

7 October 2015

Fitzroy Resources Ltd – Lodgement of Target Statement

The Board of Fitzroy Resources Ltd (**Fitzroy** or the **Company**) advises a copy of 4D-S Limited's Target Statement is attached in relation to the Company's proposed merger with 4D-S Limited, which was announced to the market on 13 August 2015.

For and on behalf of Fitzroy Resources Limited

Riccardo Vittino
Director.

Tel: +61 8 9481 7111

-Ends-

**4D-S Limited
ACN 124 234 395**

Target's Statement

in response to the offer by Fitzroy Resources Ltd (ACN 145 590 110)

**The directors of 4D-S Limited
unanimously recommend that you**

ACCEPT

the Fitzroy Offer in the absence of a Superior Proposal

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD CONSULT YOUR
FINANCIAL OR OTHER PROFESSIONAL ADVISER AS SOON AS POSSIBLE.

Important Notices

Nature of this document

This document is a Target's Statement issued by 4D-S Limited (ACN 124 234 395) under Part 6.5 of Division 3 of the Corporations Act. This Target's Statement is given in response to the off-market takeover bid made by Fitzroy Resources Ltd (ACN 145 590 110) for all the ordinary and preference shares in 4D-S Limited.

ASIC disclaimer

A copy of this Target's Statement has been lodged with ASIC. ASIC takes no responsibility for the contents of this Target's Statement.

Definitions and interpretation

A number of defined terms are used in this Target's Statement. These terms are explained in Section 13 of this Target's Statement. The rules of interpretation that apply to this Target's Statement are also set out in Section 13 of this Target's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement and defined in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

Investment decisions

Nothing in this Target's Statement constitutes investment, legal, tax or other advice. This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. You should seek your own independent legal, financial and taxation advice before deciding whether to accept or reject the Offer.

Forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to 4D-S and the industry in which 4D-S operates as well as general economic conditions, conditions in the financial markets, exchange rates and interest rates and regulatory changes, many of which are outside the control of 4D-S and its Board. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of 4D-S, 4D-S's officers and employees, any persons named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement, makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Fitzroy information in this Target's Statement

Except where disclosed otherwise in this Target's Statement, the information on Fitzroy contained in this Target's Statement has been prepared by 4D-S using publicly available information including the Bidder's Statement, which has not been independently verified by 4D-S. Accordingly 4D-S does not, subject to the Corporations Act, make any representation or warranty, expressed or implied, as to the accuracy or completeness of such information.

Maps, diagrams and rounding

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement. In addition, any numerical information may not add up due to rounding.

Notice to foreign shareholders

The release, publication or distribution of this Target's Statement may, in some jurisdictions, be restricted by law or regulation and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in the Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside of Australia.

Privacy

4D-S has collected your information from the 4D-S register of shareholders for the purpose of providing you with this Target's Statement. The type of information 4D-S has collected about you includes your name, contact details and information on your holding of 4D-S Securities (as applicable) in 4D-S. Without this information, 4D-S would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to 4D-S's related bodies corporate and external service providers (such as the share registry of 4D-S and print and mail service providers) and may be required to be disclosed to regulators such as ASIC.

Date of this document

This document is dated 7 October 2015.

Table of Contents

IMPORTANT NOTICES	ii
TABLE OF CONTENTS	iv
IMPORTANT DATES	iv
CHAIRMAN'S LETTER	v
1. HOW TO ACCEPT THE OFFER	1
2. DIRECTORS' RECOMMENDATION	2
3. WHY YOU SHOULD ACCEPT THE OFFER	3
4. FREQUENTLY ASKED QUESTIONS	7
5. INFORMATION ABOUT 4D-S	11
6. INFORMATION ABOUT FITZROY	13
7. KEY FEATURES OF THE OFFER	16
8. OTHER IMPORTANT MATTERS	21
9. YOUR CHOICES AS A 4D-S SHAREHOLDER	28
10. INFORMATION RELATING TO YOUR DIRECTORS	30
11. ADDITIONAL INFORMATION	32
12. GLOSSARY	35
AUTHORISATION OF TARGET'S STATEMENT	40

Important Dates

Announcement Date	13 August 2015
-------------------	----------------

Date of the Bidder's Statement	7 October 2015
--------------------------------	----------------

Date of this Target's Statement	7 October 2015
---------------------------------	----------------

Commencement of Offer Period	8 October 2015
------------------------------	----------------

Close of Fitzroy Offer (unless extended or withdrawn)	5:00pm (Perth time) 19 November 2015
----------------------------------------------------------	--------------------------------------

Further information

Any questions regarding this Target's Statement should be directed to guido.arnout@4-d-s.com

Chairman's Letter



7 October 2015

Dear fellow 4D-S Shareholder,

On 13 August 2015 Fitzroy Resources Ltd (**Fitzroy**) announced that it had signed a Bid Implementation Agreement 4D-S in relation to a proposed off-market takeover offer for all of the issued shares (both ordinary and preference)(**4D-S Shares**) in 4D-S (**the Offer** or **Offers**).

Under the Offers, 4D-S Shareholders are being offered 110.4400015 Fitzroy Shares and 20.5905086 Fitzroy Class 1 Performance Shares for every 1 4D-S Ordinary Share held and 110.4400015 Fitzroy Shares and 20.5905086 Fitzroy Class 1 Performance Shares for every 1 4D-S Preference Share held. A copy of Fitzroy's Bidder's Statement setting out the detailed terms of the Offer accompanies this Target's Statement.

Your directors unanimously recommend that you ACCEPT the Fitzroy Offer, in the absence of a Superior Proposal.

Each of your directors intends to accept the Offers in respect of the 4D-S Shares they and their associates hold, in the absence of a Superior Proposal. The 4D-S Shares which are held by the directors and their associates represent approximately 22.69% in aggregate of all 4D-S Shares.

The reasons for your directors' unanimous recommendation include:

- **You will receive attractive value for your 4D-S Shares.**
- **The Merged Entity will benefit from a strengthened financial position to develop 4D-S ReRAM technology with improved access to future development capital.**
- **You will gain ASX share trading liquidity.**
- **No Superior Proposal has emerged.**

This Target's Statement, which I encourage you to read in its entirety, sets out your directors' formal response to the Offers and contains their recommendation, the reasons for that recommendation and other important information you should consider in deciding whether to accept the Offers.

If you are in any doubt as to whether to accept the Offers, you should seek your own independent professional advice. If you have any queries in relation to the Offer, please contact 4D-S by email at guido.arnout@4-d-s.com

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Dorrian'.

Mr James Dorrian
Chairman

4D-S Limited
ACN 124 234 395

c/- Ground Floor, BGC Centre
28 The Esplanade, Perth WA 6000

1. How to accept the Offer

You may only accept the Ordinary Share Offer in respect of all (and not a lesser number) of your 4D-S Ordinary Shares and the Preference Share Offer in respect of all (and not a lesser number) of your 4D-S Preference Shares. For example, if you have 10,000 4D-S Ordinary Shares and 5,000 4D-S Preference Shares and you wish to accept the Offers, you may only accept the Ordinary Share Offer in respect of 10,000 4D-S Ordinary Shares and you may only accept the Preference Share Offer in respect of 5,000 4D-S Preference Shares.

You may accept the Offer at any time during the Offer Period.

To accept the Offer for 4D-S Shares held in your name on 4D-S's register, you must:

- complete and sign the Acceptance Forms in accordance with the instructions on the Acceptance Forms; and
- ensure that the Acceptance Forms (including any documents required by the terms of these Offers and the instructions on the Acceptance Forms) are received before the end of the Offer Period, at the address or email address shown on the Acceptance Forms.

In accordance with the ASX Listing Rules you also need to complete, sign and return an ASX Restriction Agreement that Fitzroy will send you. In summary, all Fitzroy Class 1 Performance Shares issued to 4D-S Shareholders and some Fitzroy Shares issued to 4D-S Shareholders will be issued on terms that restrict the disposal of those shares for the period specified in the relevant Restriction Agreements. All other Fitzroy Shares received by 4D-S Shareholders will be freely tradable on ASX once they have been issued. Further information in relation to the Restriction Agreement is set out in section 10.11 of the Bidder's Statement.

The postage and transmission of the Acceptance Forms and other documents is at your own risk.

For any further information on acceptance of the Offers, including who may accept, please refer to the Offer itself which forms Annexures A and B to the Bidder's Statement.

2. Directors' recommendation

2.1. Summary of Offer

Fitzroy is offering 4D-S Security holders 110.4400015 Fitzroy Shares plus 20.5905086 Fitzroy Class 1 Performance Shares as consideration for every 1 4D-S Ordinary Share that they hold and 110.4400015 Fitzroy Shares plus 20.5905086 Fitzroy Class 1 Performance Shares for every 1 4D-S Preference Share that they hold. The Offer is subject to a number of conditions. Those conditions are summarised in Section 8.3 of this Target's Statement and set out in full in Annexures A and B of the Bidder's Statement.

2.2. Directors of 4D-S

As at the date of this Target's Statement, the directors of 4D-S are:

- Mr James Dorrian – Chairman;
- Dr Guido Arnout – Chief Executive Officer;
- Mr David McAuliffe;
- Mr Simon Panton; and
- Mr Kurt Pfluger.

2.3. Directors' recommendations

Your directors unanimously recommend that you accept the Offer (in the absence of a Superior Proposal) for the reasons set out in Section 3 of this Target's Statement.

In considering whether to accept the Offer, your directors encourage you to:

- read this Target's Statement and the Bidder's Statement in their entirety;
- consider the alternatives noted in Section 10 of this Target's Statement;
- refer to Section 8.8 of this Target's Statement for information regarding the effect of acceptance of the Offer;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain independent professional advice in relation to the Offer.

2.4. Intentions of your directors in relation to the Offer and pre-bid agreements

Each of your directors intends to accept the Offer in respect of all 4D-S Shares that they, or any associate, hold, in the absence of a Superior Proposal.

The 4D-S Shares which are held by your directors and their associates, represent approximately 22.69%, in aggregate, of all of the 4D-S Shares on issue as at the date of this Target's Statement.

Consistent with this intention, the following pre-bid acceptance agreements have been entered into by some of your directors, or their associates, committing pre-bid acceptance of the Offers up to the maximum level permissible of 19.99% of the total 4D-S Shares on issue as detailed below:

- James Dorrian – 286,584 4D-S Preference Shares;
- Kurt Pfluger – 186,533 4D-S Ordinary Shares; and
- Southam Investments 2003 Pty Ltd (a company associated with Simon Panton) – 140,700 4D-S Preference Shares.

3. Why you should accept the Offer

- You will receive **attractive value** for your 4D-S Shares.
- The Merged Group will benefit from a **strengthened financial position** to develop 4D-S technology with **improved access to future development capital**.
- You will gain ASX **share trading liquidity**.
- The **4D-S Board unanimously recommends** that you accept the Offer
- **No Superior Proposal** has emerged.
- There are **risks in not accepting** the Offer.

Your directors unanimously recommend that you ACCEPT the Fitzroy Offer in the absence of a Superior Proposal

In deciding to recommend the Offer, your directors have had regard to each of the matters in this Target's Statement and the Bidder's Statement. A more detailed overview of the principal reasons for your directors' recommendation to accept the Offer in the absence of a Superior Proposal follows.

3.1. You will receive attractive value for your 4D-S Shares

The implied value of the Offers (excluding the value of Fitzroy Ordinary Shares issued upon conversion of the Fitzroy Class 1 Performance Shares) is US\$3.87 per 4D-S Shares based on Fitzroy's closing share price on 10 August 2015 (being the last day Fitzroy Shares traded on the ASX prior to the Announcement Date) of A\$0.050 and a A\$/US\$ exchange rate of 0.70. The implied value of the Fitzroy Shares that may be issued upon conversion of the Fitzroy Class 1 Performance Shares in the event the Milestone is satisfied is a further US\$0.72 per 4D-S Security based on the same Fitzroy share price and exchange rate assumptions. The value of the Offer may change as a consequence of changes in the market price of Fitzroy Shares.

