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**DOURADO RESOURCES LIMITED**

**ACN 131 090 947**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10.00am WST

**DATE:** 30 November 2015

**PLACE:** Level 11, London House  
216 St Georges Terrace  
Perth, Western Australia

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9481 0389.***

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**CRITICAL DATES\***

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<b>Event</b>	<b>Date</b>
Announcement of Acquisition	2 September 2015
Dispatch Notice of Meeting	29 October 2015
Lodgement of Prospectus with the ASIC	23 November 2015
Suspension of the Company's securities from trading on the ASX (at the opening of trade)	30 November 2015
Annual General Meeting	30 November 2015
Despatch Date – Consolidation	7 December 2015
Closing Date for Offer	10 December 2015
Despatch of holding statements – Capital Raising	17 December 2015
Settlement of Acquisition	17 December 2015
Expected date for re-quotation of the Company's securities on ASX	22 December 2015

\* This timetable is indicative only and subject to change. The directors of the Company reserve the right to amend the timetable

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## **IMPORTANT INFORMATION**

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### **Time and place of Meeting**

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The annual general meeting of the Shareholders to which this Notice of Meeting relates will be held at **Level 11, London House, 216 St Georges Terrace, Perth, Western Australia at 10.00am WST on 30 November 2015.**

### **Your vote is important**

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The business of the Meeting affects your shareholding and your vote is important.

### **Voting eligibility**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am (WST) on 28 November 2015.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and

- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## LETTER TO SHAREHOLDERS

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Dear Shareholder

I have pleasure in presenting an exciting opportunity which promises the potential of significant future growth for the Company.

Dourado Resources Limited (**Company** or **Dourado**) has negotiated an agreement to acquire 100% of the issued capital of Zyber Secure Mobile Solutions Inc (**Zyber**), a company incorporated in British Columbia, Canada, which holds various intellectual property rights pertaining to data security and software (**Acquisition**).

The proposed Acquisition will combine Zyber's secure file sharing solution technology business with the Company to create an international, publicly listed, cybersecurity company that is well managed, well financed and well positioned for future growth.

Upon completion of the Acquisition, the current Zyber management team of Clay Epstein and Jason Tomkinson will join the Dourado Board together with Charly Duffy, and I will resign.

Prior to completion of the Acquisition, the Company is seeking approval from shareholders to undertake a consolidation of its existing issued securities on a five (5) for one (1) basis. The approval is being sought to make the capital structure of the Company more investment ready for institutional and high net worth investors. As a result of the consolidation, the Company will be seeking to raise funds through the issue of shares at an issue price of **not less than** \$0.05 per share (on a post consolidation basis). This means that the Company may raise funds through issuing shares at higher than this price.

The Acquisition is subject to the satisfaction of a number of conditions including Shareholder approval which is being sought at the forthcoming Annual General Meeting. I ask that you read the Notice of Meeting and attached Explanatory Statement carefully, including the associated risks, advantages and disadvantages of the Acquisition.

Your Board believes this is a unique opportunity to participate in a business which has the potential to revolutionise secure file sharing technology and generate significant growth and widespread market support for the Company.

I would also like to take this opportunity to thank my fellow Directors for their support and advice throughout the processes required in developing this opportunity.

Yours sincerely



**JAMES ELLINGFORD**  
**CHAIRMAN**

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## BUSINESS OF THE ANNUAL GENERAL MEETING

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### AGENDA

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#### ORDINARY BUSINESS

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##### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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##### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2015.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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##### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JAMES ELLINGFORD

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

*“That, for the purpose of clause 11.3 of the Constitution and for all other purposes, James Ellingford, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – PETER WALL

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

*“That, for the purpose of clause 11.12 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Peter Wall, a Director who was appointed as an additional Director on 9 January 2015, retires, and being eligible, is elected as a Director.”*

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#### 5. RESOLUTION 4 – ELECTION OF DIRECTOR – PAUL CALLANDER

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

*“That, for the purpose of clause 11.12 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Paul Callander, a Director who was appointed as an additional Director on 2 September 2015, retires, and being eligible, is elected as a Director.”*

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#### 6. RESOLUTION 5 – SALE OF MOOLOOGOO PROJECT

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

*“That, for the purposes of Listing Rule 11.2 of the ASX Listing Rules and for all other purposes, approval is given for the Company to sell its interest in Exploration Licence E51/1325 which constitutes the project known as the Mooloogool Project on the terms and conditions described in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 7. RESOLUTION 6 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 7 to 11, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities as described in the Explanatory Statement.”*

**Short Explanation:** The proposed acquisition of Zyber, if successful, will result in the Company changing its business focus from resources to cybersecurity. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature or scale of its activities.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a shareholder, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting

as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 8. RESOLUTION 7 – CONSOLIDATION OF CAPITAL

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

*“That, subject to the passing of Resolutions 6 and 8 to 11, for the purpose of Section 254H of the Corporations Act, Listing Rule 2.1 Condition 2 and for all other purposes, the issued capital of the Company be consolidated on the basis that:*

- (a) every five (5) Shares be consolidated into one (1) Share; and*
- (b) every five (5) Options be consolidated into one (1) Option,*

*and where this consolidation results in a fraction of a Share or Option being held by a Shareholder or Optionholder (as the case may be), the Directors be authorised to round that fraction up to the nearest whole Share or Option, with the Consolidation taking effect as described in the Explanatory Statement.”*

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## 9. RESOLUTION 8 – ISSUE OF CONSIDERATION FOR ZYBER ACQUISITION

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

*“That, subject to the passing of Resolutions 6, 7 and 9 to 11, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to:*

- (a) 970,000,000 Consideration Shares (on a pre-Consolidation basis) to the Zyber Shareholders (or their nominees); and*
- (b) 149,600,000 Consideration Options (on a pre-Consolidation basis) to the Zyber Warrantheolders (or their nominees),*

*on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 10. RESOLUTION 9 – ISSUE OF CONSIDERATION SHARES TO BLUE COVE CAPITAL CORP

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

*“That, subject to the passing of Resolutions 6, 7, 8, 10 and 11, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to:*

- (a) 242,261,139 fully paid ordinary shares in the Company to be issued upon the exchange of up to 242,261,139 Exchangeable Shares to*

Blue Cove (or its nominees) (**Blue Cove**) as part of the acquisition of Zyber (**Acquisition**) at Settlement;

- (b) 31,147,859 fully paid ordinary shares (Tranche 1 Deferred Consideration Shares) to Blue Cove as part of the consideration for the Acquisition within 12 months of Settlement;
- (c) 31,147,859 fully paid ordinary shares (Tranche 2 Deferred Consideration Shares) to Blue Cove as part of the consideration for the Acquisition within 36 months of Settlement;
- (d) 31,147,859 fully paid ordinary shares (Tranche 3 Deferred Consideration Shares) to Blue Cove as part of the consideration for the Acquisition within 59 months of Settlement;

in each case, on a pre-Consolidation basis, on the terms and conditions set out in the Explanatory Statement."

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Blue Cove Capital Corp (or its nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 11. RESOLUTION 10 – ISSUE OF CONSIDERATION SHARES TO CLAY EPSTEIN

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

*"That, subject to the passing of Resolutions 6 to 9 and 11, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to:*

- (a) 20,765,240 fully paid ordinary shares in the Company to be issued upon the exchange of up to 20,765,240 Exchangeable Shares to Clay Epstein (or his nominees) as part of the acquisition of Zyber (**Acquisition**) at Settlement;
- (b) 2,669,817 fully paid ordinary shares (**Tranche 1 Deferred Consideration Shares**) to Clay Epstein (or his nominees) as part of the consideration for the Acquisition within 12 months of Settlement;
- (c) 2,669,817 fully paid ordinary shares (**Tranche 2 Deferred Consideration Shares**) to Clay Epstein (or his nominees) as part of the consideration for the Acquisition within 36 months of Settlement; and
- (d) 2,669,817 fully paid ordinary shares (**Tranche 3 Deferred Consideration Shares**) to Clay Epstein (or his nominees) as part of the consideration for the Acquisition within 59 months of Settlement;

in each case, on a pre-Consolidation basis, on the terms and conditions set out in the Explanatory Statement."

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Clay Epstein (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing

the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 12. RESOLUTION 11 – CAPITAL RAISING

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

*“That, subject to the passing of Resolutions 6 to 10, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue (on a post-Consolidation basis) up to that number of Shares, when multiplied by the issue price, will raise up to \$6,000,000 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 13. RESOLUTION 12 – CHANGE OF COMPANY NAME

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

*“That, subject to the passing of Resolutions 6 to 11, for the purpose of Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Zyber Holdings Ltd”.”*

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## 14. RESOLUTION 13 – ELECTION OF DIRECTOR – CLAY EPSTEIN

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

*“That, subject to the passing of Resolutions 6 to 11, for the purpose of clause 11.11 of the Constitution and for all other purposes, Clay Epstein, being eligible, is elected as a Director with effect from settlement of the acquisition of Zyber Secure Mobile Solutions Inc.”*

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## 15. RESOLUTION 14 – ELECTION OF DIRECTOR – JASON TOMKINSON

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

*“That, subject to the passing of Resolutions 6 to 11, for the purpose of clause 11.11 of the Constitution and for all other purposes, Jason Tomkinson, being eligible, is elected as a Director with effect from settlement of the acquisition of Zyber Secure Mobile Solutions Inc.”*

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## 16. RESOLUTION 15 – ELECTION OF DIRECTOR – CHARLY DUFFY

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

*“That, subject to the passing of Resolutions 6 to 11, for the purpose of clause 11.11 of the Constitution and for all other purposes, Charly Duffy, being eligible, is elected as a Director with effect from settlement of the acquisition of Zyber Secure Mobile Solutions Inc.”*

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## 17. RESOLUTION 16 – ADOPTION OF PERFORMANCE RIGHTS PLAN

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

*“That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to establish and maintain a performance rights plan (PRP) on the terms and conditions summarised in the accompanying Explanatory Memorandum and the grant of Performance Rights from time to time under the PRP as an exception to Listing Rule 7.1.”*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (A) a member of the Key Management Personnel; or
  - (B) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 18. RESOLUTION 17 – ISSUE OF PERFORMANCE RIGHTS UNDER PRP TO CLAY EPSTEIN

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 13 and 16, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to issue 10,000,000 Performance Rights (on a post-Consolidation basis) under the PRP and to the issue of the Shares that may result from the exercise of these Performance Rights upon the satisfaction of the relevant Performance Milestones in respect of these Performance Rights to Mr Clay Epstein (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Performance Rights will be issued to Mr Epstein as part of the new PRP that the Company proposes to adopt under Resolution 16 of this Notice, subject to Shareholder approval.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (A) a member of the Key Management Personnel; or
  - (B) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**19. RESOLUTION 18 – ISSUE OF PERFORMANCE RIGHTS UNDER PRP TO JASON TOMKINSON**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 14 and 16, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to issue 10,000,000 Performance Rights (on a post-Consolidation basis) under the PRP and to the issue of the Shares that may result from the exercise of these Performance Rights upon the satisfaction of the relevant Performance Milestones in respect of these Performance Rights to Mr Jason Tomkinson (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Performance Rights will be issued to Mr Tomkinson as part of the new PRP that the Company proposes to adopt under Resolution 16 of this Notice, subject to Shareholder approval.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (A) a member of the Key Management Personnel; or
  - (B) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 20. RESOLUTION 19 – ISSUE OF PERFORMANCE RIGHTS UNDER PRP TO PETER WALL

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 3 and 16, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to issue 10,000,000 Performance Rights (on a post-Consolidation basis) under the PRP and to the issue of the Shares that may result from the exercise of these Performance Rights upon the satisfaction of the relevant Performance Milestones in respect of these Performance Rights to Mr Peter Wall (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation** Performance Rights will be issued to Mr Wall as part of the new PRP that the Company proposes to adopt under Resolution 16 of this Notice, subject to Shareholder approval.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (A) a member of the Key Management Personnel; or
  - (B) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and

- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 21. RESOLUTION 20 – ISSUE OF OPTIONS TO PAUL CALLANDER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 4, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Options (on a post-Consolidation basis) to Mr Paul Callander (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Paul Callander (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (C) a member of the Key Management Personnel; or
  - (D) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 22. RESOLUTION 21 – ISSUE OF OPTIONS TO CHARLY DUFFY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 15, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Options (on a post-Consolidation basis) to Ms Charly Duffy (or her nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Charly Duffy (or her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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DATED: 9 OCTOBER 2015

BY ORDER OF THE BOARD

A handwritten signature in purple ink that reads "ehunt". The signature is written in a cursive, lowercase style.

