

**DOURADO RESOURCES LIMITED
(TO BE RENAMED “ZYBER HOLDINGS LTD”)
ACN 131 090 947**

PROSPECTUS

For an offer of up to 120,000,000 Shares at an issue price of \$0.05 per Share to raise up to \$6,000,000 with a minimum subscription of \$3,000,000 (**Offer**).

Completion of the Offer is conditional upon satisfaction of the Conditions, which are detailed further in Section 2.5 of the Prospectus. No Securities will be issued pursuant to this Prospectus until such time as the Conditions are satisfied.

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

All references to Securities in this Prospectus are made on the basis that the 1:5 Consolidation for which Shareholder was obtained at the Annual General Meeting held on 30 November 2015, has taken effect.

Joint Lead Managers to the Public Offer:

APP Securities Pty Ltd

Patersons Securities Limited

IMPORTANT INFORMATION

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

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

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1. CORPORATE DIRECTORY

Directors

James Ellingford¹
Non-Executive Chairman

Paul Callander
Non-Executive Director

Peter Wall
Non-Executive Director

Additional Proposed Directors

Clay Epstein²
*Proposed Chief Executive Officer and
Managing Director*

Jason Tomkinson²
Proposed Non-Executive Director

Charly Duffy²
Proposed Non-Executive Director

Company Secretary

Elizabeth Hunt

Current ASX Code

DUO

Proposed ASX Code

ZYB

Joint Lead Managers to the Public Offer

APP Securities Pty Ltd
Level 17, 60 Margaret Street
Sydney NSW 2000

Patersons Securities Limited
Level 23
2 The Esplanade
Perth WA 6000

Registered Office

DUO
Level 11, 216 St Georges Terrace
Perth WA 6000
Western Australia

Telephone: + 61 8 9481 0389
Facsimile: +61 8 9463 6103

Email: info@dourado.com.au
Website: www.dourado.com.au

Zyber
250 – 8661 201st Street
Langley BC V2Y 0G9
British Columbia

Email: info@zyber.com
Website: www.zyber.com

Investigating Accountant

RSM Corporate Australia Pty Ltd
8 St Georges Terrace
Perth WA 6000

Auditor

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

Solicitors to the Company

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

Share Registry³

Automatic Registry Services
Level 1, 7 Ventnor Avenue,
West Perth WA 6005 Australia
Telephone: +61 8 9324 2099
Facsimile: +61 8 9321 2337

¹ To resign on Settlement of the Acquisition.

² To be appointed with effect from Settlement of the Acquisition.

³ These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTICE

2.1 Consolidation

Unless stated otherwise, all references to securities of the Company as set out in this Prospectus are on the basis that the consolidation (for which approval was obtained at the Annual General Meeting held on 30 November 2015) has occurred.

2.2 Change in nature and scale of activities and re-compliance with Chapters 1 and 2 of the ASX Listing Rules

At the Annual General Meeting held on 30 November 2015, the Company obtained Shareholder approval for a change in nature and scale of its activities.

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

The Company's Securities will be suspended from trading on ASX from 30 November 2015 and will not be reinstated until satisfaction of the Conditions to the Offer and ASX approving the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of ASX for re-admission to the Official List. In the event the Conditions are not satisfied or the Company does not receive conditional approval for re-admission to the Official List then the Company will not proceed with the Offer and will repay all Application monies received.

2.3 General

This Prospectus is dated 30 November 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

2.4 Investment Advice

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

2.5 Conditional Offer

The Offer is conditional on ASX conditional approval to re-admit the Shares to Official Quotation (the **Conditions**).

2.6 Expiry Date

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

2.7 Website – Electronic Prospectus

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

There is no facility for the Offer to be accepted electronically or by applying online. Shares will not be issued under the electronic version of the Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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

No document or information included on the Company's website is incorporated by reference into this Prospectus.

2.8 Forwarding-looking statements

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

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

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

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

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new

information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

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

2.9 Photographs and Diagrams

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

2.10 Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 16 of this Prospectus.

2.11 Time

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

2.12 Risks

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

2.13 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please call the Company Secretary, Elizabeth Hunt on +61 8 9481 0389.

