13.5 Non-executive letters of appointment

Mr Karelis has a letter of appointment for his position of non-executive Director. The Company has also entered into a letter of appointment with proposed non-executive Director Ms Graham. The key terms of both Mr Karelis and Ms Graham's letters of appointment are annual fees of \$42,000 each. Mr Lester has a letter of appointment for his position as non-executive Chairman and is paid an annual fee of \$42,000. Noel Halgreen's letter of appointment will come to an end upon Settlement of the Acquisition when he retires as a non-executive Director.

13.6 Deeds of indemnity, insurance and access

Current Directors and Proposed Directors

The Company is in the process of finalising deeds of indemnity, insurance and access with each of its Proposed Directors and will enter into such deeds with the Proposed Directors following their appointments. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

For existing directors, the Company has entered into deeds of indemnity, insurance and access.

14. ADDITIONAL INFORMATION

14.1 Litigation

As at the date of this Prospectus, neither ICX, the Vendor Entities or any of their respective subsidiaries are involved in any material legal proceedings and the Directors and Proposed Directors are not aware of any legal proceedings pending or threatened against ICX or Vendor Entities or any of their respective subsidiaries.

14.2 Rights and liabilities attaching to Shares (including Shares to be issued under the Offers)

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital 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 or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of votes validly cast for Shares at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

14.3 Terms and Conditions of Milestone Shares

Upon satisfaction of the respective Milestones, the maximum number of Shares to be issued is 125,000,000 made up of the following:

- (a) 50,000,000 Shares (**Milestone 1 Shares**) to be issued subject to the Company obtaining a total of 100,000 pay per views from its interactive training lessons within 3 years from the date of Completion (**Milestone 1**);
- (b) 50,000,000 Shares (**Milestone 2 Shares**) to be issued subject to the Company obtaining total cumulative revenue of \$10,000,000 within 3 years from the date of Completion (**Milestone 2**); and
- (c) 25,000,000 Shares (**Milestone 3 Shares**) to be issued subject to the Company achieving annual revenue of \$50,000,000 in any of the first 5 financial years following the date of Completion (**Milestone 3**);

14.4 Terms and Conditions of Related Party Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.06 (Exercise Price)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 January 2018 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) 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 such 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
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such 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.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(I) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Unquoted

The Company will not apply for quotation of the Options on ASX.

(n) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

14.5 Interests of Directors and Proposed Directors

Other than as set out in this Prospectus, no Director or Proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

14.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue.

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

BDO Corporate Finance Pty Ltd has acted as Investigating Accountant and auditor of ICX and has prepared the Investigating Accountant's Report which is included in Section 11 of this Prospectus. The Company estimates it will pay BDO Corporate Finance Pty Ltd a total of \$6,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Corporate Finance Pty Ltd has not received any funds from the Company for audit or accounting services.

Baillieu Holst is acting as Lead Manager to the Offer. The Company estimates it will pay Baillieu Holst a total of \$250,000 (excluding GST) for these services if there is maximum subscription under the Offer (\$150,000 if minimum subscription). During the 24 months preceding lodgement of this Prospectus with the ASIC, Baillieu Holst has not received any funds from the Company for any services.

Steinepreis Paganin has acted as the solicitors to Company in relation to the Offer. The Company expects that it will pay Steinepreis Paganin \$35,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has acted for the Company and has received \$52,627.50 fees (excl GST and disbursements) from the Company for legal services provided to the Company.

14.7 Consents

Each of the parties referred to in this Section 14.7:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) did not authorise or cause the issue of all or any part of this Prospectus.

BDO Corporate Finance Pty Ltd has given its written consent to being named as Investigating Accountant and auditor in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 11 of this Prospectus in the form and context in which the information and report is included. BDO Corporate Finance Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Baillieu Holst has given its written consent to being named as Lead Manager of the Offer in this Prospectus. Baillieu Holst has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

The Proposed Directors have each given their written consent to being named as the proposed directors of the Company and to all other information relevant to them in this Prospectus. The Proposed Directors have not withdrawn their consents prior to the lodgement of this Prospectus with the ASIC.

14.8 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$266,320 for minimum subscription and \$368,320 for maximum subscription under the Offer and are expected to be applied towards the items set out in the table below:

Item of Expenditure	\$3,000,000 minimum subscription under Offer (\$)	\$5,000,000 maximum subscription under Offer (\$)
ASIC fees	2,320	2,320
ASX fees ¹	69,000	71,000
Lead Manager fees	150,000	250,000
Legal fees	35,000	35,000
Investigating Accountant's Fees	6,000	6,000
Printing and Distribution	4,000	4,000
TOTAL	266,320	368,320

14.9 Continuous disclosure obligations

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

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

14.10 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form and fully read those documents. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.intercoal.com.au.

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

14.11 Governing law

The Offers and the contracts formed on return of an Application Form are governed by the laws applicable in Western Australia, Australia. Each person who applies for Shares pursuant to this Prospectus submits to the non-exclusive

jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.