ELIZABETH HUNT  
COMPANY SECRETARY

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.dourado.com.au](http://www.dourado.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

**2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

**2.4 Proxy voting restrictions**

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

**Notes:**

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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**3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JAMES ELLINGFORD**

Clause 11.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

The Company currently has three Directors and accordingly one must retire.

James Ellingford, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr Ellingford will retire upon completion of the Acquisition.

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#### 4. RESOLUTIONS 3 AND 4 – ELECTION OF DIRECTOR – PETER WALL AND PAUL CALLANDER

Clause 11.12 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 11.12 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Peter Wall (having been appointed on 9 January 2015) and Paul Callander (having been appointed on 2 September 2015) will retire in accordance with clause 11.12 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

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#### 5. OVERVIEW OF PROPOSED CHANGE OF ACTIVITIES – ACQUISITION OF ZYBER SECURE MOBILE SOLUTIONS INC.

##### 5.1 Background

Dourado Resources Limited (**Company**) is an Australian public company listed on the official list of ASX (ASX code: DUO). The Company has predominantly operated in gold, copper and zinc exploration with a portfolio of tenements held in Western Australia.

The Company has been continuously and actively been seeking new projects, both within and outside the mining sector.

On 2 September 2015, Dourado announced to ASX that it entered into a conditional heads of agreement (**Heads of Agreement**) to acquire 100% of the issued capital of Zyber Secure Mobile Solutions Inc, a company incorporated in British Columbia, Canada (**Zyber**), which holds various intellectual property interests pertaining to data security and software (**Acquisition**). The Acquisition will be effected in part through a wholly owned Canadian subsidiary of Dourado (**Newco**).

Pursuant to the Heads of Agreement, the consideration payable by the Company for the Acquisition comprises the issue to the shareholders of Zyber (**Zyber Shareholders**) of:

- (a) up to 700,000,000 Shares (on a pre-Consolidation basis) upon settlement of the Acquisition; and
- (b) up to 270,000,000 Shares (on a pre-Consolidation basis) in three tranches upon the satisfaction of certain milestones (that are further detailed in Section 5.3(b) below).

In addition, the Company has agreed to issue 149,600,000 Options (on a pre-Consolidation basis) (**Consideration Options**) to the holders of Zyber warrants (**Zyber Warrantholders**) in consideration for the cancellation of their Zyber warrants. The Consideration Options shall be exercisable at a price equal to the issue price of Shares under the capital raising the subject of Resolution 11, and expire on 31 October 2019.

Completion of the Acquisition is subject to conditions including Shareholder approval, completion of due diligence by the Company and Zyber and the Company completing a capital raising of \$3,000,000 or more.

Resolution 6 seeks approval from Shareholders for the Acquisition and the change in the nature and scale of the Company's activities resulting from the Acquisition. The Acquisition will also require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Detailed descriptions of the Zyber business and the Heads of Agreement are outlined in Sections 5.2 and 5.3 below.

Other information considered material to Shareholders' decision on whether to pass Resolution 6 is set out in this Explanatory Statement, and Shareholders are advised to read this information carefully.

As part of the change of activities from a mining exploration company to a cybersecurity company, the Company has entered into a conditional tenement sale agreement to divest its Mooloogool Project. As the Mooloogool Project currently constitutes the Company's main undertaking, Shareholder approval for the sale is required for the purpose of ASX Listing Rule 11.2. This approval is being sought pursuant to Resolution 5, and further information regarding the sale is provided in Section 6 of this Explanatory Statement.

## **5.2 The Zyber business**

Zyber was incorporated in March 2014 and is a Canadian based information technology security development company. Zyber's business is the development and commercialization of a secure, easy to install, mobile communication platform that allows users to transact, share data and collaborate across multiple devices and operating systems.

Once complete, Zyber's technology will provide control and security without leaving a digital footprint on anyone's device. Zyber considers that its technology will be a solution that can virtually eliminate the negligent end user as a threat to the security of mobile networks. If a negligent end user loses or otherwise compromises a device, it contains no data.

There are four proposed stages to the development of the Zyber technology. Stage 1 of the technology has been developed and deployed in trials with one company and Stage 2 is currently in testing with one customer. Stage 3 and Stage 4 are under development and are planned to be released in late 2015 and mid-2016 respectively. The four proposed stages are as follows:

### **(a) Stage 1 – USB Virtual Desktop**

The Zyber technology began with its first incarnation as a single secured USB based "C: backup" or encrypted USB virtual desktop (**UVD**); that is, a copy of a hard drive and operating system to allow secure access to sensitive data in an inherently insecure environment. The UVD provides a hardened desktop environment within a secure Linux wrapper which can emulate the operation of both Mac and Windows standard desktops. Data accessed and used in the UVD environment can then be synchronized at a later time where the environment is more secure, rather than over a potentially monitored or compromised internet connection. Furthermore, this can allow secure access to data in environments where cloud based synchronization is not possible (no access to the internet) in a secure manner without leaving a data in a vulnerable state.

However, the UVD has some limitations in that access to the secure information is limited to physical access to the USB drive, which may be lost or stolen, and the data potentially compromised if the encryption is cracked. Furthermore, this technology has limited application to newer smart devices such as tablets and smartphones which cannot be booted off an external USB and operated in the mode for which this technology was intended.

(b) Stage 2 – Secure File Sharing

The most recent version of the technology is Zyber's Secure File Sharing (**SFS / EFSS**), which operates as a standalone on premises or private cloud solution for access to and sharing data. This acts as a secure private cloud, technology which is fairly well known within the IT sector. However many of the solutions currently on the market do not provide an end-to-end secure environment, or are not able to secure data at a file level. The Zyber product provides for security both at rest and in transmission.

The solution has been in testing with a potential client in the telecommunications sector in Canada.

(c) Stage 3 – Open Source Virtualization

The Open Source Virtualization Appliance (**OVA**) provides a virtual desktop operating a PC over IP (**PCoIP**) solution which will allow interaction and sharing of documents over a secure connection without having to have the sensitive information resident on the end user device.

The OVA solution effectively acts as a 'thin client' for the end user accessing data and applications in a secure, sandboxed virtual environment on the user's device. This technology avoids the issue of sensitive data remaining resident on the device, which occurs in the case of many existing cloud and sharing platforms.

(d) Stage 4 – Virtualized Windows

This development is to push a virtual Windows and Android client to any mobile device to securely share and view sensitive data on any device where it can be sandboxed from any other applications accessing the information. While iOS devices are heavily sandboxed and confined, this is not the case for Windows and Android, whose file systems and permissions are much more open, and in some case more vulnerable to attack or compromise. The Zyber virtualized Windows will allow the user to use Windows or Android applications in a secure manner without the risk of compromise of data and allowing independence for the end user from any specific technology choice.

The target market for the Zyber technology is to displace the increasing incidence of using unapproved third party cloud based, decentralized file storage and sharing applications, thereby returning control of sensitive data to a central location and minimize the risk of enterprise data loss.

This is an increasing problem for businesses with the increasing use of personal laptops and mobile devices in work environments and the rise of 'shadow IT' use of consumer file sharing services on work devices. Zyber's technology addresses individual and commercial concern about Zero Day, APT (Advanced Persistent Threat) attacks which typically feature highly sophisticated cyber techniques previously unavailable to hackers.

### 5.3 Summary of the Heads of Agreement

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

Dourado will also enter into formal share sale agreements with each of the Zyber Shareholders and Zyber Warranholders on the same material terms as the Heads of Agreement.

A summary of the key terms of the Heads of Agreement are as follows:

- (a) **(Conditions precedent)**: Settlement of the Acquisition is conditional on the satisfaction of a number of conditions precedent. The material outstanding conditions precedent as at the date of this Notice are as follows:
- (i) Zyber preparing audited financial accounts for the past three years or since incorporation;
  - (ii) all of the Zyber Shareholders executing formal share sale agreements with Dourado (on terms reasonably acceptable to Dourado) or, in the event that any Zyber Shareholder does not execute a formal share sale agreement by 15 October 2015, an amalgamation of Newco and Zyber is approved by the required majority of the Zyber Shareholders at a meeting of Zyber;
  - (iii) the Zyber Warranholders entering into cancellation agreements in respect of their Zyber Warrants in consideration for the issue of Options (**Consideration Options**) conditional on completion of the Acquisition;
  - (iv) Dourado and Zyber obtaining all necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law to allow completion of the Acquisition (including ASX providing conditional approval to reinstate Dourado's quoted securities to trading on ASX following completion of the Acquisition);
  - (v) Dourado raising a minimum of \$3,000,000 (or such other amount sufficient to meet ASX's admission requirements) through the issue of Shares at an issue price of not less than \$0.02 per Share; and
  - (vi) the Zyber Shareholders and Zyber Warranholders entering into any escrow agreements required by ASX under the ASX Listing Rules (or if no ASX Listing Rule escrow applies, into voluntary escrow for a period of 12 months).
- (b) **(Consideration)**: In consideration for Dourado acquiring Zyber, Dourado has agreed to issue to the Zyber Shareholders up to 970,000,000 Shares (on a pre-Consolidation basis) (**Consideration Shares**) as follows:
- (i) 700,000,000 Shares to be issued upon settlement of the Acquisition (**Settlement**);

- (ii) 90,000,000 Shares to be issued in the event that Zyber has commenced or has contracted product development and production testing “proof of concept” trials with a minimum of 5 enterprises/corporations who each have annualized revenues of at least \$100,000,000 and, of these, 2 of which have been converted into binding commercial contracts for purchase and use of a Zyber product within 12 months of Settlement;
- (iii) 90,000,000 Shares to be issued in the event that Zyber generates gross revenue from sales of \$5,000,000 within 36 months of Settlement; and
- (iv) 90,000,000 Shares to be issued in the event that Zyber generates gross revenue from sales of \$10,000,000 within 59 months of Settlement.

Due to the unavailability of capital gains tax rollover relief in Canada, the Company has agreed that any Zyber Shareholder resident in Canada may elect to be issued non-voting, convertible, redeemable, preferred shares (**Exchangeable Shares**) in the capital of Newco, a wholly owned Canadian subsidiary of the Company, in place of their Consideration Shares. Each Exchangeable Share will be exchangeable for one fully paid ordinary share in Dourado at the election of the holder of the Exchangeable Share.

Any Exchangeable Shares which have not been exchanged for Shares within 60 months of Settlement will be automatically redeemed by Newco for the sum of \$0.000001.

The Company shall also issue 149,600,000 Consideration Options (on a pre-Consolidation basis) to the Zyber Warrantholders in consideration for the cancellation of their Zyber Warrants.

- (c) (**Loan**): Subject to the parties being satisfied with the outcome of the due diligence, Dourado has agreed to provide Zyber an initial unsecured loan of up to \$260,000 with an interest rate of 6% p.a (capitalised annually) (**Loan**). The Loan amount shall increase to \$600,000 when all of the Zyber Shareholders have executed a formal share sale agreement (or alternatively, when a meeting of the Zyber Shareholders approves the Acquisition). The Loan is repayable either in cash or in fully paid ordinary shares in Zyber at a deemed issue price C\$0.05 each, at the sole discretion of Zyber. In the event that the Acquisition does not proceed, the Loan shall be repayable 12 months after termination of the Heads of Agreement.
- (d) (**Appointment of Directors**): Upon completion of the Acquisition, James Ellingford will resign and Zyber will have the right to nominate up to four directors to the Dourado Board. Clay Epstein will be joining the Board as the CEO/Managing Director, Jason Tomkinson will be joining the Board as a Executive Director – Business Development, and Charly Duffy will be joining the Board as a Non-Executive Director. A biography on each of these persons is set out in Section 5.4 below.
- (e) (**Change of Name**): Dourado will seek Shareholder approval to change its name to Zyber Holdings Ltd. This approval is being sought pursuant to Resolution 12.

## 5.4 Proposed new Directors

Upon completion of the Acquisition, the Company will appoint Clay Epstein as the CEO/Managing Director and Jason Tomkinson as a Non-Executive Director.

The appointment of Clay Epstein and Jason Tomkinson will occur upon settlement of the Acquisition and is subject to the approval of Shareholders pursuant to Resolutions 13 and 14.