3.2. You will become a shareholder in a better capitalised company with cash reserves to develop the 4D-S ReRAM technology and improved access to capital

As at 30 June 2015, Fitzroy had a cash, and a cash equivalents, balance of approximately \$1,123,482 and under the Prospectus Offer is seeking to raise an additional minimum of \$2.25 million (with the ability to accept oversubscriptions of a further \$500,000) to support the Merged Entity's strategy to develop the 4D-S ReRAM technology. 4D-S currently has insufficient funds to fully develop the 4D-S ReRAM technology.

By accepting the Offers, should they be successful, you will become a shareholder of a company with an enhanced balance sheet and improved access to capital for funding given its ASX listing.

3.3. You will gain ASX share trading liquidity

Since Fitzroy is listed on ASX and Fitzroy is offering to issue Fitzroy Shares as consideration for your 4D-S Shares, you will, if you accept the Offer, gain the ability to trade the Fitzroy Shares (and Fitzroy Shares issued on conversion of the Fitzroy Class 1 Performance Shares) that you receive as Offer Consideration, should the Offers be successful, on ASX, (subject to trading restrictions imposed by ASX that may apply to some or all of your Fitzroy Shares).

3.4. The 4D-S Board unanimously recommends that you accept the Offers

The 4D-S Board, in the absence of a Superior Proposal, unanimously recommends that 4D-S Shareholders accept the Offers.

The members of the 4D-S Board have also indicated that they intend to accept the Offers in respect of all 4D-S Shares they, or any associate, control, in the absence of any Superior Proposal.

3.5. No Superior Proposal has emerged to date

The proposed Offer was announced to the market on 13 August 2015. As at the date of this Target's Statement, no Superior Proposal, or Competing Proposal, has emerged.

The Bid Implementation Agreement with Fitzroy restricts 4D-S from soliciting alternative offers or proposals or responding and negotiating with respect to a Competing Proposal. However, these restrictions do not in any way prevent or restrict a third party from putting forward a Competing Proposal, and the restrictions do not apply in respect of a Competing Proposal where the 4D-S Board, acting in good faith and having obtained advice from its legal and financial advisers, reasonably determines that the Competing Proposal is a Superior Proposal and failing to respond would be likely to constitute a breach of its fiduciary or statutory duties.

In the event that the 4D-S Board does determine that a Competing Proposal is a Superior Proposal, Fitzroy has a right to be notified of Competing Proposals and a right to match any Superior Proposal.

Further information on other alternatives to the Offer is contained in Section 10.

3.6. 4D-S directors who own 22.69% of the 4D-S Shares on issue intend to accept the Offers

As detailed in Section 2.4, some of your directors have already entered into pre-bid acceptance agreements with Fitzroy in relation to the acceptance of Offers representing 19.99% of the total 4D-S Shares and directors holding a further 2.7% (approximately) have indicated that they intend to accept the Offers.

3.7. The management skills of the Merged Entity's directors will allow the 4D-S intellectual property assets to be developed to provide shareholder value

If the Offers are successful, the board of directors of the Merged Entity will comprise current 4D-S directors Mr James Dorrian, Dr Guido Arnout and Mr David McAuliffe, together with Mr Howard Digby. Together, these directors have significant expertise and skills in technology ventures and public company management, to oversee the development of the 4D-S ReRAM technology.

3.8. There are risks in not accepting the Offer

If you do not accept the Offer and the Offer is unsuccessful and no other offer for 4D-S emerges, there is a risk that the 4D-S Shares would be unattractive to investors and 4D-S would be unable to raise further capital. In this instance, there is a possibility that the Company may struggle to continue as a going concern.

If you do not accept the Offer and Fitzroy waives the minimum acceptance condition set out in Section 8.3(c) and closes the Offer before it receives acceptances resulting in it being entitled to at least 90% of all 4D-S Shares, then you would remain a minority 4D-S Shareholder. The possible implications of being a minority shareholder following closure of the Offer are:

- The perceived value of 4D-S Shares may be significantly reduced.
- The liquidity of 4D-S Shares may be minimal.

For further information on the implications of Fitzroy acquiring less than 90% (being the threshold in which a compulsory acquisition would be made) of all 4D-S Shares, refer to Section 9.4 of this Target's Statement and Section 7.5 of the Bidder's Statement.

4. Frequently asked questions

This section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for 4D-S Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer	Further Information
1. What is the Offer for my 4D-S Shares?	<p>Fitzroy has made an offer of:</p> <ul style="list-style-type: none"> 110.4400015 Fitzroy Shares and 20.5905086 Fitzroy Class 1 Performance Shares for every 1 4D-S Ordinary Share held by you; and 110.4400015 Fitzroy Shares and 20.5905086 Fitzroy Class 1 Performance Shares for every 1 4D-S Preference Share held by you. <p>The Offer is subject to the satisfaction or waiver of the conditions to the Offer.</p>	Sections 8.2 and 8.3
2. What choices do I have as a 4D-S Shareholder?	<p>As a 4D-S Shareholder, you have the following choices in respect of your 4D-S Shares:</p> <ul style="list-style-type: none"> accept the Offer; sell your 4D-S Shares (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance); or do nothing. <p>There are implications in relation to each of the above choices. A summary of these implications is set out in Section 10 of this Target's Statement.</p>	Section 10
3. What is the Board recommending?	Your directors unanimously recommend that you accept the Offer, in the absence of a Superior Proposal.	Section 2
4. Why is the Board recommending that I accept the Offer (in the absence of a Superior Proposal)?	<p>Section 3 of this Target's Statement sets out the reasons why your directors are recommending you accept the Offer, in the absence of a Superior Proposal.</p> <p>However, you are encouraged to read this Target's Statement in its entirety.</p>	Section 3
5. What do the directors of 4D-S intend to do with any 4D-S Shares that they hold?	Each of your directors has advised that he intends to accept the Offer in respect of all 4D-S Shares that he, or his associates, hold, in the absence of a Superior Proposal.	Section 2.4

Question	Answer	Further Information
6. How do I accept the Offer?	Details of how to accept the Offer are set out in Section 1 of this Target's Statement.	Section 1
7. What happens if Fitzroy increases the Offer Consideration?	If Fitzroy increases the Offer Consideration, you will obtain the benefit of that higher consideration even if you have already accepted the Offer.	Section 8.11
8. What are the conditions to the Offer?	<p>The outstanding conditions to the Offer, as at the date of this Target's Statement, are in summary:</p> <ul style="list-style-type: none"> ▪ approval of the Essential Resolutions (see Glossary). ▪ closing of the Prospectus Offer (see Glossary). ▪ before the end of the Offer Period, Fitzroy has a relevant interest (as defined in the Corporations Act) in at least 90% of 4D-S Shares (by number). ▪ Fitzroy receiving acceptances of the Private Treaty Offers to acquire all other 4D-S Securities. ▪ obtaining any approvals or consents required in respect of the change of control of 4D-S as a result of the Offer including ASX approval of the re-quotations of Fitzroy Shares. ▪ no Prescribed Occurrence or 4D-S Material Adverse Change (see Glossary) occurs before the end of the Offer period. 	Section 8.3
9. What are the consequences of accepting the Offer now?	If you accept the Offer, unless withdrawal rights are available (detailed below), you will give up your right to sell your 4D-S Shares or otherwise deal with your 4D-S Shares while the Offer remains open.	Section 8.8
10. If I accept the Offer, can I withdraw my acceptance?	You may only withdraw your acceptance if Fitzroy varies the Offer in a way that postpones the time when Fitzroy is required to satisfy its obligations by more than one month.	Section 8.9
11. Will I get any warning when the Minimum Acceptance Condition is about to be satisfied?	Fitzroy has indicated in its Bidder's Statement that it will give a Notice of Status of Conditions to the ASIC and 4D-S on 12 November 2015 unless the Offer Period is extended prior to that date.	Section 8.4

Question	Answer	Further Information
12. Does satisfaction of the Minimum Acceptance Condition mean that I will definitely receive the Offer Consideration if I accept?	<p>All conditions of the Offer must be satisfied or waived for the Offer to become Unconditional and for the Offer Consideration to be provided to you.</p> <p>Even if the Minimum Acceptance Condition is satisfied or waived, other conditions may still be unsatisfied, and satisfaction (or waiver) of those conditions may take some time or may not occur at all.</p>	Section 8.3
13. When does the Offer close?	<p>The Offer is presently scheduled to close at 5:00pm (Perth time) on 19 November 2015, but the Offer Period can be extended in certain circumstances.</p> <p>See Section 8.6 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.</p>	Sections 8.5 and 8.6
14. What happens if the conditions of the Offer are not satisfied or waived?	If the conditions are not satisfied or waived on or before the end of the Offer Period (or in the case of Prescribed Occurrences within 3 Business Days thereafter), the Offer will lapse, your 4D-S Shares will not be transferred to Fitzroy and you will not be provided with your Offer Consideration (even if you had accepted the Offer as your acceptance will be void). However, you would then be free to deal with your 4D-S Shares.	Section 8.12
15. When will I receive my Offer Consideration if I accept the Offer?	<p>If you accept the Offer, you will have to wait for the Offer to become Unconditional before you will receive your Offer Consideration from Fitzroy.</p> <p>In the usual case, you will be issued with your consideration on or before the later of:</p> <ul style="list-style-type: none"> ▪ one month after the date the Offer becomes Unconditional; and ▪ one month after the date you accept the Offer if the Offer is, at the time of acceptance, Unconditional, <p>but, in any event (assuming the Offer becomes Unconditional), no later than 21 days after the end of the Offer Period.</p>	Section 8.10
16. What are the tax implications of accepting the Offer?	<p>A general outline of the tax implications of accepting the Offer is set out in Section 8 of the Bidder's Statement.</p> <p>As the outline is a general outline only, you are encouraged to seek your own specific professional advice as to the taxation implications applicable to your circumstances.</p>	Section 8 of the Bidder's Statement

Question	Answer	Further Information
17. Can I be forced to sell my 4D-S Shares?	You cannot be forced to sell your 4D-S Shares unless Fitzroy acquires a relevant interest in at least 90% of all 4D-S Shares by the end of the Offer Period, and proceeds to compulsory acquisition. If that happens, you will be forced to sell your 4D-S Shares to Fitzroy.	Section 8.13
18. Will I pay brokerage if I accept the Offer?	No.	Section 9.7
19. What happens if the Offer fails?	Assuming there is no other offer for 4D-S Shares, 4D-S will seek to continue to develop its assets and business opportunities and your directors will continue to work to generate value for 4D-S Shareholders.	N/A
20. Who do I contact if I have further queries in relation to the Offer?	If you have any further queries in relation to the Offer, please contact 4D-S by email at guido.arnout@4-d-s.com	N/A

5. Information about 4D-S

5.1. 4D-S group structure

4D-S was incorporated as an Australian proprietary limited company on 2 March 2007, and converted to an unlisted public company on 9 November 2012. 4D-S has a wholly owned US subsidiary (**4DS, Inc.**), which operates from leased facilities in Fremont, California, in Silicon Valley. 4DS, Inc. undertakes research and development activities pursuant to an intercompany agreement with 4D-S, which also provides that all intellectual property arising from such activities vests in, and is owned by, 4D-S.

5.2. 4D-S board of directors

As at the date of this Bidder's Statement, the directors of 4D-S are:

Mr James Dorrian – Chairman;

Dr Guido Arnout – Chief Executive Officer;

Mr David McAuliffe;

Mr Simon Panton; and

Mr Kurt Pfluger

Mr Dorrian, Dr Arnout and Mr McAuliffe, together with Mr Howard Digby will each become a director of Fitzroy upon the Offers becoming Unconditional. Further details regarding each of the proposed directors are set out in Sections 6.3 and 11.

5.3. Overview of 4D-S's activities and projects

4D-S's business is the development of intellectual property pertaining to non-volatile memory storage known as "ReRAM" which may become a replacement for more traditional "Flash" memory storage.

(a) 4D-S Technology: Overview of MOHJO™

4D-S is developing emerging non-volatile memory called "Resistive Random Access Memory" (**ReRAM**) with potential technological advantages to other known ReRAM cells in development making it a realistic candidate to replace NAND Flash (**Flash**) as the dominant standard for storage class memory. Approximately US\$10 million has been invested in developing 4D-S' ReRAM technology since 2007 and 4D-S owns 15 US patents for its technology and materials deposition process (comprising 13 granted patents and 2 pending applications), together with several related patents in other key jurisdictions (see Section 5.3(e) for more information on the 4D-S patent portfolio). At the heart of 4D-S' memory is the MOHJO™ hetero junction, explained in more detail below.