15. DIRECTORS' AUTHORISATION

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

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

John Lester

Chairman
For and on behalf of
INTERNATIONAL COAL LIMITED

GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Acquisition means the acquisition of the Vendor Entities in accordance with the Acquisition Agreement.

Acquisition Agreement means the binding terms sheet dated 7 May 2015 between the Company, Dash Digital, the Dash Unit Trust, Inductor, the Inductor Trust and the Vendors for option to acquire 100% of the shares of the Vendor Entities by the Company.

Application Form means an application form attached to or accompanying this Prospectus relating to the Offers.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Business has the meaning given to that term in Section 5A.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company, ICX means international Coal Limited (ACN 149 197 651).

Condition has the meaning given to that term in Section 2.4.

Consideration Shares means up to 76,628,900 Shares to be issued to the Vendors, as part of the consideration for the acquisition by the Company of 100% of the shares and units in the Vendor Entities.

Consideration Offer means the Offer of the Consideration Shares as set out in Section 7.2.

Consideration Offer Closing Date means the closing date of the Consideration Offers as set out in the indicative timetable in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Constitution means the constitution of the Company.

Consultant Shares means the Shares to be issued to S3 Consortium Pty Ltd (or its nominee), in consideration for consultancy services provided to the Company, Shareholder approval for which was obtained at the General Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

Dash Digital means Dash Digital Pty Ltd (ACN 120 899 747).

Dash Unit Trust means The Dash Unit Trust (ABN 56 293 448 491).

Debt Repayment Shares means up to 48,371,100 Shares to be issued to the Vendors as part of the consideration for the acquisition by the Company of 100% of the shares and units in the Vendor Entities.

Directors means the directors of the Company at the date of this Prospectus.

General Meeting means the meeting of Shareholders held on 3 September 2015 at which all resolutions put to Shareholders were approved.

Inductor means Inductor Pty Ltd (ACN 159 196 120).

Inductor Trust means The Inductor Trust (ABN 33885280391).

LMS means Learning Management System

Milestone means any one of Milestone 1, Milestone 2 or Milestone 3.

Milestone 1 means the Company obtaining a total of 100,000 pay per view from its interactive training lessons within 3 years from the date of Settlement.

Milestone 2 means the Company obtaining total cumulative revenue of \$10,000,000 within 3 years from the date of Completion Settlement.

Milestone 3 means the Company achieving annual revenue of \$50,000,000 in any of the first 5 financial years following the date of Settlement.

Milestone Shares means up to 125,000,000 Shares (consisting of 50,000,000 Milestone 1 Shares, 50,000,000 Milestone 2 Shares and 25,000,000 Milestone 3 Shares) to be issued to the Vendors upon satisfaction of the Milestones as part of the consideration for the acquisition by the Company of 100% of the shares and units in the Vendor Entities.

Notice of Meeting means the notice of general meeting and explanatory statement of the Company released on ASX on 3 August 2015 in relation to the General Meeting.

Offer means the offer pursuant to this Prospectus, as set out in Section 7.1 of up to 200,000,000 Shares at an issue price of \$0.025 per Share to raise \$5,000,000.

Offers means the Offer and the Consideration Offer.

Offer Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early). Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proposed Directors means Messrs Patrick Connell, Glen Moora and Russell Francis, the three nominees of the Vendor Entities who will be appointed to the

Board of the Company upon completion of the Acquisition, and, additionally Ms Leanne Graham.

Prospectus means this prospectus.

Related Party Shares means the Shares to be issued to John Lester, Carianto Pty Ltd and Hugh Dai in part payment of outstanding Directors' fees, Shareholder approval for which was obtained at the General Meeting.

Related Party Option means an option to acquire a Share with the terms and conditions set out in Section 14.3.

SaaS means software as a service.

Section means a section of this Prospectus.

Security means a security issued or to be issued in the capital of the Company, including a Share or an Option.

Settlement means settlement of the Acquisition in accordance with the terms of the Acquisition Agreement.

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

Shareholder means a holder of Shares.

Velpic Group means 'Velpic', a software as a service technology company with a cloud-based video e-Learning platform technology and Dash Digital, a brand technology agency.

Velpic Platform means the LMS web site available at http://app.velpic.com used to create, schedule, distribute and report on training by businesses for their staff.

Vendors means Russell Francis, Glen Moora, Patrick Connell, Chameleon Creative Pty Ltd as trustee for The G&A Trust, Chameleon Creative Pty Ltd as trustee for The P&S Trust, Russell John Francis as trustee for The RJF Family Trust, Glen John Moora as trustee for The City Trust, Patrick Martin Connell as trustee for The April Trust, Subiaco Capital Pty Ltd (or its nominees) and Bearnick Pty Ltd as trustee for the DR Family Trust.

Vendor Entities means Dash Digital, the Dash Unit Trust, Inductor and the Inductor Trust.

Vendor Entity Shares means the shares in Dash Digital and Inductor.

WST means Western Standard Time as observed in Perth, Western Australia.