Biographies for each of Clay Epstein and Jason Tomkinson are set out below:

### **Clay Epstein**

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

### **Jason Tomkinson**

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

### **Charly Duffy**

Ms Duffy is a qualified and practicing corporate and commercial lawyer with over eight years' of private practice experience in Western Australia, New South Wales and Victoria. Having worked with a broad range of clients, Ms Duffy brings extensive legal experience to the Board, with a particular focus on equity capital markets, mergers and acquisitions, corporate governance, initial public offerings, secondary capital raisings, business and share sale transactions, takeovers, Takeovers Panel proceedings, financing, ASIC and ASX compliance and all aspects of general corporate and commercial law. Ms Duffy is also currently completing the Graduate Diploma in Applied Corporate Governance at the Governance Institute of Australia.

Ms Duffy is the director and principal of SecPlus Corporate & Legal Services, a company secretarial and legal services business based in Melbourne, with clients in Perth, Sydney, Melbourne and Hong Kong. Given Ms Duffy's in-depth experience with ASX compliance, she acts as company secretary for a range of clients, many of which are either listed, or seeking listing, on ASX.

## 5.5 Pro-forma Balance Sheet

An unaudited pro-forma balance sheet of the Company following the completion of the Acquisition and the sale of the Mooloogool Project is set out in Schedule 1.

## 5.6 Pro-Forma Capital Structure

The capital structure of the Company following the completion of the Acquisition and other issues of securities as contemplated in this Notice is set out below:

<b>SHARES</b>	<b>Number</b>
Shares currently on issue	586,235,041
<b>Post Consolidation Shares currently on issue</b>	<b>117,247,008</b>
Shares (on a post Consolidation basis) to be issued to Zyber Shareholders at settlement of the Acquisition (Resolution 8) <sup>1,2</sup>	140,000,000
Shares (on a post Consolidation basis) to be issued pursuant to the Capital Raising (Resolution 11) <sup>3</sup>	60,000,000
<b>TOTAL SHARES</b>	<b>317,247,008</b>

Notes:

1. These shares may be issued in the form of Exchangeable Shares in the capital of Newco, which can be exchanged for Shares on a one-for-one basis at the election of the holder. The Company estimates that no more than 78,578,431 (on a post-Consolidation basis) of these shares will be issued as Exchangeable Shares.
2. Dourado may issue up to an additional 54,000,000 Shares (on a post-Consolidation basis) upon satisfaction of the relevant milestones. These may be issued in the form of Exchangeable Shares in the capital of Newco which can be exchanged for Dourado Shares on a one-for-one basis at the election of the holder. The Company estimates that no more than 30,308,824 (on a post-Consolidation basis) of these shares will be issued as Exchangeable Shares. Further information on the milestones is set out in Section 5.3(b) above.
3. The Company is seeking Shareholder approval pursuant to Resolution 11 to issue Shares at an issue price of not less than \$0.05 to raise up to \$6,000,000. Assuming that Shares are issued at an issue price of \$0.05, the Company would need to issue 60,000,000 Shares to satisfy the condition precedent in the Heads of Agreement.

<b>PERFORMANCE RIGHTS</b>	<b>Number</b>
Total Performance Rights currently on issue	Nil
Performance Rights to be issued to Dourado Directors (post Consolidation) (Resolutions 16, 17 and 18)	30,000,000
<b>TOTAL PERFORMANCE RIGHTS</b>	<b>30,000,000</b>

<b>OPTIONS</b>	<b>Number</b>
Options currently on issue	54,045,306 <sup>1</sup>
<b>Post Consolidation Options on issue</b>	<b>10,809,061</b>
Consideration Options to be issued to the Zyber Warrantholders (Resolution 8) <sup>2</sup>	29,920,000
<b>TOTAL OPTIONS</b>	<b>40,729,061</b>

Notes:

1. Consisting of 49,845,306 unquoted Options exercisable at \$0.06 on or before 1 December 2017, 1,000,000 unquoted Options exercisable at \$0.50 on or before 30 November 2018 and 3,200,000 unquoted Options exercisable at \$0.05 on or before 31 December 2015.
2. The Consideration Options will be unquoted Options on the terms set out in Schedule 2.

## **5.7 Advantages of the Acquisition**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) Dourado Shareholders will benefit from opportunity to participate in Zyber's development of a unique secure file sharing technology, which has the potential to revolutionise the secure file sharing industry, a sector that currently enjoys significant interest from international investors;
- (b) the Company will gain the experience of the current Zyber senior management team, and a core group of dedicated investors, all of whom will position the company to compete in a lucrative and growing market;
- (c) the combined entity will benefit from a larger market capitalisation, enhanced Shareholder base and expanded access to public capital. These factors should provide a more liquid stock than either the Company or Zyber on a standalone basis;
- (d) additional capital is being raised in conjunction with the Acquisition; and
- (e) Canada is considered to have a low sovereign risk and investment friendly regulatory environment.

## **5.8 Disadvantages of the Acquisition**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the Company will be changing the nature of its activities to become a company focused on cybersecurity, which may not be consistent with the objectives of all Shareholders;

- (b) the acquisition of Zyber will result in the issue of the Company's Shares to the Zyber Shareholders which will have a dilutionary effect on the holdings of existing Shareholders; and
- (c) there are many risk factors associated with the change in nature of the Company's activities. Some of these risks are summarised in Section 5.9 below.

## **5.9 Risk factors**

Shareholders should be aware that if the Resolutions are approved and the Acquisition is completed the Company will be changing the nature and scale of its activities and will be subject to various risk factors.

Based on the information available, a non-exhaustive list of risk factors are as follows:

### ***Risks relating to the change in nature and scale of activities***

#### **(a) Re-quotation of Shares on ASX**

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

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

#### **(b) Counterparty and contractual Risk**

Pursuant to the Heads of Agreement (summarised above) and the Share Sale Agreements, the Company has agreed to acquire 100% of Zyber from the Zyber Shareholders subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by Zyber and the Zyber Shareholders of their obligations under these agreements. If Zyber or any other counterparty defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy or terminate the agreements.

Legal action instituted in Australia or overseas can be costly. Furthermore, the Share Sale Agreements are governed by the laws of Canada. There is a risk that the Company may not be able to seek the legal redress that it could expect under Australian law, and generally there can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

### ***Risks relating to Zyber's business***

#### **(a) Development and commercialisation of the Zyber technology**

The success of the Company post completion of the Acquisition will depend upon Zyber's ability to develop and commercialise the Zyber technology. A failure to successfully develop and commercialise the Zyber technology could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position.

Where possible, Zyber will use freely accessible open source third party software to assist with the development of the Zyber technology. However, in order to achieve the third and fourth stages of product development, Zyber may need to implement third party proprietary software. There is a risk that Zyber may not be able to negotiate access to this software on terms acceptable to Zyber. Further, flaws in open source or third party proprietary software can result in flaws in the Zyber technology.

Any inability to access third party proprietary software, or flaws in any third party software used by Zyber, could adversely affect Zyber's ability to develop and commercialise the Zyber technology.

The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns. There is a risk that if the Zyber technology is not accepted by the market, Zyber will not be able to commercialise its products, which could adversely impact the Company's operations.

(b) **Intellectual property**

Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the development of information technology. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

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

Zyber is yet to lodge its patent applications and as such some of its core intellectual property is as yet unprotected. Without the priority date for its intellectual property there is a risk of third parties lodging patents in the same field with an earlier priority date, as well as the publication of similar methods to those envisioned in the Zyber patents which would invalidate any future Zyber patent claims.

There is also a risk of third parties claiming involvement in technological developments, and if any disputes arise, they could adversely affect Zyber's business. Although Zyber is not aware of any third party interests in relation to the intellectual property rights of the Zyber technology, there has not been any external analysis of patents to determine whether the Zyber technology infringes any existing patents. This provides for the

potential risk of claims being made at a later point which may incur costs for Zyber through the need for licensing of patents.

The Company's prospects may also depend on Zyber's ability to licence third party proprietary technology necessary for the development of the Zyber technology. Breach of any licence agreements, or infringement of the licensed intellectual property by third parties, may have an adverse impact on Zyber's ability to develop its technology.

(c) **Sales risk**

In order to commercialise the Zyber technology, the Company will need to develop a successful sales model for delivery of the Zyber technology to customers.

Potential sales models include the reseller strategy and direct sales model. The reseller model provides significant advantages to a smaller business by increasing its reach to the customer. However, risk lies in the ability or motivation of the reseller achieving agreed sales volumes not being under the direct control of the Company. This can only be mitigated through the reseller agreements providing clauses in relation to non-performance of meeting mutually agreed sales targets.

The direct sales model has the benefit of the Company retaining control of the sales process. However, the sale of technically complex products requires additional financial resources and specialized sales staff. There is a risk that the Company may lack the financial and technical capacity to implement successful sales channels across borders and to different geographical regions.

The inability of the Company to implement a successful sales model will have an adverse impact on the future success and profitability of the Company.

(d) **Competition risk**

There is significant competition in the information technology industry generally. Zyber will be competing with a range of competitors offering both point and end to end solutions, which creates a high barrier to entry for new participants.

There is no assurance that competitors will not succeed in developing products that are more effective or economic than the products developed by Zyber, or which would render the products obsolete and/or otherwise uncompetitive.

The large number of market participants can complicate customers' discrimination between competitors, increasing the difficulty of achieving market share and revenue. Zyber may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share.

Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Company's future business, operating results and financial position.

There is also the potential for significant consolidation in Zyber's targeted market, resulting in a fewer number of competitors each having greater

financial and other resources. Any such consolidation before the commercialisation of Zyber's technology could also adversely affect Zyber's ability to gain market share and commercialise its technology.

(e) **Staffing and reliance on key management**

The responsibility of successfully implementing Zyber's development and commercialisation strategy depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment with Zyber.

Further, Zyber currently needs to acquire technical staff to execute its strategy for development and commercialisation of its technology. If Zyber does not secure the appropriate funding to acquire the staff it needs, its ability to successfully develop and commercialise its technology would be significantly compromised.

There is also a risk to the business where there is a turnover of development staff that have knowledge of the technology and business. This loss of knowledge could result in leakage or misappropriation of confidential information. Whilst Zyber aims to mitigate this risk by imposing contractual restraints on use and ownership of Zyber's confidential information, there could also be increased costs for Zyber in having to replace the implicit knowledge and skills of departing employees.

(f) **Product accreditation**

Zyber's ability to commercialise its technology may be hindered if Zyber fails to gain regulatory or industry accreditation for its products. For example, Zyber may be disadvantaged if it is unable to offer a product that is compliant with the Federal Information Processing Standard (**FIPS**). FIPS is a United States government computer security standard which is used to accredit cryptographic modules.

**General**

(a) **Additional requirements for capital**

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of technology development. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such

loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

(b) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the planning of the Acquisition and associated Capital Raising. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the financial performance of the Company.

(c) **Management of growth**

There is a risk that management of the Company will not be able to implement its growth strategy after completion of the Acquisition. The capacity of the Company's management to properly implement the strategic direction of the Group may affect the Company's financial performance.

As part of its business strategy, the Company may make acquisitions of, or significant investments in, additional complementary companies or prospects (although no such acquisitions or investments are currently planned, other than the Acquisition). Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(d) **Foreign exchange rate risk**

If the Zyber technology is commercialised, all or part of the Company's revenue and expenses may be denominated in United States or Canadian dollars. As the Company is based in Australia and its financial statements will be denominated in Australian dollars, movements in the USD/AUD or CAD/AUD exchange rate may adversely or beneficially affect the Company's financial results.

(e) **Regulatory risk**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

(f) **Insurance risk**

Insurance against all risks associated with information technology security is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(g) **Litigation risk**

The Company is exposed to possible litigation risks including intellectual property disputes, product liability claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance

and financial position. Neither the Company nor Zyber is currently engaged in any litigation.

(h) **Loss of key customers**

Whilst Zyber has trialled the second stage of its product with one customer, it is yet to establish important client relationships. Although Zyber is expected to establish these relationships through development of its technology, the loss of one or more key clients is likely to adversely affect the operating results of the Company.

(i) **Market conditions**

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

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

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

***Investment speculative***

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

**5.10 Directors' Interests and Recommendation**

It is the view of the Company directors that the Acquisition will give the Company the opportunity to participate in the development and commercialisation of a product that provides a revolutionary vision for the future of secure file sharing technology. Accordingly, the directors of the Company consider the Acquisition to be in the best interests of the Company's Shareholders, and unanimously recommend that Shareholders approve the Acquisition by voting in favour of Resolutions 6 to 11.