ReRAM developments have been well documented by many different companies and research institutions and are part of an emerging memory market segment called "emerging Non Volatile Memory" (described in Section 5.6(b) of the Bidder's Statement). Most ReRAM cells consist of a switching material sandwiched between two electrodes. These cells are then arranged in a cell matrix to form a memory array. A voltage is applied to the memory cell causing the resistance to change. The resistive change is reversible by

changing the applied voltage. The change in resistance establishes the “On” and “Off” states (or “1” and “0” states). This is called the “switching mechanism”.

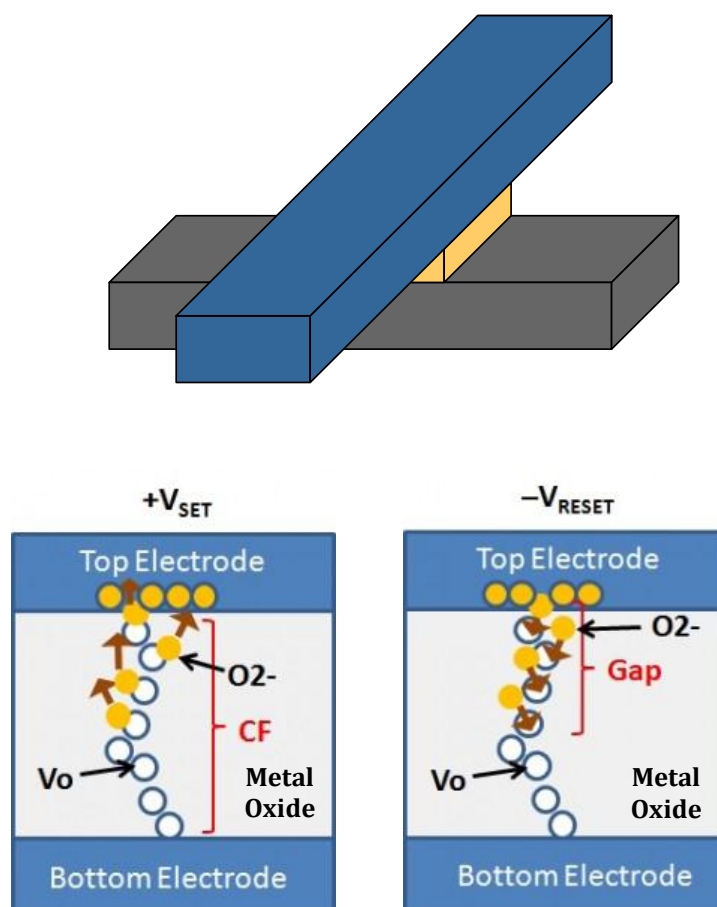


Figure 1 Basic ReRAM cell operation with filamentary switching system

Figure 1 describes a common filamentary switching system used in most ReRAM developments. Other ReRAM developments that use a filamentary switching mechanism need to overcome a number of potential shortcomings including:

- lack of control – the filament is a kind of short circuit between the electrodes that is somewhat random and difficult to control;
- the nature of forming and reforming filaments lead to difficulties with endurance; and
- as cells get smaller, the filamentary current is the same, leading to larger current densities which restricts the ability to scale (down).

4D-S avoids this issue altogether because its MOHJO™ hetero junction does not rely on the formation of a filament. Instead, the overall MOHJO™ memory cell reduces and increases its resistance to form the “On” and “Off” states. This gives it a number of potential advantages and makes it a strong potential candidate to replace Flash memory in the future.

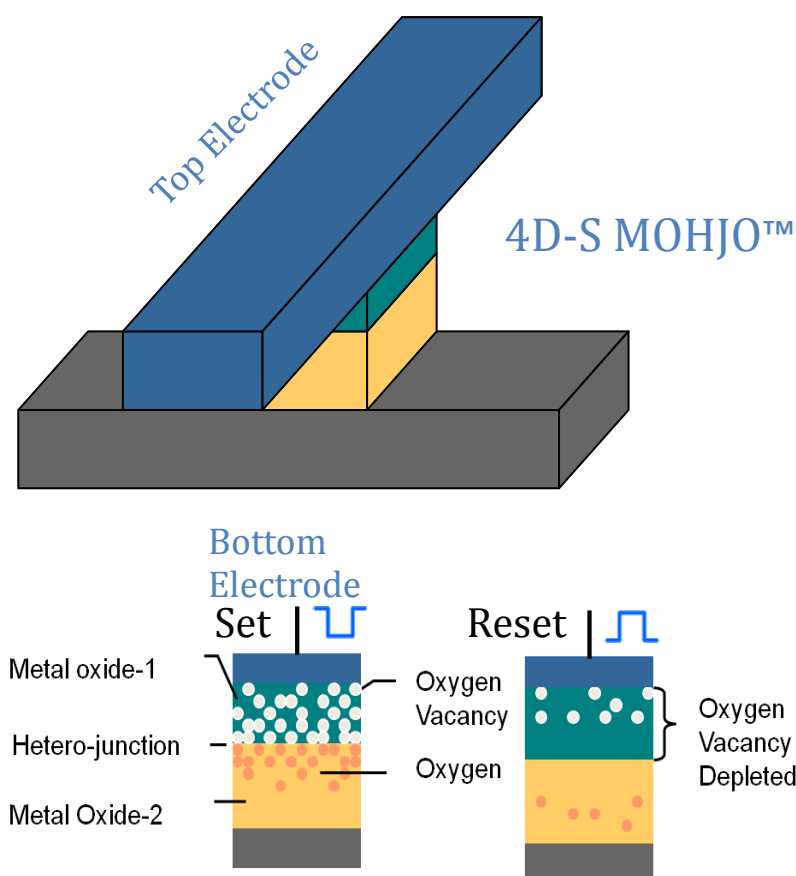


Figure 2 4D-S MOHJO™ heterojunction non-filamentary switching mechanism.

(b) 4D-S Business Model and Strategy

Joining the short list of high-volume high-density memory makers is cost prohibitive for anyone not already volume manufacturing memory products today: the cost to setup and operate a high-volume high-density memory fabrication plant (known as a fab) is in the order of US\$10 billion. Hence, becoming a new memory maker is unrealistic.

Recently, due to the consolidation of semiconductor manufacturers, the goals of large memory makers have shifted from manufacturing the most product to owning the best intellectual property. This in turn drives acquisitions of successful start-up technology companies.

Since many breakthrough inventions happen within start-up technology companies, the challenge is how to get noticed. Memory makers want to see proof that a developer can make the best high-density memory, which is not always realistic given the resources of start-up technology companies and the stage of development of their technology.

Fortunately, leading memory users (manufacturers of devices that use memory) often have a need for special memory products tailored to their specific needs (somewhere between standard DRAM and standard Flash).

(c) 4DS Research and Development

In order to demonstrate sufficient progress to indicate that production of a commercial product is viable, 4DS must demonstrate scalability (small memory

cell size with small space between memory cells) and consistency of its memory cell behaviour.

This requires a process of simultaneous and continuous improvement of (i) the memory cell architecture, (ii) the manufacturing process, and (iii) the PCMO deposition equipment, complemented with semi-automated test procedures to gather statistical data for yield analysis, fundamental cell behaviour, cycling endurance and data retention in order to monitor progress. 4DS has already demonstrated a functional cell and lot-to-lot consistency of different wafers with high yield. (Yield is the percentage of memory cells in a given array that pass all tests and function properly.)

Following the completion of the Offers and the Prospectus Offer, it is the intention of the Merged Entity to apply significant funds to 4DS's research and development activities. Funds will be applied in the course of business supported by a business plan, a budget, within the confines of a financial authorization framework and supported by directors' resolutions if necessary or by exception.

These funds will be spent on meeting the cost of 4DS employees working on the research and development, lease costs associated with its premises and test equipment, and improvements to its deposition equipment.

4DS has a highly experienced and qualified technical team to oversee and perform its research and development activities and as noted in Section 5.3(f) below it is proposed that 4DS's managing director and chief engineering officer will be engaged from completion of the Offers in equivalent roles with the Merged Entity.

The Milestone for conversion of the Class 1 Performance Shares is specifically focussed on endurance levels for 4DS's memory cells.

If 4DS is successful in taking the MOHJO™ ReRAM technology to this point, it will have the potential to stand out among other market players as the first viable ReRAM product for major storage applications. Having access to this technology, if successfully developed by 4DS, will potentially be enormously commercially significant for mobile device manufacturers and solid-state storage (SSD) device producers.

(d) Joint Development Arrangements

4DS is currently engaged in a joint-development with a global storage leader, HGST Netherlands B.V. (**HGST**), with the goal of optimizing its memory cell and manufacturing process. HGST helps organizations harness the power of data through a broad portfolio of proven, smarter storage solutions. Entry into the joint development arrangements provides 4DS with resources which may expedite the development, and potential commercialisation, of 4DS's technology.

The Joint Development Agreement (**JDA**) governing the co-development has been in force since June 2014 and was renewed in June 2015. It is next due for renewal on 30 June 2016. Part of 4DS's development work is currently being carried out under a scope of work which has been agreed with HGST under the JDA. See Section 5.3(f) below for a summary of the terms of the Joint Development Agreement.

Whilst in the absence of the Joint Development Agreement 4DS's focus would be on the same steps that have been identified in the scope of work under the Joint Development Agreement, 4DS is able to benefit from the resources and technical expertise of HGST as a global storage leader.

The scope of work with HGST mainly deals with material improvements, scaling objectives, and cell evaluation objectives, which include testing of endurance and data retention among other factors. This supports the performance milestone for 4D-S vendors.

Once significant progress is made to prove scale and consistency of its memory cells, the License Option held by HGST may be invoked, aside from other potential commercial opportunities.

(e) 4D-S Customers and Revenue Model

As 4D-S is in a state of advanced R&D, it does not have revenues for its MOHJO™ product. The company strategy is outlined in Section 5.3(b). As 4D-S is currently in the development phase, no decision has been made regarding the method of commercialising its technology should development be successful. Eventual revenues may involve licensing to major memory makers and users of memory (including the licence fees under the Joint Development Agreement described in Section 5.3(f)). Licensing fees with other memory makers and memory users may involve one-off licence fees, ongoing royalties or a combination of the two. There is a possibility that a major company may choose to acquire the 4D-S technology, if it succeeds in its development goals.

4D-S is a development company with no history of revenue generation. 4D-S will over the next 12 months focus on the enhancement and testing of its technology under the Joint Development Agreement. There can be no guarantee that 4D-S will be able to successfully develop and commercialise its technology. Accordingly, an investment in the Company should be considered speculative and high risk.

(f) Joint Development Agreement

4DS has entered into the Joint Development Agreement (**JDA**) with HGST. The material terms of the Joint Development Agreement are:

- (i) The parties will work together on an agreed scope of work in a collaboration effort to build, test and evaluate 4DS technology. The parties have completed the first scope of work, and are currently carrying on work under a second agreed scope of work. There are no specific expenditure commitments under the JDA. Each party is responsible for its own expenses incurred in connection with the JDA.
- (ii) The term of the Joint Development Agreement expires on 30 June 2016, unless extended by agreement between the parties. Either party may terminate the Joint Development Agreement without cause on 30 days' written notice to the other party.
- (iii) In relation to intellectual property ownership:
 - each party retains ownership of its background intellectual property; and
 - the parties jointly own all intellectual property jointly created under the JDA, and each party has a license to use such intellectual property on a royalty free basis.
- (iv) 4DS grants an option (**License Option**) to HGST to take a non-exclusive license for HGST to use 4DS's technology for up to 20 years from exercise of the License Option. Whilst the quantum of the license fees is confidential, the fees payable are lower than the fees

4DS expects to be able to generate from licensing the technology to other parties if the technology can be successfully commercialised.

- (v) 4DS is required to notify HGST of any acquisition proposal or financing proposal in relation to 4DS.