3. INDICATIVE TIMETABLE*

| | |
|--|------------------|
| Despatch of Notice of Annual General Meeting | 29 October 2015 |
| Annual General Meeting held to approve the Acquisition | 30 November 2015 |
| Lodgement of Prospectus with the ASIC | 30 November 2015 |
| Opening Date of the Offer | 30 November 2015 |
| Closing Date for Offer | 14 December 2015 |
| Issue of Shares under the Offer | 19 December 2015 |
| Settlement of the Acquisition | 19 December 2015 |
| Re-quotations of Securities (including Shares issued under the Offer) on ASX | 24 December 2015 |

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

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

4. CHAIRMAN'S LETTER

Dear Investor

The Board of Directors of Dourado Resources Limited (to be renamed Zyber Holdings Ltd) (**Company**) is pleased to present you with this Prospectus and the opportunity to increase your existing shareholding or to become a new Shareholder in the Company as it transitions from its previous gold, copper and zinc exploration in Western Australia to focusing on developing and operating a cyber security business through its proposed acquisition of Zyber Secure Mobile Solutions Inc (**Zyber**), a company incorporated in British Columbia.

The Company has entered into the Heads of Agreement to acquire 100% of the issued capital of Zyber. Zyber is a provider of secure file sharing solutions and holds various intellectual property rights pertaining to data security and software.

Pursuant to this Prospectus, the Company is seeking to raise up to \$6,000,000 through the issue of up to 120,000,000 Shares at a price of \$0.05 per Share, to fund the continued development and commercialisation of Zyber's cyber security suite of products.

Pursuant to the Heads of Agreement, the Company will issue Shares and Performance Shares to the Zyber Shareholders as consideration for the acquisition of Zyber. A summary of the Heads of Agreement and other material agreements to the Acquisition are outlined in Section 13 of this Prospectus.

The Company obtained approval for acquisition of Zyber (including the resulting change to the nature and scale of the Company's activities and the issue of Shares to the vendors of Zyber) at its Annual General Meeting held on 30 November 2015.

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

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

Yours sincerely

James Ellingford
Non-Executive Chairman

5. INVESTMENT OVERVIEW

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

| Item | Summary | Further information |
|--|---|--------------------------------|
| A. Company | | |
| Who is the issuer of this Prospectus? | Dourado Resources Limited (ACN 131 090 947) (ASX:DUO) | |
| Who is DUO? | <p>DUO listed on the ASX on 1 December 2009 as an explorer focussed on mineral opportunities.</p> <p>Since listing, the Company has focussed on gold, copper and zinc exploration and its principal activity has been exploration of the Mooloogool Project in Western Australia (the Project).</p> <p>For the past 12 months, the Company has also been evaluating alternative corporate opportunities, both in Australia and overseas and, on 2 September 2015, DUO 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 (Zyber), which holds various intellectual property interests pertaining to data security and software (Acquisition).</p> | Section 6.1 |
| How will the Acquisition be implemented? | <p>The Company called the Annual General Meeting, held on 30 November 2015, to seek the approval of its Shareholders to the change in focus from its exploration projects to developing and operating a cyber security business.</p> <p>At the Annual General Meeting, Shareholders approved resolutions relating to the change in the nature and scale of the Company's activities, as well as resolutions required for Settlement of the Acquisition and undertaking the Offer.</p> <p>The Company intends to sell the Project and to focus on developing and commercialising Zyber's secure file sharing technology (Business). As such, the Project is not considered material in the context of the</p> | Sections 6.2, 6.5, 6.6 and 6.7 |

| Item | Summary | Further information |
|-------------------------------|---|----------------------|
| | <p>Offer.</p> <p>DUO proposes to change its name to “Zyber Holdings Ltd” on Settlement of the Acquisition, which in the Board’s opinion will be better suited to the Company’s new strategic direction.</p> | |
| Who is Zyber? | <p>Zyber Secure Mobile Solutions Inc, a company incorporated in British Columbia, is a provider of ubiquitous secure file sharing solutions which holds various intellectual property rights pertaining to data security and software.</p> <p>Zyber is currently developing technologies which it believes will provide the ultimate in control and security without leaving a digital footprint on the end user’s device.</p> <p>There are four proposed stages to the technology:</p> <ol style="list-style-type: none"> 1. USB Virtual Desktop (UVD) (proof of concept and beta testing has been completed); 2. Secure File Sharing (SFS) (proof of concept and beta testing has been completed; currently in testing with a potential customer); 3. Open Source Virtualization (OSV) (under development); and 4. Mobile Touch Virtualization (MTV) (under development). | Sections 6.4 and 8 |
| B. Business Model | | |
| How will DUO generate income? | <p>Following Settlement of the Acquisition, DUO will look to develop the Business through the operations of Zyber, its wholly owned subsidiary.</p> <p>Zyber aims to initiate three significant beta test customers in Q1 2016, and to fully deploy its technology with an existing customer during 2016. If Zyber can successfully achieve these outcomes, it hopes to commence revenue production from sales of its Stage 2 SFS technology by Q3 2016.</p> <p>It is expected that once Zyber has achieved a</p> | Sections 8.3 and 8.6 |