The Directors do not have any material personal interest in the outcome of Resolution 6 other than as a result of their interest arising solely in the capacity of Shareholders of the Company.

The Directors have a relevant interest in the securities of the Company as set out below. Each of the Directors intends to vote their Shares in favour of all of the Resolutions contained in the Notice of Meeting, subject to any voting exclusions.

Director	Shares	Options
Peter Wall	Nil	Nil
James Ellingford	Nil	Nil
Paul Callander	Nil	Nil

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## 6. RESOLUTION 5 – SALE OF MOOLOOGOOOL PROJECT

### 6.1 Background

As noted in Section 5.1 above, as part of the change in activities from a mining exploration entity to an information technology entity, the Company proposes to sell its interest in Exploration Licence 51/1325 (**Mooloogool Project**), which is currently the main undertaking of the Company.

ASX Listing Rule 11.2 restricts the Company's ability to dispose of its main undertaking without Shareholder approval.

Accordingly, Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 11.2 to allow the Company to dispose of the Mooloogool Project.

The Mooloogool Project is situated in the Murchison Mineral Field of Western Australia, north of Meekatharra. The Company has explored the Mooloogool Project for gold and base metals.

In June 2013, the Company entered into a joint venture with Proto Resource & Investments Limited (**Proto**) in relation to the Mooloogool Project through the acquisition of 51% and further exploration expenditure of \$2,500,000. However, Proto has failed to comply with the terms of the joint venture and the Company has resumed management of the Mooloogool Project.

On 28 August 2014, the Company announced the completion of a sampling programme of 474 auger samples and ten rock chip samples at the Mooloogool Project.

During the June 2015 quarter, the Company completed a further programme of 647 auger samples. As reported on 9 June 2015 to ASX, these samples have been analysed and highlighted a moderate broad spaced copper, gold, zinc and zinc-copper anomaly within the Mooloogool Project.

### 6.2 Tenement Sale Agreement

The Company has entered into an agreement (**Tenement Sale Agreement**) pursuant to which it has agreed to sell the Mooloogool Project to Ragged Range Mining Pty Ltd (**Purchaser**). The material terms of the Tenement Sale Agreement are as follows:

- (a) (**Condition precedent**): the Tenement Sale Agreement is conditional upon Shareholder approval (which is being sought pursuant to Resolution 5);

- (b) **(Consideration)**: the consideration for the sale is cancellation of all debt and all current and future monies (including royalties) owed by the Company to the Purchaser and its related parties; and
- (c) **(Completion)**: completion of the Tenement Sale Agreement shall occur 5 Business Days following receipt of Shareholder approval.

### **6.3 Directors' Interests and Recommendation**

The Directors do not have any material personal interest in the outcome of Resolution 5 other than as a result of their interest arising solely in the capacity of Shareholders of the Company.

The Directors have a relevant interest in the securities of the Company as set out in Section 5.10 of the Explanatory Statement. Each of the Directors intend to vote their Shares in favour of Resolution 5, subject to any voting exclusions.

Based on the information available, all of the Directors consider that the proposed sale of the Mooloogool Project is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 5.

### **6.4 Future of the Company after completion of the Tenement Sale Agreement**

After completion of the Tenement Sale Agreement, the Company intends to change its activities to become a cyber security entity as described in Section 5 of this Explanatory Statement.

The pro forma balance sheet in Schedule 2 shows the effect of the Tenement Sale Agreement (in addition to the other transactions contemplated in this Notice) on the Company.

### **6.5 Plans for the Company if the Tenement Sale Agreement does not proceed**

If the Tenement Sale Agreement does not complete the Company will continue to explore and develop the Mooloogool Project.

### **6.6 ASX Listing Rule 11.2**

Listing Rule 11.2 states a listed entity that is proposing dispose of its main undertaking must get the approval from Shareholders and comply with any requirements of ASX in relation to the Notice of Meeting.

In accordance with Listing Rule 11.2, ASX has required the Company to seek Shareholder approval for the sale of the Mooloogool Project and for the notice of meeting to contain full disclosure of the Tenement Sale Agreement and its impact on the Company.

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## **7. RESOLUTION 6 – CHANGE TO NATURE AND SCALE OF ACTIVITIES**

### **7.1 General**

As outlined in Section 5 of this Explanatory Statement, the Company entered into the Heads of Agreement pursuant to which the Company will acquire 100% of Zyber in consideration for the issue of up to 970,000,000 Shares (on a pre-Consolidation basis) to the Zyber Shareholders.

A detailed description of Zyber and the proposed Acquisition is outlined in Section 5 above. The Acquisition will result in the change in the nature of the Company from a mining exploration to cybersecurity entity.

Resolution 6 seeks approval from Shareholders for the change to the nature and scale of the activities of the Company resulting from the Acquisition.

This resolution is conditional on Resolutions 7 to 11 in the Notice of Meeting being approved.

## **7.2 ASX Listing Rule 11.1**

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has indicated to the Company that, given the change in the nature and scale of the Company's activities upon completion of the Acquisition, ASX requires the Company to:

- (d) obtain Shareholder approval; and
- (e) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

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## **8. RESOLUTION 7 – CONSOLIDATION OF CAPITAL**

### **8.1 Background**

The Directors are seeking Shareholder approval to consolidate the number of Shares and Options on issue on a one for five basis. The Consolidation of the capital structure of the Company is required to ensure that the Company can comply with Chapters 1 and 2 of the Listing Rules and obtain re-quotations of its Shares on the official list of ASX.

Section 254H of the Corporations Act provides that a company may, by a resolution passed in a general meeting of shareholders, convert all or any of its shares into a larger or smaller number of shares.

ASX Listing Rule 7.22 also requires that the number of options on issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

If Resolution 7 is passed, the number of Shares on issue will be reduced from 586,235,041 to approximately 117,247,008. The number of Options on issue will be

reduced from 54,045,306 to approximately 10,809,061 and the exercise price of the Options will be increased by a multiple of five. This Resolution is conditional on Resolutions 6, and 8 to 11 in the Notice of Meeting being approved.

As from the effective date of the Resolution (being the date of the Annual General Meeting), all holding statements for Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of post-Consolidation Shares and Options. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders and Optionholders.

The effect the Acquisition, the Consolidation and the other Resolutions contained within the Notice will have on the capital structure of the Company is set out in Section 5.6 of this Explanatory Statement.

## 8.2 Consolidation timetable

The Consolidation will be completed in accordance with the timetable set out in the ASX Listing Rules. The key dates for the Consolidation are as follows:

Event	Date
Dispatch Notice of Meeting	29 October 2015
Annual General Meeting to approve the Consolidation	30 November 2015
Deferred settlement trading begins*	2 December 2015
The last day to register transfers on a pre-organisation basis	4 December 2015
Notice of consolidated holdings sent to Security holders	7 December 2015
Deferred settlement trading ends*	11 December 2015

\*These dates are notional only as trading in the Company's Shares will be suspended from the date of the Meeting until the date upon which the Company's Shares are re-instated to Official Quotation.

## 8.3 Fractional entitlements and taxation

Not all Shareholders and Optionholders will hold that number of Shares and Options which can be evenly divided by five. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share or Option.

It is not considered that any taxation consequences will exist for Shareholders or Option holders arising from the Consolidation. However, Shareholders and Optionholders are advised to seek their own tax advice on the effect of the Consolidation, and neither the Company, nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation consequences arising from the Consolidation.

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## 9. RESOLUTION 8 – ISSUE OF CONSIDERATION FOR ZYBER ACQUISITION

### 9.1 General

In consideration for the Acquisition, the Company has agreed, subject to Shareholder approval, to issue up to a total of 970,000,000 Shares (on a pre-Consolidation basis) to the Zyber Shareholders as follows:

- (a) 700,000,000 Shares at settlement of the Acquisition (**Settlement**) (up to 392,892,156 Shares may be issued as Exchangeable Shares);
- (b) 90,000,000 Shares (**Tranche 1 Deferred Consideration Shares**) to be issued in the event that Zyber has commenced or has contracted product development and production testing “proof of concept” trials with a minimum of 5 enterprises/corporations who each have annualized revenues of at least \$100,000,000 and, of these, 2 of which have been converted into binding commercial contracts for purchase and use of a Zyber product within 12 months of Settlement;
- (a) 90,000,000 Shares (**Tranche 2 Deferred Consideration Shares**) to be issued in the event that Zyber generates gross revenue from sales of \$5,000,000 within 36 months of Settlement; and
- (b) 90,000,000 Shares (**Tranche 3 Deferred Consideration Shares**) to be issued in the event that Zyber generates gross revenue from sales of \$10,000,000 within 59 months of Settlement,

(together, the **Consideration Shares**).

Due to the unavailability of capital gains tax rollover relief in Canada, the Company has agreed that any Zyber Shareholder resident in Canada may elect to be issued non-voting, convertible, redeemable, preferred shares (**Exchangeable Shares**) in the capital of Newco, a Canadian subsidiary of the Company, in place of their Consideration Shares. Each Exchangeable Share will be exchangeable for one fully paid ordinary Dourado share at the election of the holder of the Exchangeable Share. ASX has approved the terms of the Exchangeable Shares for the purpose of ASX Listing Rule 6.1. The full terms of the Exchangeable Shares can be found in Schedule

Any Exchangeable Shares which have not been exchanged for Shares within 60 months of Settlement will be automatically redeemed by Newco for the sum of \$0.000001.

The Company has also agreed to issue 149,600,000 Options (on a pre-Consolidation basis) (**Consideration Options**) to the Zyber Warrantholders as consideration for the cancellation of their Zyber Warrants.

Resolution 8 seeks Shareholder approval for the issue of the Consideration Shares and Consideration Options. This Resolution is conditional on Resolutions 6, 7 and 9 to 11 in the Notice of Meeting being approved.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.3.2 provides that if shareholder approval is obtained to an issue of shares pursuant to ASX Listing Rule 7.1, a company will have a period of 3 months after its general meeting where Shareholder approval is obtained (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1 to issue the shares.

ASX has granted a waiver of ASX Listing Rule 7.1 to the Company to issue the Consideration Shares to the Zyber Shareholders no later than 60 months from the date of the Meeting (including Shares issued upon exchange of the Exchangeable Shares). Accordingly, the effect of Resolution 8 will be to allow the Directors to issue the Consideration Shares to the Zyber Shareholders no later than 60 months from the date of the Meeting.

## **9.2 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

- (a) the maximum number of securities to be issued is:
  - (i) 970,000,000 Shares (on a pre-Consolidation basis); and
  - (ii) 149,600,000 Options (on a pre-Consolidation basis);
- (b) the Consideration Shares will be issued no later than 60 months from the date of settlement of the Acquisition in accordance with a waiver granted by ASX to the Company and it is intended that issue of the Consideration Shares will occur progressively. The Consideration Shares will be issued as follows:
  - (i) the Tranche 1 Deferred Consideration Shares must be issued no later than 12 months after Settlement;
  - (ii) the Tranche 2 Deferred Consideration Shares must be issued no later than 36 months after Settlement;
  - (iii) the Tranche 3 Deferred Consideration Shares must be issued no later than 59 months after Settlement; and
  - (iv) up to 392,892,156 Shares to be issued on exchange of the Exchangeable Share must be issued no later than 60 months after Settlement;
- (c) the Consideration Options will be issued not later than three months from the date of the Meeting and it is intended that issue of the Consideration Options will occur on the same date;
- (d) the Consideration Shares will be issued for nil cash consideration for the acquisition of Zyber and the Consideration Options will be issued for nil cash consideration for the cancellation of all Zyber Warrants;
- (e) the Consideration Shares will be issued to the Zyber Shareholders, none of which are related parties of the Company, other than by virtue of the Acquisition. Shareholder approval is being sought for the issue of Consideration Shares to Blue Cove Capital Corp and Clay Epstein for the purpose of ASX Listing Rule 10.11 pursuant to Resolutions 9 and 10;

- (f) the Consideration Options will be issued to the Zyber Warrantheolders, none of which are related parties of the Company, other than by virtue of the Acquisition;
- (g) the Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (h) the Consideration Options will be issued on the terms set out in Schedule 2; and
- (i) no funds will be raised from issue as the Consideration Shares and Consideration Options are being issued to the Zyber Shareholders and Zyber Warrantheolders in consideration for the Acquisition.