(g) Management of 4DS

The key management personnel of 4DS (who will become the key management personnel of the Merged Entity) are:

Dr Guido Arnout (Managing Director)

Dr Guido Arnout was founding President & CEO of PowerEscape which introduced the first tools for the development of low-power software executing on multi-core devices. He was founding President & CEO of CoWare which pioneered system-level design tools for hardware-software co-design and the time-based licensing business model. He co-founded the Open SystemC Initiative (OSCI), an industry consortium to standardize a language for system level design, and as its President submitted the SystemC language to IEEE. He served as VP of Engineering and later senior VP of marketing of CrossCheck Technology. He co-founded and later became VP of Engineering of Silvar-Lisco, the first commercial EDA (electronic design automation) company. Dr Arnout received his PhD in electrical engineering from the University of Leuven in Belgium.

Michael Van Buskirk (Chief Engineering Officer)

Michael Van Buskirk has held executive roles with a number of leading memory companies in Silicon Valley. He was the Chief Technology Officer at Adesto Technologies Corporation, where he initiated and directed its second and third generation CBRAM™ technology to make it suitable for broad market acceptance. He served as the Chief Operating Officer at Innovative Silicon, Inc., where he co-invented and developed its ultra-low voltage Z-RAM™ vertical floating body memory technology. Michael was also the Chief Technology Officer at Spansion, Inc., the flash memory joint venture between Advanced Micro Devices (AMD) and Fujitsu, where he integrated and oversaw the former Fujitsu and AMD flash memory engineering teams. Prior to the establishment of Spansion in 2003, Michael had spent 17 years with AMD where he reached the position of Vice-President of Engineering, Memory Group. Michael holds a Bachelor of Science in Electrical Engineering from Oregon State University.

5.4. 4D-S financial information

- (a) The historical consolidated statements of financial position of 4DS are set out below and have been extracted from the audited consolidated statements of financial position as at the end of the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015, being the last three audited consolidated statements of financial position prior to the date of this Target's Statement.

	2015 \$	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	9,106	110,100	153,800
Trade and other receivables	42,357	7,044	217,965
TOTAL CURRENT ASSETS	51,463	117,144	371,765

	2015 \$	2014 \$	2013 \$
NON-CURRENT ASSETS			
Property, plant and equipment	18,326	10,030	2,585
TOTAL NON-CURRENT ASSETS	18,326	10,030	2,585
TOTAL ASSETS	69,789	127,174	374,350
CURRENT LIABILITIES			
Trade and other payables	126,356	132,669	65,884
Borrowings	771,115	-	684,111
TOTAL CURRENT LIABILITIES	897,471	132,669	749,995
NON-CURRENT LIABILITIES			
Borrowings	235,500	-	-
TOTAL NON-CURRENT LIABILITIES	235,500	-	-
TOTAL LIABILITIES	1,132,971	132,669	749,995
NET (DEFICIENCY)/ASSETS	(1,063,182)	(5,495)	(375,645)
EQUITY			
Issued capital	10,574,049	10,574,049	9,302,979
Reserves	1,363,414	1,116,249	18,099
Accumulated losses	(13,000,645)	(11,695,793)	(9,696,723)
TOTAL EQUITY	(1,063,182)	(5,495)	(375,645)

- (b) The historical consolidated statements of comprehensive income of 4DS are set out below and have been extracted from the audited consolidated statements of comprehensive income for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015, being the last three audited consolidated statements of financial performance prior to the date of this Target's Statement.

	2015 \$	2014 \$	2013 \$
Revenue	13	69	257
Foreign exchange loss	(94,906)	(14,809)	(10,934)
Employee benefits expense	(254,573)	(193,167)	(371,146)
Research expense	(22,498)	(104,526)	(154,377)
Share-based payment expense	(233,840)	(1,024,791)	-
Other expenses	(699,048)	(661,846)	(841,463)
Loss before income tax expense	(1,304,852)	(1,999,070)	(1,377,663)
Income tax expense	-	-	-
Loss for the year	(1,304,852)	(1,999,070)	(1,377,663)
Other comprehensive income	-	-	-
Total comprehensive loss attributable to members of the entity	(1,304,852)	(1,999,070)	(1,377,663)

5.5. 4D-S Securities

As at the date of this Target's Statement the following 4D-S Securities are on issue:

Class of security	Number
4D-S Ordinary Shares	893,417
4D-S Preference Shares	1,865,970
4D-S Options	1,237,782
4D-S Convertible Notes	700,000

Under the terms of the 4D-S Convertible Notes the notes will convert to 4D-S Ordinary Shares on a ratio of 0.4451885 4D-S Ordinary Shares for every 1 4D-S Convertible Note held upon dispatch of the Bidder's Statement. Accordingly, a further 311,632 4D-S Ordinary Shares will be issued at that time.

In the event of the Offers becoming Unconditional a total of 242,075 4D-S A Class Shares will be issued. The A Class Shares will be the subject of the Private Treaty Offer.

5.6. 4D-S website

4D-S maintains a website, www.4-d-s.com, which contains further information about 4D-S and its operations.

5.7. Publicly available information about 4D-S

4D-S is not a disclosing entity for the purposes of the Corporations Act and as such is not subject to regular reporting and disclosure obligations. 4D-S is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by 4D-S may be obtained from, or inspected at, an ASIC office.

6. Information about Fitzroy

6.1. Disclaimer

This overview of Fitzroy and all financial information concerning Fitzroy contained in this Target's Statement has been prepared by the Company using publicly available information.

The information in this Target's Statement concerning Fitzroy has not been independently verified. The Company does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Fitzroy is not considered to be comprehensive.

6.2. Overview of Fitzroy

Fitzroy was incorporated as a public company on 4 August 2010 and was admitted to the Official List of ASX on 6 December 2010.

Since its incorporation, Fitzroy has been involved in the exploration of several coal and base metals projects.

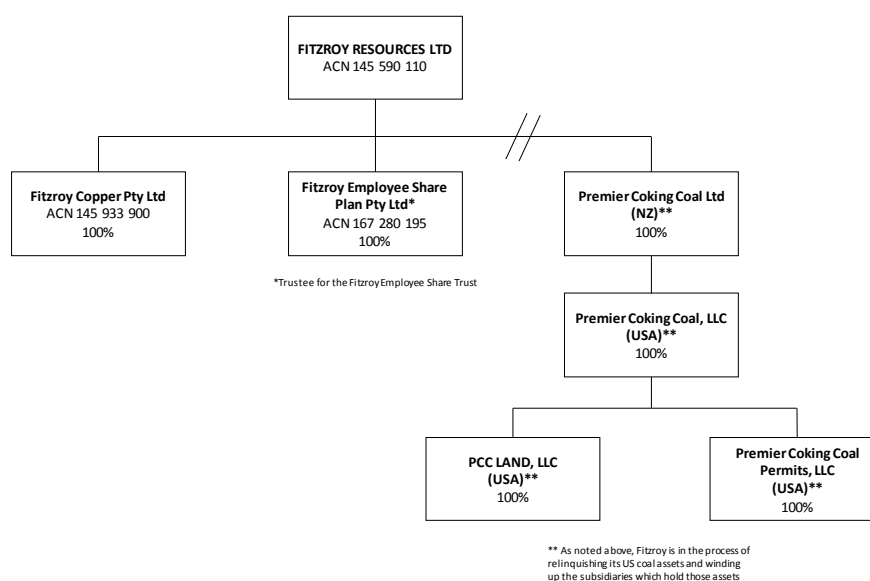
Fitzroy has built up a portfolio of interests in copper mining tenements in Queensland and coal leases in the United States of America.

As announced by the Company on 7 July 2014, Fitzroy has sold 51% of its Rookwood base metals exploration project in Queensland to Zenith Minerals Limited (**Zenith**). Zenith has an exclusive option to acquire the remaining equity in the Rockwood Project.

As noted in the Company's Quarterly Report for the period ending 30 June 2015, the Company has given notice to Emmaus Partners LLC and Blackstone Energy Corporation that it will be withdrawing from the US coking coal sector, and has commenced the process of winding up its US operations and subsidiaries.

As at 10 August 2015 (being the last trading day before the Announcement Date), Fitzroy had 353 Shareholders and a market capitalisation of approximately \$8.2 million.

The corporate structure of Fitzroy is shown in the diagram below.



6.3. Directors and key personnel of Fitzroy

A brief summary of the Fitzroy Board and key personnel, as at the date of this Bidder's Statement, is set out below.

Mr Riccardo Vittino – Non-Executive Director (appointed 4 August 2010)

Mr Vittino has over 25 years' experience in the resources sector with a focus on corporate and financial management. He graduated from the University of Western Australia with a Bachelor of Commerce degree in 1985 and began his career in the mining industry in 1988 as Company Secretary for Helix Resources Ltd.

During his 18 year tenure at Helix, Mr Vittino was involved with various IPOs and Joint Ventures both local and International. He left Helix in 2006 as CEO to pursue a role in South Africa as Finance Director of Central Rand Gold Ltd. He was responsible for overseeing Central Rand Gold's listing on the Main Board of the LSE and the JSE in 2007 and subsequent progress to pre-feasibility and commencement of trial mining.

Mr Vittino returned to Perth in 2008 to focus on personal interests. He has held numerous non-executive director roles including Diamond Ventures NL and Platinum Australia Ltd. He is a Fellow of the Australian Institute of Company Directors.

Mr Vittino is currently a director of Credo Resources Ltd and CFO of Moly Mines Limited.

Mr Tim Grice – Non-Executive Director (appointed 8 May 2015)

Mr Grice has a broad range of experience in capital markets where he has worked for 29 years. He has held a number of senior adviser positions at national and international stockbroking companies including Bell Potter, UBS and Merrill Lynch and been involved in raising capital for many emerging companies in mining and technology.

Mr Peter Webse – Non-Executive Director and Company Secretary (appointed director 8 May 2015, appointed secretary 11 May 2015)

Mr Webse has over 24 years' company secretarial experience and is the managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services. Mr Webse is also a non-executive director of Cynata Therapeutics Limited.

Proposed directors

The Bid Implementation Agreement provides that Fitzroy will appoint Mr James Dorrian, Dr Guido Arnout, Mr David McAuliffe and Mr Howard Digby as Fitzroy Directors after the Minimum Acceptance Condition has been satisfied and the Offers become Unconditional. Brief details of their relevant experience and expertise follow.

Mr James Dorrian – Chairman

Mr Dorrian is the current Chairman of 4DS. He is a former partner at Crosspoint Venture Partners a Silicon Valley based early stage venture capital firm. He has served as both CEO and Board Member of several Silicon Valley companies and has in depth experience in M&A and IPOs. Prior to this, Mr Dorrian was the Founder and CEO of Arbor Software and has held management roles with a number of multinational IT companies. He is a founding member of the OLAP standards council, an industry consortium for On-Line Analytical Processing. Mr Dorrian received a Bachelor of Arts from Indiana University in Economics and Communications.

Dr Guido Arnout – Chief Executive Officer

Dr Arnout is the CEO of 4DS and has helped guide multiple Silicon Valley companies through commercialisation or sale. He was the founding President & CEO of PowerEscape, which introduced the first tools for the development of low-power software executing on multi-core devices. He was also founding President & CEO of CoWare, which pioneered system-level design tools for hardware-software co-design and the time-based licensing business model. Dr Arnout co-founded the Open SystemC Initiative (OSCI), an industry consortium to standardize a language for system level design, and as its President submitted the SystemC language to IEEE. He served as VP of Engineering and later senior VP of marketing of CrossCheck Technology. He co-founded and later became VP of Engineering of Silvar-Lisco, the first commercial EDA (electronic design automation) company. Dr Arnout received his PhD in electrical engineering from the University of Leuven in Belgium.

Mr David McAuliffe

Mr McAuliffe is a current director of 4DS. He is an experienced board director and entrepreneur who has had over twenty years' experience, mostly in the international biotechnology field. During that time he was involved in numerous capital raisings and in-licensing of technologies. He is a founder of several companies in Australia, France and the United Kingdom, many of which have become public companies. Mr McAuliffe has an Honours degree in Law, a Bachelor of Pharmacy degree and is the President of the Dyslexia – Speld Foundation WA (Inc).

Mr Howard Digby

Mr Digby started his career at IBM and has spent over 25 years managing technology related businesses across the Asia Pacific region, including 12 years being based in Hong Kong. Before returning to Perth, he was with The Economist Group as regional managing director. Prior to this he held senior management roles at Adobe and Gartner where his clients included major semiconductor players including Samsung, Hynix and TSMC. Mr Digby is a Non-Executive Director of Sun Biomedical (ASX: SBN) and Estrella Resources (ASX: ESR) and is currently an advisor to geospatial imagery company Spookfish (ASX: SFI). Mr Digby has a Bachelor of Engineering (Mech, Hons) from The University of Western Australia.