| Item | Summary | Further information |
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| | <p>base of key clients, it will generate revenue through its commercial product offerings. However, there is no guarantee that Zyber will be able to generate revenue in the future.</p> | |
| <p>What are the key business strategies of DUO?</p> | <p>Upon successful settlement of the Acquisition, the Company will further develop the Business by focussing on its new business strategies.</p> <p>These key business strategies will be to:</p> <ul style="list-style-type: none"> • continue trials of the Stage 1 and Stage 2 technology; • finalise the development of the Stage 3 and Stage 4 technology and to deploy these stages of the technology in trials; • commence marketing and sales of the completed Zyber technology primarily through a “Value Added Reseller” (VAR) channel distribution strategy using variable pricing models tailored to difference categories of customers; • continue to evaluate and, if appropriate, develop potential updates to the Zyber technology; and • evaluate opportunities to build on Zyber’s existing products and spin off related products for enterprise use. | <p>Sections 8.3 and 8.6</p> |
| <p>What are the key dependencies of the Company's business model?</p> | <p>The key factors that the Company will depend on to meet its objectives are:</p> <ol style="list-style-type: none"> (a) completion of the Offer to enable funding of the continued development of the Zyber technology; (b) completion of expanded beta testing of the UVD and SFS technology. Refer to Section 8.3 for further details; (c) ability to establish key VAR relationships. Refer to Section 8.6 for further details; (d) ability to protect its intellectual property in the Business. Refer to Section 8.4 for further information on Zyber’s intellectual property strategy; (e) establishment of corporate identity | <p>Sections 8.3, 8.4, 8.5, 8.6 and 8.7</p> |

| Item | Summary | Further information |
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| | <p>and trademarks;</p> <p>(f) recruitment of staff and acquisition of infrastructure necessary to commercialise and sell the product;</p> <p>(g) successful completion of the OVA and MTV technology. Refer to Section 8.3 for further details; and</p> <p>(h) ability to successfully compete with other EFSS providers and achieve sufficient sales of the Zyber product offerings to enable revenue production. Refer to Sections 8.5 and 8.6 for further details.</p> | |

C. Key Investment Highlights

| | | |
|--|---|--------------------|
| <p>What are the key investment highlights?</p> | <p>The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exhaustive list of key highlights:</p> <p>(a) DUO Shareholders will benefit from opportunity to participate in Zyber’s development of a 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;</p> <p>(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;</p> <p>(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;</p> <p>(d) Canada is considered to have a low sovereign risk and investment friendly regulatory environment;</p> | <p>Section 6.3</p> |
|--|---|--------------------|

| Item | Summary | Further information |
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| | <p>(e) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a cyber security company; and</p> <p>(f) the Company will obtain ownership of the intellectual property interests pertaining to data security and software currently held by Zyber.</p> | |

D. Key Risks

| | | |
|--|--|------------------|
| <p>What are the key risks of an investment in DUO?</p> | <p>The business, assets and operations of the Company, including after Settlement of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>Based on the information available, a non-exhaustive list of the key risk factors affecting the Company are as follows:</p> <p>(a) Development and commercialisation of the Zyber technology</p> <p>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. 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.</p> | <p>Section 9</p> |
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| Item | Summary | Further information |
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| | <p>(b) Intellectual property</p> <p>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. Zyber is yet to lodge its patent applications and, as such, some of its core intellectual property is currently 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.</p> <p>(c) Competition risk</p> <p>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.</p> <p>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.</p> <p>(d) Sales risk</p> <p>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.</p> <p>Potential sales models include the</p> | |