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## 10. RESOLUTIONS 9 AND 10 – ISSUE OF CONSIDERATION SHARES TO RELATED PARTIES

### 10.1 General

Pursuant to Resolution 8 the Company is seeking Shareholder approval for the issue of up to 970,000,000 Consideration Shares (on a pre-Consolidation basis) to the Zyber Shareholders as consideration for the Acquisition.

Upon completion of the Acquisition, two of the Zyber Shareholders (being Blue Cove Capital Corp (an entity controlled by Jason Tomkinson) (**Blue Cove**) and Clay Epstein) will become related parties of the Company, because Mr Tomkinson and Mr Epstein will be appointed as Directors.

As noted above, due to the unavailability of capital gains tax rollover relief in Canada, the Company has agreed that any Zyber Shareholder resident in Canada may elect to be issued Exchangeable Shares in the capital of Newco, in place of their Consideration Shares. Each Exchangeable Share will be exchangeable for one fully paid ordinary Dourado share at the election of the holder of the Exchangeable Share. ASX has approved the terms of the Exchangeable Shares for the purpose of ASX Listing Rule 6.1. The full terms of the Exchangeable Shares can be found in Schedule

Any Exchangeable Shares which have not been exchanged for Shares within 60 months of Settlement will be automatically redeemed by Newco for the sum of \$0.000001.

Accordingly, Resolutions 9 and 10 seek Shareholder approval for the issue of up to:

- (a) 242,261,139 fully paid ordinary shares in the Company to be issued upon the exchange of up to 242,261,139 Exchangeable Shares to Blue Cove (**Blue Cove**) as part of the consideration for the acquisition of Zyber (**Acquisition**) at Settlement (**Exchanged Consideration Shares**);
- (b) 31,147,859 fully paid ordinary shares (**Tranche 1 Deferred Consideration Shares**) to Blue Cove as part of the consideration for the Acquisition within 12 months of Settlement;
- (c) 31,147,859 fully paid ordinary shares (**Tranche 2 Deferred Consideration Shares**) to Blue Cove as part of the consideration for the Acquisition within 36 months of Settlement;

- (d) 31,147,859 fully paid ordinary shares (**Tranche 3 Deferred Consideration Shares**) to Blue Cove as part of the consideration for the Acquisition within 59 months of Settlement;
- (e) 20,765,240 Exchanged Consideration Shares to be issued upon the exchange of up to 20,765,240 Exchangeable Shares in the capital of Newco issued to Clay Epstein at Settlement of the Acquisition;
- (f) 2,669,817 fully paid ordinary shares (**Tranche 1 Deferred Consideration Shares**) to Clay Epstein as part of the consideration for the Acquisition within 12 months of Settlement;
- (g) 2,669,817 fully paid ordinary shares (**Tranche 2 Deferred Consideration Shares**) to Clay Epstein as part of the consideration for the Acquisition within 36 months of Settlement; and
- (h) 2,669,817 fully paid ordinary shares (**Tranche 3 Deferred Consideration Shares**) to Clay Epstein as part of the consideration for the Acquisition within 59 months of Settlement;

on a pre-consolidated basis no more than 1 month after the date of the shareholders' meeting on the following conditions.

- (i) the Tranche 1 Deferred Consideration Shares must be issued no later than 12 months after Settlement;
- (j) the Tranche 2 Deferred Consideration Shares must be issued no later than 36 months after Settlement;
- (k) the Tranche 3 Deferred Consideration Shares must be issued no later than 59 months after Settlement; and

the Exchanged Consideration Shares must be issued no later than 60 months after Settlement.

These Resolutions are conditional on Resolutions 6, 7, 8 and 11 in the Notice of Meeting being approved.

As noted in Section 9.1 above, the Zyber Shareholders resident in Canada may elect to receive the Consideration Shares as Exchangeable Shares. Each Exchangeable Share will be exchangeable for one fully paid ordinary Dourado share at the election of the holder of the Exchangeable Share and shall have the terms set out in Schedule 3.

## 10.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Consideration Shares to Blue Cove and Clay Epstein constitutes giving a financial benefit, and may occur up to 60 months post settlement of the Acquisition (either upon the conversion of Exchangeable Shares, or upon the satisfaction of the relevant milestones). Blue Cove and Clay Epstein may be related parties of the Company at the time of issue of the Consideration Shares by virtue of the appointment of Jason Tomkinson and Clay Epstein as Directors upon completion of the Acquisition.

The current Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of this issue of securities because the Shares will be issued to Blue Cove and Mr Epstein (or their nominees) on the same terms as Shares issued to non-related Zyber Shareholders and as such the giving of the financial benefit is on arm's length terms.

### **10.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Consideration Shares may involve the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. ASX has advised the Company that the exceptions set out in ASX Listing Rule 10.12 may not apply to the issue of the Consideration Shares due to the potential for the Consideration Shares to be issued up to 60 months post settlement of the Acquisition.

### **10.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be issued to Blue Cove and Clay Epstein (or their nominees);
- (b) the maximum number of Shares to be issued is:
  - (i) 335,704,706 Shares (on a pre-Consolidation basis) to Blue Cove; and
  - (ii) 28,774,671 Shares (on a pre-Consolidation basis) to Clay Epstein;
- (c) the Company has applied to ASX for a waiver to permit the Shares to be issued no later than 60 months after the date of settlement of the Acquisition;
- (d) the Shares will be issued for nil cash consideration for the acquisition of Zyber;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from issue as the Shares are being issued to Blue Cove and Clay Epstein in consideration for the Acquisition.

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## 11. RESOLUTION 11 – CAPITAL RAISING

### 11.1 General

Resolution 11 seeks Shareholder approval to enable the Company to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$6,000,000 (**Capital Raising**).

The Shares to be issued under the Capital Raising will be issued pursuant to a prospectus to satisfy the admission requirement in Condition 3 of Listing Rule 1.1.

None of the subscribers for Shares under the Capital Raising will be related parties of the Company for the purpose of Listing Rule 10.11.

A summary of ASX Listing Rule 7.1 is set out in Section 9.1 above.

The effect of Resolution 11 will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity. This Resolution is conditional on Resolutions 6, 7 and 8 in the Notice of Meeting being approved.

### 11.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$6,000,000;
- (b) the Shares will be issued and allotted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be **not less** than \$0.05 per Share (on a post Consolidation basis);
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Capital Raising in accordance with the following budget:

Item	Amount
Estimated existing cash reserves at the date of the Prospectus	\$500,000
Funds raised from the Capital Raising	\$6,000,000
<b>TOTAL</b>	<b>\$6,500,000</b>

Expenses of the Offer	\$610,000
Engineering development	\$2,000,000
Research and development	\$1,000,000
Sales and marketing	\$1,000,000
Working capital and corporate administration	\$1,890,000
<b>TOTAL</b>	<b>\$6,500,000</b>

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

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## 12. RESOLUTION 12 – CHANGE OF COMPANY NAME

The new name proposed to be adopted under Resolution 12 is “Zyber Holdings Ltd”. This Resolution is conditional on Resolutions 6 to 11 in the Notice of Meeting being approved.

The Directors believe that this new name more accurately reflects the proposed future operations of the Company.

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## 13. RESOLUTIONS 13, 14 AND 15 – ELECTION OF CLAY EPSTEIN, JASON TOMKINSON AND CHARLY DUFFY

Upon completion of the Acquisition:

- (a) Clay Epstein will be appointed to the Board as CEO/Managing Director;
- (b) Jason Tomkinson will be appointed as an Executive Director; and
- (c) Charly Duffy will be appointed as a Non-Executive Director.

Resolutions 13, 14 and 15 seek Shareholders approval for the purpose of Clause 11.11 of the Constitution for the election of Clay Epstein, Jason Tomkinson and Charly Duffy. Resolutions 13, 14 and 15 are conditional upon the passing of Resolutions 6 to 11.

Biographies for Mr Epstein, Mr Tomkinson and Ms Duffy are set out in Section 5.4 of this Explanatory Statement.

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## 14. RESOLUTION 16 – ADOPTION OF PERFORMANCE RIGHTS PLAN

### 14.1 General

Resolution 16 seeks Shareholder approval to establish and maintain a performance rights plan (**PRP**) to provide ongoing incentives to Directors, executives and employees of the Company.

A Performance Right does not have an exercise price and therefore allows a recipient, subject to satisfaction of the relevant vesting conditions and performance hurdles (as applicable), to benefit by their Performance Rights vesting into ordinary shares in the Company. The adoption of such an incentive

mechanism which allows the grant of Performance Rights is a current trend among the Company's ASX listed industry peer group.

The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the PRP are aligned with the successful growth of the Company's business activities.

The Directors and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the PRP is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

The PRP will be used as part of the remuneration planning for executive and non-executive Directors and employees. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company's circumstances and goals. The Performance Rights will also be used as part of the remuneration planning for non-executive Directors. Although this is not in accordance with the recommendations contained in the Corporate Governance Council Guidelines, the Company considers that it is appropriate for non-executive Directors to be granted Performance Rights.

## **14.2 ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 9.1 above.

One of the exceptions to ASX Listing Rule 7.1 is Listing Rule 7.2 – Exception 9, which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

The effect of Resolution 16 will be to allow the Directors to grant Performance Rights to employees and Directors of the Company pursuant to the PRP during the period of 3 years after the Meeting and to issue Shares to those executives and employees if they achieve the performance and vesting conditions of the Performance Rights, without using the Company's 15% annual placement capacity.

Any future issues of Performance Rights under the PRP to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 17 to 19 for the issue of Performance Rights to the Related Parties under the PRP.

### 14.3 Information required by the ASX Listing Rules – Terms of the PRP

A summary of the Terms of the PRP is provided in Schedule 1 to this Explanatory Memorandum. A copy of the PRP will be made available to any Shareholder on request.

No Performance Rights have been issued under the PRP as at the date of the Explanatory Memorandum. However, the Company intends to issue a total of 30,000,000 Performance Rights (on a post-Consolidation basis) to Mr Peter Wall (a current Director) and Mr Clay Epstein and Mr Jason Tomkinson (who are proposed to be appointed as Directors upon completion of the Acquisition) (or their nominees), pursuant to Resolutions 17 to 19 of the Notice. Please refer to Section 15 below for further details.

### 14.4 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 16.

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## 15. RESOLUTIONS 17 TO 19 – ISSUE OF PERFORMANCE RIGHTS TO CLAY EPSTEIN, JASON TOMKINSON AND PETER WALL UNDER THE PRP

### 15.1 Issue of Performance Rights to Directors

The Company has agreed, subject to Shareholder approval, to issue a total of 30,000,000 performance rights (on a post-Consolidation basis) under the PRP to Mr Clay Epstein, Mr Jason Tomkinson and Mr Peter Wall (or their nominees) (**Related Parties**). Mr Wall is a related party of the Company as he is a current Director. Mr Epstein and Mr Tomkinson are related parties of the Company as they will be appointed as Directors upon completion of the Acquisition.

Subject to obtaining Shareholder approval, the Company proposes to issue a total of 30,000,000 performance rights (on a post-Consolidation basis) as follows:

- (a) 10,000,000 performance rights (on a post-Consolidation basis) to be issued to Mr Clay Epstein;
- (b) 10,000,000 performance rights (on a post-Consolidation basis) to be issued to Mr Jason Tomkinson; and
- (c) 10,000,000 performance rights (on a post-Consolidation basis) to be issued to Mr Peter Wall,

on the terms and conditions set out in the PRP (as summarised in Schedule 4) and Section 15.3 below (together, the **Performance Rights**).

Resolutions 17 to 19 seek Shareholder approval for the issue of up to 30,000,000 Performance Rights (on a post-Consolidation basis) to the Related Parties.

### 15.2 Requirement for Shareholder approval

The grant of Performance Rights to each of Mr Clay Epstein, Mr Jason Tomkinson and Mr Peter Wall (or their nominees) under Resolutions 17 to 19 is an issue of securities to Related Parties under an employee incentive scheme and consequently Shareholder approval is required under Chapter 2E of the Corporations Act and ASX Listing Rule 10.14.

### 15.3 Summary of the material terms of the Performance Rights

It is proposed that a total of 30,000,000 Performance Rights (on a post-Consolidation basis) be issued to Mr Clay Epstein, Mr Jason Tomkinson and Mr Peter Wall for nil cash consideration.