6.4. Financial Performance

- (a) The historical consolidated statements of financial position of Fitzroy are set out below and have been extracted from the audited consolidated statements of financial position as at the end of the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015, being the last three audited consolidated statements of financial position prior to the date of this Target's Statement.

	Consolidated FY 2015	Consolidated FY 2014	Consolidated FY 2013
	\$	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	1,123,482	232,213	1,924,913
Trade and other receivables	22,124	11,418	7,379
Other current assets	20,000	-	2,553
TOTAL CURRENT ASSETS	1,165,606	243,631	1,934,845
NON-CURRENT ASSETS			
Plant and equipment	10,873	15,531	22,186

Exploration and evaluation expenditure	420,000	3,589,049	1,744,182
TOTAL NON-CURRENT ASSETS	430,873	3,604,580	1,766,368
TOTAL ASSETS	1,596,479	3,848,211	3,701,213
CURRENT LIABILITIES			
Trade and other payables	90,378	90,362	56,517
Provisions	-	10,192	-
Other current liabilities	26,381	26,381	-
TOTAL CURRENT LIABILITIES	116,759	126,935	56,517
TOTAL LIABILITIES	116,759	126,935	
NET ASSETS	1,479,720	3,721,276	3,644,696
SHAREHOLDERS' EQUITY			
Issued capital	10,660,732	9,261,186	6,729,437
Reserves	1,090,134	332,754	403,800
Accumulated losses	(10,271,146)	(5,872,664)	(3,488,541)
TOTAL SHAREHOLDERS' EQUITY	1,479,720	3,721,276	3,644,696

- (b) The historical consolidated statements of financial performance of Fitzroy are set out below and have been extracted from the audited consolidated statements of financial performance for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015, being the last three audited consolidated statements of financial performance prior to the date of this Target's Statement.

	Consolidated FY 2015	Consolidated FY 2014	Consolidated FY 2013
	\$	\$	\$
Revenue	10,087	58,387	72,600
Directors fees	(86,643)	(112,517)	(196,389)
Administration expenses	(464,456)	(392,938)	(230,179)
Exploration expenses	(187,813)	(616,904)	(48,625)
Impairment of capitalised exploration	(2,919,049)	(1,313,496)	(148,017)
Share based payment	(745,950)	-	-
Depreciation and amortisation expense	(4,658)	(6,655)	(9,484)
Loss before income tax	(4,398,482)	(2,384,123)	(560,094)
Income tax expense	-	-	-
Loss for the year	(4,398,482)	(2,384,123)	(560,094)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation (net of tax)	11,430	(78,482)	-
Total comprehensive loss for the year	(4,387,052)	(2,462,605)	(560,094)
Basic and diluted loss per share (cents per Share)	(6.71)	(3.07)	(1.25)

6.5. Relationship with 4D-S

Prior to signing the Bid Implementation Agreement, Fitzroy had no existing relationship with 4D-S.

6.6. Corporate governance

The Fitzroy Board seeks to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles for Good Corporate Governance and Best Practice Recommendations.

Details on Fitzroy's corporate governance procedures, policies and practices can be obtained at Fitzroy's website www.fitzroyresources.com.au.

6.7. Publicly available information about Fitzroy

Fitzroy is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Fitzroy is subject to the ASX Listing Rules which require continuous disclosure of any information Fitzroy has concerning itself that a reasonable person would expect to have a material effect on the price or value of its securities.

Fitzroy is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Fitzroy may be obtained from, or inspected at, an ASIC office.

On request to Fitzroy and free of charge, 4D-S Security holders may obtain a copy of:

- the annual financial report of Fitzroy for the year ended 30 June 2015 lodged by Fitzroy with the ASX on 20 August 2015 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC); and
- any continuous disclosure notice given to ASX by Fitzroy since the lodgement with ASIC of the Annual Financial Report for Fitzroy referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements Fitzroy has lodged with ASX since 20 August 2015 (being the date of lodgement of the annual financial report referred to in paragraph (a)) is set out in Annexure C to this Bidder's Statement.

A substantial amount of information about Fitzroy is available in electronic form from www.fitzroyresources.com.au and on the ASX website.

7. Information about Fitzroy Securities

7.1. Capital structure

As at the date of this Bidder's Statement, Fitzroy has the following securities on issue:

Class of Security	Number
Fitzroy Shares currently on issue ¹	163,552,872
Fitzroy Existing Performance Shares currently on issue	6,666,669 ²
Fitzroy Options currently on issue	29,666,668 ³

Notes:

1. The rights attaching to the Fitzroy Shares are summarised in Section 7.5 of this Target's Statement.
2. Fitzroy Existing Performance Shares related to its previous Premier Coal assets (which the Fitzroy has now relinquished). The milestones for conversion of the Fitzroy Existing Performance Shares are now incapable of satisfaction. On 23 December 2016 they will convert into a nominal number of Fitzroy Shares. There is no right of conversion of the Fitzroy Existing Performance Shares if there is a change of control in relation to Fitzroy prior to their conversion or expiry.
3. Comprising 26,666,668 options each exercisable at \$0.024 on or before 10 May 2018 and 3,000,000 options each exercisable at \$0.042 on or before 25 June 2018. None of the Fitzroy Options are listed on ASX.

7.2. Recent performance of Fitzroy Shares

Set out below is a table showing relevant trading prices of Fitzroy Shares on ASX:

Comparative Trading Period	Price of Fitzroy Ordinary Shares
Highest trading price in the four months prior to the date this Target's Statement was lodged with ASIC	\$0.077
Lowest trading price in the four months prior to the date this Target's Statement was lodged with ASIC	\$0.028
Closing trading price on the last trading day (being 10 August 2015) before the Announcement Date	\$0.050
Last available closing sale price (as at 6 October 2015) on ASX prior to the date this Target's Statement was lodged with ASIC	\$0.056
5 day volume weighted average price before the date this Target's Statement was lodged with ASIC	\$0.0556

The implied value of the Offer will be dependent on the market price of Fitzroy Ordinary Shares. The implied value of the Offer will change as a consequence of changes in the market price of Fitzroy Shares from time to time.

7.3. Quotation of Fitzroy Shares comprising Offer Consideration

Fitzroy will lodge an application for admission to quotation of the Fitzroy Shares comprising part of the Offer Consideration to trading on ASX within 7 days of the start of the Bid Period. The Offer is conditional on quotation being granted.

The Fitzroy Class 1 Performance Shares being offered will not be listed on ASX, but in the event of satisfaction of the Milestone and conversion of the Fitzroy Class 1 Performance Shares into Fitzroy Shares, Fitzroy will apply to ASX for quotation of the new Fitzroy Shares on ASX.

7.4. Fitzroy Consideration Securities

The Fitzroy Consideration Securities offered to 4D-S Security holders under the Offers comprise Fitzroy Shares and Fitzroy Class 1 Performance Shares.

The Fitzroy Shares offered are fully paid ordinary shares in the capital of Fitzroy, and from the date of their issue will rank equally with existing Fitzroy ordinary shares and will have the same rights and liabilities attaching to them. The rights and liabilities attaching to Fitzroy Shares are governed by the Constitution of Fitzroy, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

Under Section 140(1) of the Corporations Act, the Constitution of Fitzroy has effect as a contract between Fitzroy and each member and between a member of Fitzroy and each other member. Accordingly, if you accept Fitzroy Shares as consideration you will, as a result, become liable to comply with the Constitution of Fitzroy.

Set out below in Sections 7.5 and 7.6 is a summary of the rights and liabilities attaching to Fitzroy Consideration Securities. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of Fitzroy. 4D-S Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

Full details of the rights attaching to Fitzroy Shares are set out in the Constitution, a copy of which is available for inspection at Fitzroy's registered office during normal business hours. Full details of the terms of the Fitzroy Class 1 Performance Shares are set out in Annexure E to the Bidder's Statement.

7.5. Rights attaching to Fitzroy Shares

The rights, privileges and restrictions attaching to Fitzroy Shares can be summarised as follows:

General meetings

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

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

Voting rights

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

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;

- 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
- 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 Fitzroy Share held by shareholders, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Fitzroy Share, but in respect of partly paid Fitzroy Shares shall have such number of votes as bears the same proportion to the total of such Fitzroy Shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

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 dividends, 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 Fitzroy 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 Fitzroy 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 Fitzroy. The directors may set aside out of the profits of Fitzroy 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 Fitzroy may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, Fitzroy may, by resolution of the directors, implement a dividend reinvestment plan on such terms and conditions as the directors think fit and which provides for any dividend which the directors may declare from time to time payable on Fitzroy Shares which are participating Fitzroy Shares in the dividend reinvestment plan, less any amount which Fitzroy shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by Fitzroy to the payment of the subscription price of Fitzroy Shares.

Winding-up

If Fitzroy is wound up, the liquidator may, with the authority of a special resolution of Fitzroy, divide among the shareholders in kind the whole or any part of the property of Fitzroy, 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.

The liquidator may, with the authority of a special resolution of Fitzroy, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any Fitzroy Shares or other securities in respect of which there is any liability.

Shareholder liability

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

Transfer of shares

Generally, Fitzroy Shares 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. See Section 10.11 of the Bidder's Statement and Section 9.3 of this Target's Statement which provides information on ASX escrow restrictions which will apply to some Fitzroy Consideration Securities issued under the Offer.

Variation of rights

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

If at any time the share capital is divided into different classes of Fitzroy Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Fitzroy is being wound up, 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.

Alteration of constitution

The constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting 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.

7.6. Rights attaching to Fitzroy Class 1 Performance Shares

The Fitzroy Class 1 Performance Shares are shares that will each convert into Fitzroy Shares on a one for one in the event of satisfaction of a performance milestone (refer to clause 1(b) of Annexure E to the Bidder's Statement).

The Fitzroy Class 1 Performance Shares expire on 31 December 2018. To the extent that the Milestone has not been achieved on or before the expiry date, then the Fitzroy Class 1 Performance Shares will automatically consolidate to a nominal number and convert on a one for one basis to a nominal number of Fitzroy Shares.

8. Key features of the Offer

8.1. The Offer

Fitzroy announced its intention to make its takeover bid for 4D-S on 13 August 2015 following the execution of a Bid Implementation Agreement dated 13 August 2015. The terms of the Offer are contained in Annexures A and B to the Bidder's Statement and the terms of the Bid Implementation Agreement are summarised in Section 10.1 of the Bidder's Statement.

8.2. Consideration payable to shareholders who accept the Offer

The consideration being offered by Fitzroy is:

- 110.4400015 Fitzroy Share and 20.5905086 Fitzroy Performance Shares for every 1 4D-S Ordinary Share; and
- 110.4400015 Fitzroy Share and 20.5905086 Fitzroy Performance Shares for every 1 4D-S Preference Share

8.3. Conditions to the Offer

The Offer is subject to a number of conditions. Those conditions are set out in full in Annexures A and B of the Bidder's Statement, specifically Section 8 of both Annexures, which is substantially replicated below.

(a) Approval of Essential Resolutions

Fitzroy shareholders approve the Essential Resolutions by the requisite majorities in accordance with the Corporations Act, the Listing Rules and the constitution of Fitzroy before the end of the Offer Period.

(b) Prospectus Offer

The Prospectus Offer closes and, as at the close of the Prospectus Offer, Fitzroy receives or becomes entitled to receive, in immediately available funds, gross proceeds of no less than \$2,250,000 (before the costs of the Prospectus Offer) as a result of subscriptions made under the Prospectus Offer.

(c) Minimum acceptance

On or before the end of the Offer Period:

- (i) Fitzroy has a relevant interest in more than 90% (by number) of the sum of the 4D-S Securities on issue and is entitled to proceed to compulsory acquisition of all outstanding 4D-S Securities under the Corporations Act; and
- (ii) Fitzroy has a relevant interest in more than 90% (by number) of the sum of the 4D-S Securities on issue and is entitled to proceed to compulsory acquisition of all outstanding 4D-S Securities under the Corporations Act.