Each Performance Right will vest as one Share subject to the satisfaction of certain performance criteria (**Performance Milestones**). In the event that the Performance Milestones are not met, the Performance Rights will not vest and as a result, no new Shares will be issued. There is nil consideration payable upon the vesting of a Performance Right.

In order for the Performance Rights to vest as Shares, the following Performance Milestones must be achieved:

- (a) each Performance Right A will convert into one (1) Share upon the Company completing an equity raising of at least \$3 million in association with the acquisition of Zyber (**Fundraising**) and, within 12 months thereafter, the volume weighted average price of the Company's shares (over a 10 day trading period) being equal to or greater than 25% above the price at which the Company issues shares under the Fundraising;
- (b) each Performance Right B will convert into one (1) Share upon the Company completing the Fundraising and, within 24 months thereafter, the volume weighted average price of the Company's shares (over a 10 day trading period) being equal to or greater than 50% above the price at which the Company issues shares under the Fundraising;
- (c) each Performance Right C will convert into one (1) Share upon Zyber having commenced or having contracted product development and production testing "proof of concept" trials with a minimum of 5 enterprises/corporations who each have annualized revenues of at least \$10,000,000 and, of these, 2 of which have been converted into binding commercial contracts for purchase and use of a Zyber product within 24 months from the date of issue of the Performance Rights; and
- (d) each Performance Right D will convert into one (1) Share upon Zyber generating gross revenue from sales of \$5,000,000 within 36 months from the date of issue of the Performance Rights.

However, the Board may, in its absolute discretion, resolve to waive any of the above vesting requirements due to:

- (a) the death, disability, terminal illness, retirement, redundancy or financial hardship of the holder;
- (b) a bona fide takeover bid being declared unconditional and the bidder has acquired a relevant interest in more than 50% of the Company's shares;
- (c) a court approving a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (d) a person or a group of associated persons becoming entitled, subsequent to the date of grant of the Performance Rights, to sufficient Shares to give it or them the ability, in general meeting, to control the composition of the Board in circumstances where such ability was not

already held by a person associated with such person or group of associated persons; or

- (e) the Company passing a resolution for the voluntary winding up, or an order is made for the compulsory winding up of the Company.

#### 15.4 Information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.15A

The following information is provided to satisfy the requirements of the Corporations Act and the ASX Listing Rules:

- (a) the related parties are:
- (i) Clay Epstein and Jason Tomkinson, who are related parties by virtue of being proposed Directors; and
  - (ii) Peter Wall, who is a related party by virtue of being a Director;
- (b) the maximum number of Performance Rights (being the nature of the financial benefit being provided) to be granted to the Related Parties (on a post-Consolidation basis) is:

Clay Epstein	Jason Tomkinson	Peter Wall	Performance Right class
2,500,000	2,500,000	2,500,000	A
2,500,000	2,500,000	2,500,000	B
2,500,000	2,500,000	2,500,000	C
2,500,000	2,500,000	2,500,000	D
<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	

**Notes:** each of the performance rights will convert into one Share upon the occurrence of the Performance Milestones as described in Section 15.3 above.

- (c) the value of the Performance Rights and the pricing methodology is set out in Schedule 5;
- (d) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Price	Date
Highest	5.5 cents	21 and 24 November 2014
Lowest	0.5 cents	29 April – 4 May 2015 6 May – 12 May 2015 15 May – 22 June 2015 29 June – 2 July 2015
Last	1.2 cents	8 October 2015

- (e) the Performance Rights will be issued to Clay Epstein, Jason Tomkinson and Peter Wall (or their nominees) for nil consideration and no

consideration will be payable upon the vesting of the Performance Rights on achievement of the performance criteria set out in paragraph 15.3 above. Accordingly, no loans will be made in relation to, and no funds will be raised from, the issue or vesting of the Performance Rights;

- (f) as the PRP is a new plan being approved under Resolution 16 of this Notice, no securities have previously been issued under the PRP;
- (g) as at the date of this Notice of Annual General Meeting, the related parties of the Company who would be entitled to participate in the PRP are Peter Wall, James Ellingford and Paul Callander;
- (h) details of any Shares issued under the PRP will be published in each annual report of the Company relating to a period in which such securities have been issued, and that approval for the issue of such securities was obtained under ASX Listing Rule 10.14;
- (i) any additional persons referred to in ASX Listing Rule 10.14 who become entitled to participate in the PRP after Resolution 16 is approved and who were not named in the Notice will not participate in the PRP until approval is obtained under ASX Listing Rule 10.14;
- (j) the relevant interests of the Related Parties in securities of the Company are set out below;

<b>Related Party</b>	<b>Shares</b>	<b>Options</b>
Peter Wall	Nil	Nil
Clay Epstein <sup>1</sup>	Nil	Nil
Jason Tomkinson <sup>2</sup>	Nil	Nil

<sup>1</sup> At settlement of the Acquisition, Clay Epstein will have a direct interest in approximately 2.97% of the issued capital of Zyber, and accordingly, will be issued up to 4,153,048 Shares (on a post-Consolidation basis) pursuant to the Acquisition.

<sup>2</sup> At settlement of the Acquisition, Jason Tomkinson will have an indirect interest in approximately 34.61% of the issued capital of Zyber, and accordingly, will be issued up to 48,452,226 Shares (on a post-Consolidation basis) pursuant to the Acquisition.

- (k) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

<b>Related Party</b>	<b>Current Financial Year</b>	<b>Previous Financial Year</b>
Peter Wall	\$5,000 per month	\$30,000
Clay Epstein	CAD\$15,000 per month <sup>1</sup>	Nil
Jason Tomkinson	CAD\$15,000 per month <sup>1</sup>	Nil

<sup>1</sup> Proposed annual Directors' fees to be paid to Clay Epstein and Jason Tomkinson upon their appointment as Directors on and from completion of the Acquisition. In

addition, Clay Epstein has the ability to earn up to an additional CAD\$50,000 in discretionary bonuses subject to meeting milestones to be agreed.

- (l) if the Performance Rights granted to the Related Parties vest, a total of 30,000,000 Shares (on a post-Consolidation basis) would be issued. This will increase the number of Shares on issue from 317,247,008 to 347,247,008 (assuming that the Consolidation has occurred, no Options are exercised, 140,000,000 Shares are issued to the Zyber Shareholders pursuant to the Heads of Agreement, 60,000,000 Shares are issued pursuant to the Capital Raising and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 8.64%, comprising 3.06% by Peter Wall, 3.06% by Clay Epstein and 3.06% by Jason Tomkinson;
- (m) the Performance Rights become exercisable on achievement of the performance criteria set out in paragraph 15.3 above. The terms of the Performance Rights shall be as set out in the terms of the PRP, a summary of which is set out in Schedule 4. The Shares to be issued upon the vesting of the Performance Rights shall rank *pari passu* with existing Shares;
- (n) the Performance Rights will be issued to the Related Parties (or their nominees) no later than 3 years after the date of the Annual General Meeting;
- (o) the primary purpose of the grant of the Performance Rights to the Related Parties is to provide a market linked incentive package for the future performance and cost effective consideration for their ongoing commitment and contribution to the Company in their respective roles as Directors; the Board (other than Peter Wall in relation to Resolution 19) considered the extensive experience and reputation of each Related Party, the current market price of Shares and current market practices when determining the number of Performance Rights to be issued to each Related Party. In addition, the Board considers the issue of the Performance Rights to each individual Related Party to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. If the Performance Rights are not issued, the Company could remunerate the Related Parties for additional amounts. However, the Board considers it reasonable for the remuneration each of the Related Parties to have a cash component and an equity component to further align the Related Parties' interests with Shareholders and maintain a strong cash position for the Company.

As outlined above, there are alternate options available in respect of the grant of the Performance Rights in respect of remunerating the executive Directors. Accordingly, Shareholders should consider the above matters carefully before deciding how to vote on these Resolutions. The Board does not consider that there are any significant opportunity costs to Company or benefits foregone by the Company in issuing the Performance Rights to the Related Parties upon the terms proposed; and

- (p) the Board acknowledges the grant of Performance Rights to Peter Wall and Jason Tomkinson is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations, as these Related Parties are not and will not be executive Directors. However, the Board considers the grant of Performance Rights to Peter Wall and Jason Tomkinson is reasonable in the circumstances as it is a reasonable and appropriate method to provide cost effective remuneration as the non-

cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Peter Wall and Jason Tomkinson.

## 15.5 Directors' recommendation

- (a) The Directors (other than as set out below) recommend that Shareholders vote in favour of Resolutions 17 to 19 for the following reasons:
- (i) the benefit (as described in Section 15.4(o) above) the proposed issue of Performance Rights to the Related Parties will have on the Company;
  - (ii) the issue of the Performance Rights to the Related Parties is an appropriate form of incentive to maximise returns to Shareholders; and
  - (iii) the terms of the proposed issue of Performance Rights to the Related Parties are reasonable to the Company.
- (b) Peter Wall declines to make a recommendation to Shareholders in relation to Resolution 19 due to his material personal interest in the outcome of the Resolution. The independent Directors recommend that Shareholders vote in favour of Resolution 19. The independent Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 19.

## 15.6 Valuation of Performance Rights

The number of Performance Rights (on a post-Consolidation basis) to be issued to each Director are follows:

Clay Epstein	Jason Tomkinson	Peter Wall	Performance Right class
2,500,000	2,500,000	2,500,000	A
2,500,000	2,500,000	2,500,000	B
2,500,000	2,500,000	2,500,000	C
2,500,000	2,500,000	2,500,000	D
<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	

The valuation formula of the Performance Rights under the theoretical Black & Scholes model is set out in Schedule 5.

The total valuation of the Performance Rights to be received under the theoretical Black & Scholes model is detailed in the table below for each Related Party:

Value of Performance Right	Clay Epstein	Jason Tomkinson	Peter Wall	Total
A	\$22,500	\$22,500	\$22,500	\$67,500

B	\$15,000	\$15,000	\$15,000	\$45,000
C	\$30,000	\$30,000	\$30,000	\$90,000
D	\$30,000	\$30,000	\$30,000	\$90,000
Total	\$97,500	\$97,500	\$97,500	\$292,500

## 16. RESOLUTIONS 20 AND 21 – ISSUE OF OPTIONS TO PAUL CALLANDER AND CHARLY DUFFY

### 16.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 5,000,000 Options (on a post-Consolidation basis) (**Related Party Options**) to each of Mr Paul Callander and Ms Charly Duffy on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and:

- (a) Mr Callander is a related party of the Company by virtue of being a Director; and
- (b) Ms Duffy will be a related party of the Company at the time of issue of the Related Party Options by virtue of being appointed as a director.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to Mr Callander and Ms Duffy.

### 16.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related parties are:

- (i) Mr Paul Callander who is a related party by virtue of being a Director; and
  - (ii) Ms Charly Duffy, who will be a related party at the time of issue of the Related Party Options by virtue of being appointed as a director;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to Mr Callander and Ms Duffy is 5,000,000 each (on a post-Consolidation basis);
  - (c) the Related Party Options will be granted to Mr Callander and Ms Duffy no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
  - (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
  - (e) the terms and conditions of the Related Party Options are set out in Schedule 7;
  - (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 7;
  - (g) neither Mr Callander nor Ms Duffy has any relevant interest in the securities of the Company;
  - (h) the remuneration and emoluments from the Company to Mr Callander and Ms Duffy for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

<b>Related Party</b>	<b>Current Financial Year</b>	<b>Previous Financial Year</b>
Paul Callander	\$3,000 per month	Nil <sup>1</sup>
Charly Duffy	Nil	Nil <sup>2</sup>

<sup>1</sup> Mr Callander was appointed as a Director on 2 September 2015.

<sup>2</sup> Ms Duffy will be appointed as a Director subject to the passing of Resolution 15 and settlement of the Acquisition. It is proposed that Ms Duffy will receive a director's fee of \$3,000 per month.