(d) ASX consent to re-quotation

Fitzroy receives from ASX written confirmation that ASX will terminate the suspension of Fitzroy Shares from quotation, subject to the satisfaction of such

terms and conditions (if any) as are prescribed by ASX or the Listing Rules and such conditions being capable of being satisfied.

(e) Private Option Offers

All 4D-S Option holders accepting a Private Treaty Offer in relation to their 4D-S Options.

(f) Private A Class Offers

All 4D-S A Class Shareholders accepting a Private Treaty Offer in relation to their 4D-S A Class Shares.

(g) Regulatory approvals

Before the end of the Offer Period, all approvals or consents that are required by law, by any Public Authority, or by any other third party as are necessary to permit:

- (i) the Offers to be lawfully made to and accepted by the 4D-S Security holders;
- (ii) the transactions contemplated by the Bidder's Statement to be completed; and
- (iii) 4D-S to be in material compliance with each of its and its subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(h) No regulatory action and consents

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (iii) no application is made to any Government Agency (other than by Fitzroy or any associate of Fitzroy),

in consequence of or in connection with the Offers (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by the Bidder's Statement or which requires the divestiture by Fitzroy of any 4D-S Securities or any material assets of 4D-S or any subsidiary of 4D-S.

(i) Material Adverse Change

Between the Announcement Date and the end of the Offer Period (each inclusive), no 4D-S Material Adverse Change occurs.

(j) Capital Expenditures

Between the Announcement Date and the end of the Offer Period (each inclusive), 4D-S does not incur or commit to incur an amount of capital expenditure in excess of \$50,000 other than:

- (i) capital expenditure incurred on existing projects in which 4D-S has an interest as at the Announcement Date; or
- (ii) capital expenditure in the day to day operating activities of the business of 4D-S and its subsidiaries conducted in the same manner as before the Announcement Date.

(k) No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against 4D-S which may reasonably result in a judgment of \$50,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Fitzroy (whether or not becoming public) or 4D-S, other than that which is in the public domain as at the Announcement Date.

(l) Equal Access

Between the Announcement Date and the end of the Offer Period (each inclusive), 4D-S promptly, and in any event within two Business Days, providing to Fitzroy all information that is not generally available (within the meaning of the Corporations Act) relating to 4D-S or any of its subsidiaries, or their respective assets, liabilities or operations, that has been provided by 4D-S or any of its directors, officers, agents or representatives to any person other than Fitzroy, other than in the ordinary course of ordinary business, for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (i) a takeover bid for, or scheme of arrangement proposed by, 4D-S, under the Corporations Act;
- (ii) the acquisition by that person or an associate of substantially all the assets and operations of 4D-S; or
- (iii) any transaction having a similar economic effect.

(m) No Prescribed Occurrences

Between the Announcement Date and the date three Business Days after the end of the Offer Period (each inclusive), no Prescribed Occurrence occurs.

(n) No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), 4D-S does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(o) No redemption of Preference Shares

Between the Announcement Date and the end of the Offer Period (each inclusive), no 4D-S Preference Share holder seeks to redeem any 4D-S Preference Shares they hold.

(p) Escrow

Each 4D-S Security holder enters into that form of restriction agreement in respect of the Fitzroy Securities issued to them:

(i) Arising from acceptance of the Offers or

(ii) under the Private Treaty Offers,

(as applicable) (including any Fitzroy Shares issued upon satisfaction of the performance hurdle under the terms of the Fitzroy Class 1 Performance Shares) as ASX may require.

(q) Joint Development Agreement

Between the Announcement Date and the end of the Offer Period (each inclusive) the Joint Development Agreement remains on foot and has not been terminated for any reason.

8.4. Notice of status of Conditions

The terms of the Offer set out in Annexures A and B of the Bidder's Statement, indicates that Fitzroy will give a notice of status of Conditions to the ASX and 4D-S on 12 November 2015.

Fitzroy is required to set out in its notice of status of Conditions:

- whether the Offer is free of any or all of the Conditions;
- whether, so far as Fitzroy knows, any of the Conditions have been fulfilled; and
- Fitzroy's voting power in 4D-S.

If the Offer Period is extended before the time by which the notice of status of Conditions is to be given, the date for giving the notice of status of Conditions will be taken to be postponed for the same period.

In the event of such an extension, Fitzroy is required, as soon as practicable after the extension, to give a notice to the ASX and 4D-S that states the new date for the giving of the notice of status of Conditions.

If a Condition is fulfilled (so that the Offer becomes free of that Condition) during the Offer Period, but before the date on which the notice of status of Conditions is required to be given, Fitzroy must, as soon as practicable, give the ASIC and 4D-S a notice that states that the particular condition has been fulfilled.

8.5. Offer Period

Unless the Offer is extended or withdrawn, it is open for acceptance from 8 October 2015 until 5:00pm (Perth time) on 19 November 2015.

The circumstances in which Fitzroy may extend or withdraw the Offer are set out in Sections 8.6 and 8.7 respectively of this Target's Statement.

8.6. Extension of the Offer Period

Fitzroy may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in Section 8.4 in this Target's Statement) while the Offer is subject to Conditions. However, if the Offer is Unconditional (that is, all the Conditions are fulfilled or waived), Fitzroy may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- Fitzroy improves the Offer Consideration; or
- Fitzroy's voting power in 4D-S increases to more than 50%.

If either of these 2 events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

8.7. Withdrawal of Offer

Fitzroy may not withdraw the Offer if you have already accepted it. Before you accept the Offer, Fitzroy may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

8.8. Effect of acceptance

The effect of acceptance of the Offer is set out in detail in Section 6 of Annexure A to the Bidder's Statement. You should read these provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your 4D-S Shares and the things which you are deemed to have done by accepting of the Offer.

You should note that, if you accept the Offer, unless you are able to withdraw your acceptance in the circumstances described in Section 8.9 of this Target's Statement, you will forgo the opportunity to benefit from any Competing Proposal (including any Superior Proposal) which may be put forward by another party, unless the Offer does not become Unconditional at the end of the Offer Period and the Competing Proposal remains open for acceptance. As at the date of this Target's Statement, your directors are not aware of any Competing Proposal.

8.9. Your ability to withdraw your acceptance

You only have limited rights to withdraw your acceptance of the Offer.

You may only withdraw your acceptance of the Offer if Fitzroy varies the Offer in a way that postpones, for more than one month, the time when Fitzroy needs to meet its obligations under the Offer. This will occur if Fitzroy extends the Offer Period by more than one month and the Offer is still subject to conditions.

8.10. Payment of your Offer Consideration if you accept the Offer

In the usual case, you will be issued your Offer Consideration on or before the later of:

- one month after the date the Offer becomes Unconditional; and
- one month after the date you accept the Offer if the Offer is, at the time of acceptance, Unconditional, but, in any event (assuming the Offer becomes Unconditional), no later than 21 days after the end of the Offer Period.

Section 7 of the terms of the Offer set out in Annexures A and B of the Bidder's Statement sets out full details of when you will be issued with your Offer Consideration.

8.11. Effect of an improvement in Offer Consideration on shareholders who have already accepted the Offer

If Fitzroy improves the Offer Consideration offered under the Offer, all 4D-S Shareholders who accept the Offer, whether or not they have accepted the Offer before that improvement, will be entitled to the benefit of that improved Offer Consideration.

8.12. Lapse of Offer

The Offer will lapse if the Conditions are not satisfied or waived by Fitzroy by the end of the Offer Period or in the case of Prescribed Occurrences within 3 Business Days after the end of the Offer Period, in which case, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your 4D-S Shares as you see fit.

8.13. Compulsory acquisition

Fitzroy has indicated in Section 7.3 of the Bidder's Statement that if it satisfies the required 90% threshold it intends to compulsorily acquire any outstanding 4D-S Shares. 4D-S Shareholders should read these sections in full to understand the compulsory acquisition rights Fitzroy may acquire under the Corporations Act and, if it acquires them, how Fitzroy intends to exercise them.

9. Other important matters

9.1. Fitzroy's intentions with respect to the Offer and 4D-S

Fitzroy has indicated its intentions in relation to the Offer and the business of 4D-S generally in Section 7.2– 7.5 (inclusive) of the Bidder's Statement.

9.2. 4D-S Options and 4D-S A Class Shares

There are currently 1,237,782 unlisted 4D-S Options on issue and 4D-S Security holders have approved the issue of 242,075 non-voting 4D-S A-Class Shares in the event that the Offers become Unconditional.

Fitzroy will make the Private Treaty Offers to holders of 4D-S Options and 4D-S A Class Shares separately and distinct from the Offers.

It is a Condition of the Offers that all 4D-S Option holders accept Private Treaty Offers in respect of their 4D-S Options and all 4D-S A Class Shareholders accept Private Treaty Offers in respect of their 4D-S A Class Shares.

9.3. Restricted Securities

As required by the Conditions and as detailed in Section 10.11 of the Bidder's Statement, 4D-S Shareholders will be required to enter into restriction agreements under which they will be restricted from trading certain Fitzroy Consideration Securities for a certain period.

9.4. Minority ownership consequences

The Offer is presently subject to a minimum acceptance Condition (refer Section 8.3 of this Target's Statement). Fitzroy has the right to waive the minimum acceptance condition. If Fitzroy waives this minimum acceptance Condition and acquires more than 50% but less than 90% of the 4D-S Shares under the Offer, Fitzroy will acquire a majority shareholding in 4D-S. In that situation 4D-S Shareholders who do not accept the Offer will remain as minority shareholders in 4D-S. This has a number of possible implications, including:

- Fitzroy will be in a position to cast the majority of votes at a general meeting of 4D-S. This will enable it to control the composition of the Board and senior management, determine 4D-S's dividend policy and control the strategic direction of the businesses of 4D-S and its subsidiaries;
- the value perceived in 4D-S Shares may be significantly reduced as any potential investor may prefer to acquire an interest in Fitzroy which will control 4D-S and offer the liquidity of an ASX quotation. The 4D-S Share value will no longer contain any takeover premium;
- the liquidity of 4D-S Shares may be minimal, if at all; and
- if Fitzroy acquires 75% or more of the 4D-S Shares it will be able to ensure the passing of special resolutions of 4D-S at general meetings. This will enable Fitzroy to, among other things, change the Constitution.

9.5. Other alternatives to the Offer

As at the date of this Target's Statement, your directors are not aware of any alternatives to the Offer. Your directors will keep 4D-S Shareholders informed in a timely manner should any material developments occur in this regard.

9.6. Taxation consequences

The taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian taxation considerations of accepting the Offer are set out in Section 8 of the Bidder's Statement.

You should carefully read and consider the taxation consequences of accepting the Offer. The outline provided in the Bidder's Statement is of a general nature only and you should seek your own specific professional advice as to the taxation implications applicable to your circumstances.

9.7. No brokerage payable

You will not be required to pay brokerage or any other costs in relation to the sale of your 4D-S Shares under the Offer.

9.8. Risk factors in investing in Fitzroy Shares

If you accept the Offer, unless withdrawal rights are available and you exercise them (refer to Section 8.9 of this Target's Statement), you will become a shareholder in Fitzroy if the Offer becomes Unconditional. Section 9 of the Bidder's Statement outlines the risks that you may face when investing in Fitzroy Shares. If you require further information regarding such risks in order to make a decision as to whether or not to accept the Offer, you should consult your legal, taxation, accounting or other professional advisers.

9.9. Risk factors in continuing to hold 4D-S Shares

There are various risks associated with continuing to hold 4D-S Shares that you should be aware of before deciding whether or not to accept the Offer. A summary of some of those risks is set out below. They are not exhaustive and are relevant to 4D-S Shareholders as at the date of this Target's Statement and will continue to be relevant to 4D-S Shareholders who remain 4D-S Shareholders following completion of any successful Offer. However, you should note that many of these risks are similar to the risks you may face when investing in Fitzroy Shares as outlined in Section 9 of the Bidder's Statement.

In addition, if you do not accept the Offer during the Offer Period (and the Offer becomes Unconditional), you may remain as a minority 4D-S Security holder. Section 9.4 of this Target's Statement sets out a summary of some of the risks associated with being a minority shareholder in 4D-S.

You should have regard to your own personal investment objectives and financial circumstances, and should consult your professional advisers, before deciding whether or not to accept the Offer.

Existing Technology Risks

Current semiconductor memory technologies of DRAM, NAND Flash, and NOR Flash face technological barriers to continue to meet long-term customer needs. These barriers include potential limitations on the ability to shrink products in order to reduce

costs, meet higher density requirements, and improve power consumption and reliability. Notwithstanding these challenges, existing semiconductor memory technologies may be able to overcome these barriers and remain the dominant technology.

Development risk

The success of 4D-S relies almost entirely on the successful development of 4D-S' ReRAM technology, which is in an advanced stage of development. Should the testing and verification of 4D-S' technology not be completed to the satisfaction of the procedures specified by the Merged Entity, then 4D-S will have to expend additional time and resources to rectify any outstanding issues which will delay the development of the next stage of development or at the very worst, if unassailable barriers are encountered, abandon the project entirely.

Commercialisation risk

Risks will also be involved in the ability to translate the developed technology in to a solution that provides a meaningful improvement in all of the relevant metrics for memory storage in a cost effective manner to support the price needed to make an impact in the marketplace. The main factors that may introduce risk include but are not limited to:

- the ability to further improve the functionality of its core resistive memory material;
- the ability to scale the memory cells further;
- the ability to maintain lot-to-lot consistency at high endurance and high yield; and
- the ability to manage sneak path issues and other related access and selection mechanisms when completing a full memory configuration.

There can be no assurance that 4D-S will:

- be successful in developing a competitive new semiconductor memory technology;
- be able to cost-effectively manufacture new products;
- be able to successfully market its technology; and
- generate licence fees or other forms of income from its technology that will allow 4D-S or the Merged Entity to recover the costs of development efforts.

Market adoption

4D-S' ReRAM technology is a new technology, which is designed to replace existing technologies that have a large market acceptance. Following successful completion of the Offers, the Merged Entity will continue to focus efforts on development and commercialisation of 4D-S' technology. 4D-S does not currently have any contracts in place to generate revenue and there are no guarantees of success in commercialising the 4D-S technology.

Following development of its technology, the success of its commercialisation will partially relate to the acceptance of its technology for routine use within the semiconductor memory industry. Take up of the technology will involve education of market participants and marketing programmes to raise the profile of 4D-S and its technology.

Competition and new technologies

The industry in which 4D-S operates is competitive and includes companies with significantly greater financial, technical, human, research and development, and marketing resources than currently available to 4D-S. Numerous entities around the world may resist 4D-S' efforts to commercialise or market products that may compete with their own offerings.

4D-S' competitors may develop new memory technologies: in advance of 4D-S; that are more effective than those developed by 4D-S; or have greater market acceptance. As a consequence, 4D-S' technology may become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability.

Joint Development Agreement – termination

The Joint Development Agreement (**JDA**) is subject to various risks, including:

- HGST deciding unilaterally to terminate the JDA without cause (which it has the right to do on the giving of 30 days' written notice to 4D-S); and
- 4D-S' interests diverging from HGST's such that the parties may not be able to agree on ongoing development activities, or on the amount, timing, or nature of further investments in the joint development of the technology.

If 4D-S loses access to HGST's facilities and resources, there can be no guarantee that 4D-S will be able to find a replacement strategic partner with similar facilities and resources. Accordingly, a loss of access to HGST's facilities and resources could result in significant delays to or suspension of 4D-S' development strategy and could have a material adverse effect on 4D-S' activities and on the Merged Entity generally.

Intellectual Property

There can be no assurance that 4D-S' patent portfolio will afford 4D-S or the Merged Entity commercially significant protection of 4D-S' technology, or that competitors will not develop competing technologies that circumvents such intellectual property. Although the Merged Entity will implement all reasonable endeavours to protect 4D-S' intellectual property, there can be no assurance that these measures will be sufficient.

Infringement of third party intellectual property rights

If a third party accuses 4D-S of infringing its intellectual property rights or if a third party commences litigation against 4D-S for the infringement of patent or other intellectual property rights, 4D-S may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that 4D-S incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against 4D-S may be able to obtain injunctive or other equitable relief that could prevent 4D-S from further developing discoveries or commercialising its technology. In the event of a successful claim of infringement against 4D-S, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in technology development and loss of substantial resources while it attempts to develop alternatives.

Defence of any lawsuit or failure to obtain any of these licenses could prevent 4D-S from commercialising its technology and could cause it to incur substantial expenditure.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of 4D-S and the Company depends substantially on senior management

and key personnel, including 4D-S' current management. There can be no assurance given that there will be no detrimental impact on the Merged Entity if one or more of these parties cease their employment.

Further, there is no guarantee that 4D-S will be able to attract and retain suitable qualified personnel, and a failure to do so could materially adversely affect the business, operating results and financial prospects of 4D-S and the Merged Entity.

Limited trading history

4D-S is essentially a start-up company with limited trading history. 4D-S has to date principally developed its technology as well as seeking patent protection. However, 4D-S is still developing and testing its technology and has yet to commence the commercialisation phase and as such carries the normal risks of a start-up business.

Given the limited trading history of 4D-S, no assurance can be given that 4D-S will achieve commercial viability through the implementation of its development plan.

Sufficiency of funding

4D-S's growth through technology development and commercialisation activities will require substantial expenditure and may not result in profitability being achieved. There can be no guarantees that 4D-S' cash reserves together with the funds raised under the Prospectus will be sufficient to successfully achieve all the objectives of 4D-S' overall development strategy.

There can be no assurance that 4D-S will have sufficient capital resources to properly develop its technology or commercialise it, or that it will be able to obtain additional resources on terms acceptable to the Merged Entity or at all.

Any additional equity financing may be dilutive to both 4D-S' and Fitzroy's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Merged Entity's and 4D-S' operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend 4D-S' development strategy and could have a material adverse effect on 4D-S' activities and on the Merged Entity generally.

Foreign exchange risks

4D-S' main operations are carried on in the United States. Further, 4D-S is potentially a global business and will likely have commercial opportunities outside of Australia to generate revenue. Any revenue in foreign currencies will be converted to AUD for reporting purposes will be affected by currency fluctuations, which may adversely impact on the Merged Entity's financial performance and position.

10. Your Choices as a 4D-S Shareholder

The choices that are available to you as 4D-S Security holders are set out below. Your directors encourage you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your 4D-S Shares.

10.1. Accept the Offer

The consequences of accepting the Offer are described in Section 8.8 of this Target's Statement. In particular, if you accept the Offer and the Offer becomes Unconditional:

- you will receive 110.4400015 Fitzroy Shares and 20.5905086 Fitzroy Class 1 Performance Shares for every 1 of your 4D-S Ordinary Shares;
- you will receive 110.4400015 Fitzroy Shares and 20.5905086 Fitzroy Class 1 Performance Shares for every 1 of your 4D-S Preference Shares; and
- you will not be able to sell your 4D-S Securities to anyone else, including by accepting any Competing Proposal (including a Superior Proposal) that might emerge, unless either the Offer does not become Unconditional or you are able to withdraw your acceptance in the circumstances described in Section 8.9 of this Target's Statement.

10.2. Reject the Offer

If you do not wish to accept the Offer and wish to retain your 4D-S Shares, no action is required.

However, if you do not accept the Offer and Fitzroy becomes entitled to compulsorily acquire your 4D-S Shares under the Corporations Act, you may be provided with your Offer Consideration later than 4D-S Shareholders who chose to accept the Offer.

Fitzroy has stated in its Bidder's Statement that if it becomes entitled to 90% of all 4D-S Shares it intends to progress to compulsory acquisition. Further details on compulsory acquisition are provided in Section 8.13 of this Target's Statement.

If the Offer becomes Unconditional, but Fitzroy does not become entitled to compulsorily acquire your 4D-S Shares, you will be a minority shareholder in 4D-S. Some of the implications of becoming a minority 4D-S shareholder are described in Section 9.4 of this Target's Statement.

10.3. Sell your 4D-S Shares

You may decide to try to sell your 4D-S Shares otherwise than by way of the Offers. If you do:

- you will receive payment based on the price at which you privately negotiate with a third party and will not be able to accept the Offer or any Competing Proposal that may emerge; and
- depending on the sale price achieved, you may receive more or less for your 4D-S Shares than the value of the Offer Consideration.

The taxation implications of privately selling your 4D-S Shares depend on a number of factors and will vary according to your particular circumstances.

You should seek your own specific professional advice regarding the taxation consequences for you of privately selling your 4D-S Shares relative to accepting the Offer.

11. Information Relating to Your Directors

11.1. Interests of directors in 4D-S

As at the date of this Target's Statement, your directors have a relevant interest in the number of 4D-S Shares, 4D-S Options and 4D-S Convertible Notes set out in the table below.

In addition Mr McAuliffe has the right to be issued 105,250 4D-S A Class Shares upon the Offers becoming Unconditional. The 4D-S A Class Shares will carry the same rights as 4D-S Ordinary Shares, except that they will have no voting rights.

Director	4DS Ordinary Shares	4DS Preference Shares	4DS Options	4DS Convertible Notes
Mr James Dorrian	-	286,584	66,138 ²	32,894
Mr Guido Arnout	-	-	340,000 ³	32,898
Mr David McAuliffe	-	-	34,982 ⁴	-
Mr Simon Panton ¹	-	146,672	70,931 ⁵	120,000
Mr Kurt Pfluger	186,533	6,262	94,525 ⁶	19,915

Notes:

1. Held in Simon Panton's own name, or by entities he controls, namely Southam Investments 2003 Pty Ltd and Mondo Electronics Pty Ltd.
2. Comprising: (a) 10,000 options to acquire an unissued 4DS Preference Share (with an exercise price of USD5.00 and expiring on 31 December 2017); (b) 11,138 options to acquire an unissued 4DS Preference Share (with an exercise price of USD10.00 and expiring on 30 June 2018); and (c) 45,000 options to acquire an unissued 4DS Ordinary Share (with an exercise price of USD10.00 and expiring on 31 October 2018).
3. Comprising 340,000 options to acquire an unissued 4DS Ordinary Share (with an exercise price of US\$1.00 and expiring on 31 December 2017).
4. Comprising: (a) 10,000 options to acquire an unissued 4DS Ordinary Share (with an exercise price of USD5.00 and expiring on 31 December 2017); (b) 15,000 options to acquire an unissued 4DS Preference Share (with an exercise price of USD10.00 and expiring on 31 December 2017; and (c) 9,982 options to acquire an unissued 4DS Ordinary Share (with an exercise price of USD10.00 and expiring on 31 October 2018).
5. Comprising: (a) 15,000 options to acquire an unissued 4DS Ordinary Share (with an exercise price of USD10.00 and expiring on 31 October 2018); (b) 45,000 options to acquire an unissued 4DS Ordinary Share (with an exercise price of USD5.00 and expiring on 31 December 2017; and (c) 10,931 options to acquire an unissued 4DS Preference Share (with an exercise price of USD10.00 and expiring on 30 June 2018).
6. Comprising: (a) 75,000 options to acquire an unissued 4DS Ordinary Share (with an exercise price of USD5.00 and expiring on 31 December 2017; (b) 4,525 options to acquire an unissued 4DS Preference Share (with an exercise price of USD10.00 and expiring on 30 June 2018; and (c) 15,000 options to acquire an unissued 4DS Ordinary Share (with an exercise price of USD10.00 and expiring on 31 October 2018).

11.2. Dealings by directors in 4D-S Securities

None of your directors have acquired or disposed of a relevant interest in any 4D-S Securities in the 4 month period ending on the date immediately before the date of this Target's Statement, other than:

- Mr James Dorrian acquiring:
 - 273,362 4D-S Preference Shares upon conversion of a convertible note on 12 August 2015 (the “2014 Convertible Note”);
 - 32,894 4D-S Convertible Notes, which will be converted to 14,644 4D-S Ordinary Shares upon the despatch of the Bidder’s Statement (see Section 5.5. of this Target’s Statement).
- Mr Simon Panton acquiring (via entities that he controls):
 - 41,436 4D-S Preference Shares upon conversion of the 2014 Convertible Note; and
 - 120,000 4D-S Convertible Notes, which will be converted to 53,423 4D-S Ordinary Shares upon the despatch of the Bidder’s Statement.
- Mr Kurt Pfluger acquiring:
 - 4,001 4D-S Preference Shares upon conversion of the 2014 Convertible Note; and
 - 19,915 4D-S Convertible Notes, which will be converted to 8,866 4D-S Ordinary Shares upon the despatch of the Bidder’s Statement.
- Mr Guido Arnout acquiring:
 - 32,898 4D-S Convertible Notes, which will be converted to 14,646 4D-S Ordinary Shares upon the despatch of the Bidder’s Statement

11.3. Interest and dealings in Fitzroy Shares

As at the date of this Target’s Statement:

- neither 4D-S, nor any of your directors, have a Relevant Interest in any Fitzroy Shares or the shares of any related body corporate of Fitzroy; and
- there have been no acquisitions or disposals of Fitzroy Shares by any of your directors in the 4 months ending on the date of this Target’s Statement.