- (i) if the Related Party Options are exercised, a total of 10,000,000 Shares would be issued. This will increase the number of Shares on issue from 317,247,008 to 327,247,008 (assuming that the Consolidation has taken place, no other Options are exercised and no Shares are issued other than those contemplated by the Resolutions of this Notice) with the effect that the shareholding of existing Shareholders would be diluted by 3.06%, comprising 1.55% by Paul Callander and 1.55% by Charly Duffy.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the

exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out in section 15.4(d) above;
- (k) the Board acknowledges the grant of Related Party Options to Mr Callander and Ms Duffy is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2010 Amendments (2<sup>nd</sup> Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Options to Mr Callander and Ms Duffy reasonable in the circumstances for the reason set out in paragraph (n);
- (l) the primary purpose of the grant of the Related Party Options to Mr Callander and Ms Duffy is to provide a performance linked incentive component in the remuneration package for Mr Callander and Ms Duffy to motivate and reward their performance in their roles as Directors;
- (m) Mr Callander declines to make a recommendation to Shareholders in relation to Resolution 20 due to his material personal interest in the outcome of the Resolution. No other Director has a personal interest in the outcome of Resolution 20. However, in respect of Resolution 21 and Mr Callander recommends that Shareholders vote in favour of Resolution 21 for the reasons set out in paragraph (n):
- (n) the independent Directors recommend that Shareholders vote in favour of Resolutions 20 and 21 for the following reasons:
  - (i) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (o) in forming their recommendations, each Director considered the experience of Mr Callander and Ms Duffy, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (p) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 20 and 21

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to Mr Callander and Ms Duffy as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to Mr Callander will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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**17. ENQUIRIES**

Shareholders are requested to contact Elizabeth Hunt on (+ 61 8) 9481 0389 if they have any queries in respect of the matters set out in this document.

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## GLOSSARY

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**\$** means Australian dollars.

**Acquisition** means the acquisition by the Company of Zyber as described in 5.1 of the Explanatory Statement.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

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

**Capital Raising** means the offer by the Company to allot and issue of up to that number of Shares which, when multiplied by the Capital Raising Issue Price, will raise up to \$6,000,000 as proposed in Resolution 11.

**Capital Raising Issue Price** means an issue price of not less than \$0.05 (on a post Consolidation basis).

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** or **Dourado** means Dourado Resources Limited (ACN 131 090 947).

**Consideration Shares** has the meaning given to it in Section 9.1.

**Consideration Options** has the meaning given to it in Section 9.1.

**Consolidation** means the consolidation of the issued securities of the Company existing at the date of this notice on a one for five basis (rounded up to the nearest whole number), which consolidation is proposed to become effective on the date the resolution is passed.

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Exchangeable Shares** has the meaning given to it in Section 5.3(b).

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Heads of Agreement** means the heads of agreement between the Company, Zyber and Blue Cove Capital Corp dated 1 September 2015, the material terms of which are summarised in Section 5.3 of the Explanatory Statement.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Performance Rights** has the meaning given to it in Section 15.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Parties** has the meaning given to it in Section 15.1.

**Related Party Options** means an Option having the terms set out in Schedule 6.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2015.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Settlement** means settlement of the Acquisition.

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

**Shareholder** means a holder of a Share.

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

**Zyber** means Zyber Mobile Solutions Inc a company incorporated in British Columbia, Canada, having Incorporation Number BC0997437.

**Zyber Shares** means 100% of the issued shares in Zyber.

**Zyber Shareholders** means the holders of Zyber Shares.

**Zyber Warrant** means a warrant to acquire a Zyber Share.

**Zyber Warrantholders** means the holders of Zyber Warrants.

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**SCHEDULE 1 – PRO FORMA BALANCE SHEET**

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	<b>Dourado Consolidated Group (Unaudited) 30/06/2015 \$</b>	<b>Pro forma balance sheet (Consolidated) (Unaudited) 30/06/2015 \$</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,203,782	5,181,520
Trade and other receivables	25,665	33,546
<b>TOTAL CURRENT ASSETS</b>	<b>1,229,447</b>	<b>5,215,066</b>
<b>NON-CURRENT ASSETS</b>		
Advance royalty		52,808
Deferred exploration and evaluation expenditure	103,724	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>103,724</b>	<b>52,808</b>
<b>TOTAL ASSETS</b>	<b>1,333,171</b>	<b>5,267,874</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	667,297	164,688
Liability for application money	526,831	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,194,128</b>	<b>164,688</b>
<b>TOTAL LIABILITIES</b>	<b>1,194,128</b>	<b>164,688</b>
<b>NET (LIABILITIES) / ASSETS</b>	<b>139,043</b>	<b>5,103,186</b>
<b>EQUITY</b>		
Issued capital	68,137,631	9,180,255
Accumulated losses	(67,998,588)	(4,077,069)
<b>TOTAL (DEFICIENCY IN EQUITY) /EQUITY</b>	<b>139,043</b>	<b>5,103,186</b>

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## SCHEDULE 2 – TERMS OF CONSIDERATION OPTIONS

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**(a) Entitlement**

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

**(b) Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be equal to the issue price of Shares pursuant to the Capital Raising (on a post Consolidation basis) (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 October 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

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

**(e) Notice of Exercise**

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

**(f) Exercise Date**

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

**(g) Timing of issue of Shares on exercise**

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

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

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

**(h) Quotation of Shares issued on exercise**

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

**(i) Reconstruction of capital**

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

**(j) Participation in new issues**

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

**(k) Change in exercise price**

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

**(l) Unquoted**

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

**(m) Transferability**

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

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## SCHEDULE 3 – TERMS OF EXCHANGEABLE SHARES

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All capitalized words or expressions used herein which are not expressly defined herein will have the meanings set forth in the Share Exchange Agreement (the "**Agreement**") dated October 1, 2015, amongst Dourado Resources Limited, 1050494 B.C. Ltd. ("**DUO SUB**"), Zyber Secure Mobile Solutions Inc. ("**Zyber**") and the Shareholders and Warranholders of Zyber. The terms and conditions of the Exchangeable Shares are as follows:

1. **(Exchange of Exchangeable Shares)**. Each Exchangeable Share is a preferred share in the capital of DUO SUB, the British Columbian subsidiary of Dourado, which may be exchanged by the Holder (defined below) for a fully paid Dourado Share on a one for one share basis in accordance with the terms of Article 2 of the Agreement.
2. **(General meetings)**. The Exchangeable Shares will confer on the holder thereof (the "**Holder**") the right to receive notices of general meetings, financial reports and accounts of Dourado, and any other related meeting materials that are circulated to holders of fully paid ordinary shares in the capital of Dourado (the "**Dourado Shareholders**"). Holders have the right to attend general meetings of the Dourado Shareholders.
3. **(No voting rights)**. The Exchangeable Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Dourado Shareholders. The Exchangeable Shares do not entitle the Holder to receive notice of, attend or vote at any general meeting of DUO SUB.
4. **(No dividend rights)**. The Exchangeable Shares do not entitle the Holder to any dividends in DUO SUB or Dourado.
5. **(Rights on winding up)**. The Exchangeable Shares will have no right to participate in the surplus profits or assets of Dourado or DUO SUB upon the dissolution or winding up of either Dourado or DUO SUB, respectively.
6. **(Transferable)**. The Exchangeable Shares are not transferable.
7. **(Reorganization of capital)**. If at any time the issued capital of Dourado is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganization.
8. **(No participation in entitlements and bonus issues)**. Holders of Exchangeable Shares will not be entitled to participate in new issues of capital offered to holders of the Dourado Shares, such as bonus issues and entitlement issues.
9. **(No other rights)**. The Exchangeable Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
10. **(Redemptions and Repurchases)**. The Exchangeable Shares are not redeemable or repurchasable, except as may be permitted under the provisions of section 2.4(e) of the Agreement.
11. **(Automatic Redemption)**. Any Exchangeable Shares which have not been exchanged for Dourado Shares under the terms of the Agreement within 60 months from the Closing Date will be automatically redeemed by DUO SUB for the sum of \$0.000001 within ten (10) Business Days of the date that is 60 months from the Closing Date.

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## SCHEDULE 4 – SUMMARY OF PERFORMANCE RIGHTS PLAN

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The full terms of the PRP may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the PRP is set out below.

- (a) The PRP is available to Directors, full time and part time employees, and casual employees or contractors of the Company or any subsidiary or related body corporate of the Company who are declared by the Board to be eligible to participate in the PRP (**Eligible Participant**). An Eligible Participant may nominate an associate to participate in the PRP in their place.
- (b) Subject to any necessary approvals from the Company's shareholders or as required by law or by the Listing Rules, the Board may grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the PRP and upon such additional terms and vesting conditions as the Board determines.
- (c) Each Performance Right will vest as an entitlement to one fully paid ordinary share in the capital of the Company (**Share**) provided that certain performance milestones are met. If the performance milestones are not met, the Performance Rights will lapse and the Eligible Participant will have no entitlement to any Shares.
- (d) The Company shall notify the Eligible Participant when the relevant vesting requirements have been satisfied and the Eligible Participant may then exercise their right to accept the vesting of the Performance Rights and be issued the Shares, following which the Company will issue the Shares and deliver notification of the Shareholding to the Eligible Participant.
- (e) Subject to the Company being listed on the ASX, the Company will, within 10 Business Days of the date of the Shares being issued, make application to ASX for quotation of the Shares.
- (f) Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank pari passu with all other Shares on issue.
- (g) Performance Rights shall not be quoted on ASX.
- (h) Performance Rights shall not be transferred or assigned by an Eligible Participant except with the prior written consent of the Directors of the Company or by force of law to an Eligible Participant's legal personal representative or trustee in bankruptcy.
- (i) Subject to any right an Eligible Participant may have as a holder of shares, holders of Performance Rights may only participate in new issues of securities to holders of shares if the vesting requirements have been satisfied and the relevant Shares have been issued prior to the record date for determining entitlements to the issue. The Company shall give notice to holders of Performance Rights (as required under the ASX Listing Rules) of any new issues of securities prior to the record date for determining entitlements to the issue.
- (j) A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.
- (k) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of a participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (l) The Board may, in its absolute discretion, resolve to waive any of the vesting requirements due to:
  - (i) the death, disability, terminal illness, retirement, redundancy or financial hardship of the Eligible Participant;
  - (ii) a bona fide takeover bid being declared unconditional and the bidder has acquired a relevant interest in more than 50% of the Company's shares;
  - (iii) a court approving a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
  - (iv) a person or a group of associated persons becoming entitled, subsequent to the date of grant of the Performance Rights, to sufficient Shares to give it or them the ability, in general meeting, to control the composition of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons; or
  - (v) the Company passing a resolution for the voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (m) The holder of Performance Rights does not have any entitlement to vote at a general meeting of Shareholders.
- (n) If the holder of a Performance Right resigns or is terminated with cause by the Company, any unvested Performance Rights will immediately lapse (in the absence of Board approval otherwise).

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**SCHEDULE 5 – VALUATION OF RELATED PARTIES’ PERFORMANCE RIGHTS**

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13 October 2015

The Directors  
Dourado Resources Limited  
Level 11,  
216 St George Terrace  
Perth WA 6000

Attention: Elizabeth Hunt

Dear Sirs

At the request of the Elizabeth Hunt on behalf of the Dourado Resources Limited (“the Company” or “Dourado”) received on 12 October 2015, Stantons International Securities hereby set out our technical valuations of the following performance rights (“Performance Rights”) and options granted to the Key Management Personnel as follows:

Tranche A – 7,500,000 Performance Rights A;  
Tranche B – 7,500,000 Performance Rights B;  
Tranche C – 7,500,000 Performance Rights C;  
Tranche D – 7,500,000 Performance Rights D and;  
Tranche E – 10,000,000 Options.

The grant of the above Performance Rights and Options are subject to the approval by shareholders at the forthcoming Annual General Meeting to be held on or around 19 November 2015.