11.4. Benefits and agreements

Save as disclosed below:

- no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of 4D-S or Related Body Corporate of 4D-S, as a result of the Offer;
- there are no agreements made between any of your directors and any other person in connection with, or conditional upon, the outcome of the Offer, other than in their capacity as a holder of 4D-S Shares;
- none of your directors have agreed to receive, or are entitled to receive any benefit from Fitzroy which is conditional on, or related to, the Offer, other than in their capacity as a holder of 4D-S Shares; and

- none of your directors have any interest in any contract entered into by Fitzroy.
- (a) It is proposed that the Merged Entity will enter into an executive service agreement with Dr Guido Arnout whereby he will receive an annual salary of US\$185,000, and be entitled to be reimbursed for all reasonable expenses incurred in the performance of his duties. He will participate in the employee incentive scheme that Fitzroy intends to put in place following completion of the Merger. Termination under the agreement will be by way of three months' notice by either party, and the agreement will contain customary provisions regarding confidentiality, and company ownership of intellectual property.
 - (b) It is proposed that the Merged Entity will appoint Mr James Dorrian and Mr David McAuliffe as non-executive directors for which Mr Dorrian and Mr McAuliffe will be entitled to receive directors' fees.
 - (c) Mr David McAuliffe will receive 105,250 4D-S A Class Shares upon the Offers becoming Unconditional, for services provided to 4DS in connection with the Offer. Fitzroy will acquire these 4DS A Class Shares under the Private Treaty Offer, and Mr McAuliffe will receive 10,000,000 Fitzroy Shares in consideration under that Private A Class Share Offer.
 - (d) The following pre-bid acceptance agreements have been entered into by some of your directors, or an associate, committing pre-bid acceptance of the Offers as detailed below:
 - James Dorrian – 286,584 4D-S Preference Shares;
 - Kurt Pfluger – 186,533 4D-S Ordinary Shares; and
 - Southam Investments 2003 Pty Ltd (an associate of Simon Panton) – 140,700 4D-S Preference Shares.
 - (e) Fitzroy will acquire the 4D-S Options held by the directors or their associates under the Private Treaty Offer and the directors or their associates will receive consideration from Fitzroy as detailed below:
 - James Dorrian:– 1,778, 187 Fitzroy Shares, and 331,526 Fitzroy Class 1 Performance Shares
 - Guido Arnout: – 36,458,333 Fitzroy Options (with an exercise price of \$0.02 and an expiry date of 30 June 2020)
 - Simon Panton:2,067,639 Fitzroy Shares, and 385,491 Fitzroy Class 1 Performance Shares
 - Kurt Pfluger: 2,861,908 Fitzroy Shares, and 533,575 Fitzroy Class 1 Performance Shares
 - David McAuliffe: 840,825 Fitzroy Shares, and 156,763 Fitzroy Class 1 Performance Shares.

12. Additional Information

12.1. Effect of the takeover on 4D-S's material contracts

None of the material contracts to which 4D-S is a party contain change of control provisions that may be triggered as a result of, or as a result of acceptances of, the Offer.

12.2. Material litigation

4D-S is not involved in any ongoing litigation that is material in the context of 4D-S and its subsidiaries taken as a whole.

12.3. Bid Implementation Agreement

On 13 August 2015, Fitzroy announced that it and 4D-S had entered into the Bid Implementation Agreement in relation to the Offer by Fitzroy for all of the 4D-S Shares.

The terms of the Bid Implementation Agreement are summarised in Section 10.1 of the Bidder's Statement.

12.4. Due Diligence

Due diligence on 4D-S was conducted on behalf of Fitzroy prior to execution of the Bid Implementation Agreement. The due diligence was a process undertaken under obligations of confidentiality.

12.5. Consents

Bennett + Co has given, and has not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in the Target's Statement as 4D-S's Australian legal advisers in the form and context in which it is so named. Bennett + Co has not advised on the laws of any foreign jurisdiction, and has not provided tax advice in relation to any jurisdiction. Bennett + Co has not caused or authorised the Issue of Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based, and takes no responsibility for any part of this Target's Statement other than any reference to its name.

As permitted by ASIC Class Order 01/1543 this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX, by Fitzroy. Pursuant to that Class Order, the consent of the person who made the statement is not required for the inclusion of such statements in this Target's Statement. Any 4D-S Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting 4D-S by email at guido.arnout@4-d-s.com.

As permitted by ASIC Class Order 03/635, this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Target's Statement contains share price trading data sourced from IRESS Market Technology Limited without its consent.

12.6. No other material information

This Target's Statement is required to include all the information that 4D-S Security holders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any director of 4D-S.

Your directors are of the opinion that the information that 4D-S Security holders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in Fitzroy's releases to the ASX, and in the documents lodged by 4D-S with ASIC before the date of this Target's Statement; and
- the information contained in this Target's Statement.

Your directors have assumed, for the purposes of preparing the Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, your directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, your directors have had regard to:

- the nature of the 4D-S Shares;
- the matters that 4D-S Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to 4D-S Shareholders' professional advisers; and
- the time available to 4D-S to prepare this Target's Statement.

13. Glossary

In this Targets Statement (including its Annexures), unless the context otherwise requires:

4D-S or Company means 4D-S Limited (ACN 124 234 395).

4D-S A Class Share means an A Class share in the capital of 4D-S.

4D-S Convertible Note means a convertible note issued by 4D-S with a face value of \$1.00 which will convert to a 4D-S Ordinary Share upon the dispatch of the Bidder's Statement at a conversion ratio of 0.4451885 4D-S Ordinary Shares for each 4D-S Convertible Note.

4D-S Material Adverse Change has the meaning ascribed to it in the Bidder's Statement.

4D-S Option means an option to acquire a 4D-S Ordinary Share or a 4D-S Preference Share (as the case may be).

4D-S Ordinary Share means an ordinary share in the capital of 4D-S.

4D-S Preference Share means a preference share in the capital of 4D-S.

4D-S Securities means 4D-S Ordinary Shares, 4D-S Preference Shares, 4D-S Options, 4D-S Convertible Notes and 4D-S A Class Shares (or any of them) as the context requires.

4D-S Share means a 4D-S Ordinary Share or a 4D-S Preference Share (or both of them), as the context requires.

Acceptance Form means the either the Ordinary Share Offer Acceptance Form or the Preference Share Offer Acceptance Form (or both of them), as the context requires.

Announcement Date means 13 August 2015, being the date the Offers were announced on ASX.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

ASX Listing Rules means the official listing rules of ASX, as amended from time to time.

Bid Implementation Agreement means the bid implementation agreement between Fitzroy and 4D-S dated 13 August 2015.

Bid Period has the meaning given to that term in the Corporations Act.

Bidder's Statement means the bidder's statement of Fitzroy dated 7 October 2015 (including the Annexures).

Board means the board of directors of 4D-S.

Business Day means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Perth, Western Australia.

Competing Proposal has the meaning ascribed to it in the Bidder's Statement.

Conditions means the Ordinary Share Offer Conditions Section 8 of Annexure A to the Bidder's Statement or the Preference Share Offer Conditions Section 8 of Annexure B to the Bidder's Statement (or both of them), as the context requires.

Constitution means the constitution of 4D-S.

Corporations Act means the *Corporations Act 2001* (Cth).

Essential Resolutions has the meaning ascribed to it in the Bidder's Statement.

Fitzroy means Fitzroy Resources Ltd (ACN 145 590 110).

Fitzroy Class 1 Performance Share means a share in the capital of Fitzroy issued on the terms and conditions set out in Annexure E to the Bidder's Statement.

Fitzroy Consideration Securities means the Fitzroy Shares and Fitzroy Class 1 Performance Shares to be issued as consideration under the Offers.

Fitzroy Existing Performance Shares means the existing performance shares on issue in the capital of Fitzroy with performance based conversion milestones relating to Fitzroy's acquisition of Premier Coal Limited.

Fitzroy Option means an option to acquire a Fitzroy Share.

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

Fitzroy Securities includes the Fitzroy Shares, the Fitzroy Existing Performance Shares and Fitzroy Class 1 Performance Shares or any one or more of them as the context requires.

Government Agency means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

Intellectual Property means all items of intangible property and includes trademarks and service marks (whether or not registered or registration has been applied for), domain names, trade names, business names, designs, brand names, patents, patent applications, inventions (whether or not patented), trade secrets and copyrights (whether or not registered or registration has been applied for).

Joint Development Agreement means the collaboration agreement between HGST Netherlands B.V. and 4D-S, Inc dated 17 June 2014 as amended effective as of 1 July 2015.

Merged Entity means Fitzroy and its subsidiaries following the acquisition by Fitzroy of all, or a portion of, 4D-S Shares.

Milestone means the performance based milestone specified in clause 1(b) of Annexure E to the Bidder's Statement.

Offer or **Offers** means the Ordinary Share Offer or the Preference Share Offer (or both of them), as the context requires.

Offer Consideration means the Ordinary Share Offer Consideration or the Preference Share Offer Consideration (or both of them), as the context requires.

Offer Period means the period during which an Offer is open for acceptance.

Official List of the ASX means the official list of entities that ASX has admitted and not removed.

Ordinary Share Offer means the off market takeover offer by Fitzroy to acquire 4D-S Ordinary Shares on the terms and conditions set out in Annexure A to the Bidder's Statement.

Preference Share Offer means the off market takeover offer by Fitzroy to acquire 4D-S Preference Shares on the terms and conditions set out in Annexure B to the Bidder's Statement.

Prescribed Occurrence has the meaning ascribed to it in the Bidder's Statement.

Private Treaty Offer means an offer by private agreement to acquire 4D-S A Class Shares or agreement to acquire 4D-S Options (or both of them), as the context requires.

Prospectus means the prospectus proposed to be issued by Fitzroy in connection with the Prospectus Offer.

Prospectus Offer means the successful raising of a minimum of \$2.25 million at an issue price of \$0.025 per Fitzroy Ordinary Share.

Public Authority means any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchanges.

Record Date means the date set by Fitzroy under Section 633(2) of the Corporations Act, being 5:00pm (WST) on 7 October 2015.

Related Body Corporate has the meaning given in Section 50 of the Corporations Act.

Relevant Interest has the meaning given in Section 9 of the Corporations Act.

Superior Proposal means a Competing Proposal in relation to 4D-S that the 4D-S Board determines in good is:

- (a) reasonably capable of being valued and completed in a timely manner, taking into account all aspects of the Competing Proposal and the person making it; and
- (b) more favourable to 4D-S Shareholders as a whole than the Offers, taking into account all the terms and conditions of the Competing Proposal.

Target's Statement means this document being the statement of 4D-S under Part 6.5 of Division 3 of the Corporations Act.

Unconditional means Fitzroy issuing a notice in accordance with section 630(3) of the Corporations Act, declaring that a Takeover Bid is free or freed (as the case may be) from all defeating conditions otherwise applicable to the Takeover Bid other than the Prescribed Occurrence Condition, subject to compliance with section 650F(1)(a) of the Corporations Act.

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

13.1. Interpretation

In this Target's Statement, unless the context otherwise requires:

- (a) other words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words of any gender include all genders;
- (c) words indicating the singular include the plural and vice versa;
- (d) an expression indicating a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

- (e) a reference to a section, clause, attachment and schedule is a reference to a section of, clause of and an attachment and schedule to this Target's Statement as relevant;
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement;
- (h) a reference to time is a reference to Perth time in Western Australia; and
- (i) a reference to dollars, \$, A\$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.