**The Tranche A, B, C and D Performance Rights to be granted to the Key Management Personnel Valuation**

1. The Tranche A, B, C and D Performance Rights will vest and convert into ordinary shares subject to the following performance hurdles:
  - (i) each Performance Right A will convert into one (1) Share upon the Company completing an equity raising of at least \$3 million in association with the acquisition of Zyber (Fundraising) and, within 12 months thereafter, the volume weighted average price of the Company's shares (over a 10 day trading period) being equal to or greater than 25% above the price at which the Company issues shares under the Fundraising;
  - (ii) each Performance Right B will convert into one (1) Share upon the Company completing the Fundraising and, within 24 months thereafter, the volume weighted average price of the Company's shares (over a 10 day trading period) being equal to or greater than 50% above the price at which the Company issues shares under the Fundraising;

- (iii) each Performance Right C will convert into one (1) Share upon Zyber having commenced or having contracted product development and production testing “proof of concept” trials with a minimum of 5 enterprises/corporations who each have annualized revenues of at least \$10,000,000 and, of these, 2 of which have been converted into binding commercial contracts for purchase and use of a Zyber product within 24 months from the date of issue of the Performance Rights; and
  - (iv) each Performance Right D will convert into one (1) Share upon Zyber generating gross revenue from sales of \$5,000,000 within 36 months from the date of issue of the Performance Rights.
- 2. The Performance Rights will vest into ordinary shares in the Company upon the satisfaction of Vesting Conditions that are both Market Based vesting conditions (for Performance Rights A and B) and Non- Market Based vesting conditions (for Performance Rights C and D) as disclosed above.
- 3. The Tranche A, B, C and D Performance Rights will lapse :-
  - (i) As determined by the Board, acting reasonably, that the responsible Director has acted fraudulently;
  - (ii) Dishonestly or is in breach of his obligations to the Company;
  - (iii) A failure to meet the Performance Right’s Vesting Conditions - In the event that the Performance Milestones are not met, the Performance Rights will not vest and as a result, no new Shares will be issued
  - (iv) Ceasing to be a key management personnel for any reason other than death, disability, terminal illness, retirement, redundancy or financial hardship of the eligible participant; and
  - (v) The Performance Right lapsing in accordance with rule due to the occurrence of a takeover bid, compromise or arrangement or winding up or court orders as indicated according to the terms and conditions.
- 4. The Tranche A, B, C and D Performance Rights will be issued for no consideration each and no consideration will be payable upon vesting of the Performance Rights.
- 5. The shares to be issued in the event of vesting of the Performance Rights shall rank equally in all respects with other fully paid ordinary shares in the company. The Tranche A, B, C and D Performance Rights shall not be quoted on ASX.
- 6. In effect, the initial undiscounted value of the Performance Rights is the value of an underlying share in the Company as traded on ASX at the date of issue of the Performance Rights. For the purpose of this valuation based on deemed date of the grant being 12 October 2015 we have used 1.2 cents (being the last sale on ASX prior to this report).
- 7. As the performance conditions for Tranche A and B are market based performance conditions, under International Financial Reporting Standards (“IFRS”), a discount is generally applied in valuing the grant at the grant date for not meeting the performance conditions. A discount is only applied where performance conditions are market based or are predominately market based. The valuation noted below is not necessarily the market price that the Performance Rights could be traded at and it is not automatically the market price for taxation purposes. The recipients of these Performance Rights should seek their own tax advice as to the tax treatment of receiving Performance Rights in Dourado Resources Limited and the values for taxation purposes. **Under IFRS, the Company’s Directors at the date of issue of the Performance Rights will need to estimate the date when each performance condition will be met and account for the value over the period from date of issue to the date the performance conditions will be met.** The underlying value is the initial value of an underlying ordinary share in Dourado Resources Limited

trading on ASX but it is necessary to ascribe a discount as noted below that is related to the market based performance condition.

8. We believe a discount can be applied to the underlying values as noted above. The Performance Shares have market based vesting conditions, in that they cannot vest until a market related condition has been met, being that the Dourado share price has reached a predetermined level as noted in paragraph 1 above. In terms of the A-IFRS Accounting Standard on Share Based payments, where there are market conditions, a discount is applied to take into account the probability of the Performance Rights not vesting so that ordinary shares may be issued. On the assumption that there was a 100% probability that the vesting condition would be achieved, then no discount would be applied to the value of a Dourado share as at 12 October 2015. On the assumption that there was a 0% probability that vesting conditions (market based condition only) would be achieved, then a 100% discount would be applied to the 12 October 2015 value of a Dourado share trading on ASX. It is noted that the shares have not traded at over 5.00 cents (5.00 cents on 14 October 2014, 3/4 November 2014 and 19/20/21 November 2014) within the last 12 months and the share price has been mainly between 0.7 cents and 5.0 cents between 13 October 2014 and 9 October 2015.

It is noted that the Performance Rights will not be listed and thus arguably a further discount for non-listed status and restrictive transferability could be applied of between 20% and 30%.

**In relation to the Performance Rights that have the market condition as noted above, we conclude that the discounted value of one Tranche A Performance Right as at 12 October 2015 is 0.9 cents and the value of one Tranche B Performance Right is 0.6 cents.**

9. In relation to the Non Market Based Performance Rights C and D that have no market based conditions attached (the conditions are upon Zyber having commenced or having contracted product development and production testing “proof of concept” trials with a minimum of 5 enterprises/corporations who each have annualized revenues of at least \$10,000,000 and, of these, 2 of which have been converted into binding commercial contracts for purchase and use of a Zyber product within 24 months from the date of issue of the Performance Rights and Zyber generating gross revenue from sales of \$5,000,000 within 36 months from the date of issue of the Performance Rights and therefore no market based discount is applied. However arguably a discount could be applied for the non-listed status and restrictive-transferability relating to the Tranche C and D Performance Rights. However, we have not applied a discount. If a discount was applied, a discount of between 20% and 30% would not be unreasonable.
10. In effect, the initial undiscounted value of the Non Market Based Tranche C and D Performance Rights is the value of an underlying share in the Company as traded on ASX at the date of issue of the Performance Rights. For the purpose of this valuation based on deemed date of the grant being 12 October 2015 we have used 1.2 cents. Under IFRS, the Company’s Directors at the date of issue of the Tranche C and D Performance Rights will need to estimate the date when each non market based performance condition will be met and account for the value over the period from date of issue to the date the non market based performance conditions will be met.

In this case, the Directors may need to estimate the number of Tranche C and D Performance Rights that may vest and then multiply 1.2 cents by the number and account for the value of the estimated vesting period.

11. **We conclude that the undiscounted value of one Tranche C and D Performance Right based on a last underlying share price as at 12 October 2015, is 1.2 cents.**

#### **Tranche E - Options Valuations**

In arriving at the below mentioned Options valuations, we have used the following assumptions.

1. The Black and Scholes option valuation methodology has been used. This Option Valuation

methodology has been used with the expectation that the majority of these Options would be exercised towards the end of the term of these Options.

2. The exercise price of 10,000,000 Options will be the amount payable upon exercise of each Option will be equal to the issue price of the Shares pursuant to the capital raising.
3. These Options will be issued with an expiry date of 3 years from the date of issue. We have assumed that the Options will be deemed to be granted at the proposed Annual General Meeting of its shareholders on 19 November 2015 (“deemed grant date”).
4. The closing price of a listed Dourado share as at 12 October 2015 was 1.20 cents (last sale on ASX prior to this report). We have used this share price as deemed spot price on the date of grant for the valuation purpose. Since the issue price of shares pursuant to the proposed Capital raising is not known, we have determined the exercise price of these Options for the purpose of this report as 1.20 cents being last closing share price prior to this report. This valuation is made for the purpose of its inclusion in the notice of the Annual General Meeting; hence these Options need to be re-valued on their grant date i.e. the date of the Annual General Meeting.
5. We have used a risk-free rate of a three year Australian Government bond being as 1.90%.
6. The 10,000,000 Options do have vesting conditions being the respective recipients of these Options must remain as Directors of the Company for at least 12 months post settlement of the Zyber transaction as confirmed by Elizabeth Hunt. These Options are unlisted and have restrictive transferability. To reflect the restrictive-transferability and unlisted status of the Options, a discount rate of 20% to 30% may be applicable. You should consult your auditors before applying any discount. For the purpose of this report, we have not applied a discount rate.
7. We have assumed that no dividends are expected to be declared or paid by the Company during the term of the Options.
8. We note that the one year low share price of a Dourado Share was 0.7 cent on 10 July 2015( as well as from 10 July 2015 to 15 July 201) and the high was 5.0 cents on 3/4 November 2014 and 19/20 November 2014. The annualised volatility to 12 October 2015 that was calculated using an option volatility calculator is 325.58%. However, it is noted that since July 2015, the shares have traded in the more narrow range of 0.7 cents to 1.7 cents. The 3 months volatility to 12 October 2015 that was calculated using an option volatility calculator is 97.93%. Dourado’s share price is sensitive to ASX announcements particularly with the opportunities in relation to its proposed acquisition of Zyber Mobile Solutions and sale of its tenements. In our opinion after taking into account the various ASX announcements, the volatility calculators, the relatively short term of the Options (36 months), and the general trend in the shares of the companies in similar businesses and trading on the ASX over the past 3 and 6 months, we are of the opinion that the volatility factor for the purpose of valuation as at 12 October 2015 should be approximately 100%. We have given our valuations for three levels of volatility being 90%, 100% and 110% for the purpose of the notice of the Annual General Meeting.
9. The valuations noted below are not necessarily the market prices that the Options could be traded at and it is not automatically the market prices for taxation purposes. The recipients of these Options should seek their own tax advice as to the tax treatment of receiving Options in Dourado and the values for taxation purpose.

Based on the above discussion the valuations of one Dourado Option under different volatilities are as follows:

No of Options	Expiry Date	Exercise Price (Cents)	Volatility percentage	Value (cents) for one Option
10,000,000	3 years from date of grant	1.20	90	0.6922
<b>10,000,000</b>	<b>3 years from date of grant</b>	<b>1.20</b>	<b>100</b>	<b>0.7496</b>
10,000,000	3 years from date of grant	1,20	110	0.8029

Should you wish to discuss the above, do not hesitate to contact me.

Yours faithfully

**STANTONS INTERNATIONAL SECURITIES PTY LTD**  
**(Trading as Stantons International Securities)**



**John Van Dieren**  
**Director**

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## SCHEDULE 6 - TERMS OF RELATED PARTY OPTIONS

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**(a) Entitlement**

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

**(b) Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be equal to the issue price of Shares pursuant to the Capital Raising (on a post Consolidation basis) (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5:00 pm (WST) on that date which is three years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Vesting Condition**

The Options shall vest once the holders of the Options have remained as directors of the Company for at least 12 months post settlement of the Acquisition (**Vesting Condition**).

**(e) Exercise Period**

The Options are exercisable at any time:

- (i) after the satisfaction of the Vesting Condition; and
- (ii) on or prior to the Expiry Date,

(**Exercise Period**).

**(f) Notice of Exercise**

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

**(g) Exercise Date**

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

**(h) Timing of issue of Shares on exercise**

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

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

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

**(i) Quotation of Shares issued on exercise**

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

**(j) Reconstruction of capital**

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

**(k) Participation in new issues**

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

**(l) Change in exercise price**

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

**(m) Unquoted**

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

**(n) Transferability**

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

## SCHEDULE 7 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to Paul Callander and Charly Duffy pursuant to Resolutions 20 and 21 have been independently valued by Stantons Securities Limited.

Using the Black & Scholes option pricing model and based on the assumptions set out below, the Related Party Options were ascribed the following value range:

<b>Assumptions:</b>			
Valuation date	12 October 2015		
Market price of Shares	1.2 cents		
Exercise price	1.2 cents		
Expiry date (length of time from issue)	3 years from date of issue		
Risk free interest rate	1.90%		
Volatility	90%	100%	110%
<b>Indicative value per Related Party Option</b>	0.6922 cents	0.7496 cents	0.8029 cents
<b>Total Value of Related Party Options</b>	\$69,220	\$74,960	\$80,290
- Paul Callander	\$34,610	\$37,480	\$40,145
- Charly Duffy	\$34,610	\$37,480	\$40,145

Note: The valuation ranges noted above are not necessarily the market prices that the Related Party Options could be traded at and they are not automatically the market prices for taxation purposes.

## PROXY FORM

**DOURADO RESOURCES LIMITED**  
**ACN 131 090 947**

### ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:**  the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00am (WST) on 30 November 2015 at Level 11, London House, 216 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

#### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 16, 17, 18, 19 and 20 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 16, 17, 18, 19 and 20 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

#### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – James Ellingford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Peter Wall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Paul Callander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Sale of Mooloolgool Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Change of Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Consideration for Zyber Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Consideration Shares to Blue Cove	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Consideration Shares to Clay Epstein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Election of Director – Clay Epstein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Election of Director – Jason Tomkinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Election of Director – Charly Duffy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16	Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17	Issue of Performance Rights to Clay Epstein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 18	Issue of Performance Rights to Jason Tomkinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 19	Issue of Performance Rights to Peter Wall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 20	Issue of Options to Paul Callander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 21	Issue of Options to Charly Duffy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_

**Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail  
in relation to this Proxy Form:** YES  NO

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Dourado Resources Limited, GPO Box 2517, PERTH WA 6831; or
  - (b) facsimile to the Company on facsimile number +61 8 9463 6103; or
  - (c) email to the Company at [info@dourado.com.au](mailto:info@dourado.com.au),

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**