| Item | Summary | Further information |
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| | <p>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.</p> <p>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.</p> <p>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.</p> | |
| E. Directors and Key Management Personnel | | |
| Who are the Directors and Proposed Directors? | <p>It is proposed that upon Settlement of the Acquisition:</p> <p>(a) Mr Clay Epstein, Mr Jason Tomkinson and Ms Charly Duffy will be appointed to the Board;</p> <p>(b) Mr Peter Wall and Mr Paul Callander will remain on the Board; and</p> <p>(c) Mr James Ellingford will resign from the Board.</p> <p>The profiles of each of the Directors and Proposed Directors are set out in Sections 10.2 and 10.3. Details of the personal interests of each of the above individuals are set out in Section 10.6.</p> | Section 10 |

| Item | Summary | Further information |
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| F. Financial Information | | |
| How has DUO been performing? | The audited statement of financial position for DUO as at 30 June 2015, and the audited statement of financial position for Zyber as at 30 September 2015, is set out in the Investigating Accountant's Report in Section 11. | Section 11 |
| What is the financial outlook for DUO? | <p>The reviewed pro-forma consolidated statement of financial position for DUO as at 30 September 2015 (which assumes Settlement of the Acquisition) is set out in the Investigating Accountant's Report in Section 11.</p> <p>As Zyber does not currently generate any revenue and is still in the development phase of its business cycle, it is not able to forecast future revenue or profitability.</p> | Section 11 |
| Does DUO have sufficient funds for its activities? | The funding for DUO's short to medium term activities will be generated from a combination of the money raised under the Offer and existing cash reserves. | Section 7.4 |
| G. Offer | | |
| What is the purpose of the Offer? | <p>The purpose of the Offer is to position the Company to seek to achieve the objectives set out below in Section 7.3 and to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules.</p> <p>The satisfaction of Chapters 1 and 2 of the ASX Listing Rules will be required for the purpose of seeking ASX's approval for reinstatement of the Company's Securities to quotation following the continuing suspension after the Acquisition Resolutions were passed at the Annual General Meeting.</p> <p>The purpose of the Offer is also to provide sufficient working capital to meet the Company's anticipated overhead and administration expenses over the next twenty four months.</p> <p>On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.</p> <p>The Company intends to apply funds raised from the Offer, together with existing cash</p> | Section 7.3 |

| Item | Summary | Further information |
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| | reserves, over the first two years following reinstatement of the Company to quotation on the official list of ASX in the manner set out in the table in Section 7.4. | |
| Is the Offer underwritten? | The Offer is not underwritten. | Section 7.1(b) |
| What is being offered and who is entitled to participate in the Offer? | DUO will be offering up to 120,000,000 Shares at an issue price of \$0.05 per Share to raise up to \$6,000,000. The Offer is open to retail and sophisticated investors in Australia and sophisticated investors in Hong Kong and Singapore. | Sections 7, 7.10 and 7.11 |
| What will DUO's capital structure look like after completion of the Offer and the Acquisition? | Refer to Section 8.12 for a pro forma capital structure following Settlement of the Acquisition. | Section 8.12 |
| Will I be guaranteed a minimum allocation under the Offer? | No, the Company is not in a position to guarantee a minimum allocation of Shares under the Offer. | Section 7.1(d) |
| What are the terms of the Shares offered under the Offer? | A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 14.2. | Section 14.2 |
| Will any Securities be subject to escrow? | Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, certain Securities on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company has applied to the ASX for a waiver from certain restriction requirements | Section 8.14 |

| Item | Summary | Further information |
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| | <p>that might otherwise apply to the Consideration Shares on the basis that a majority of the Vendors:</p> <p>(a) paid cash for their Zyber Shares; and</p> <p>(b) have held their Zyber Shares for a substantial period of time prior to the Acquisition of Zyber by the Company.</p> <p>Subject to this waiver, all or a proportion of the Consideration Shares may be restricted from trading for a period of up to 24 months after the date of re-admission of the Company to the Official List.</p> <p>Additionally, the majority of the Vendors have agreed to a voluntary escrow period on the Consideration Securities for a period of twelve months after completion of the Acquisition.</p> | |
| Will the Shares be quoted? | Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus. | Section 7.8 |
| What are the key dates of the Offer? | The key dates of the Offer are set out in the indicative timetable in Section 3. | Section 3 |
| What is the minimum investment size under the Offer? | Applications under the Offer must be for a minimum of \$2,000 worth of Shares (40,000 Shares) and thereafter, in multiples of \$200 worth of Shares (4,000 Shares). | Section 7.1(c) |
| Are there any conditions to the Offer? | <p>The Offer is conditional on ASX conditional approval to re-admit the Securities to Official Quotation.</p> <p>If this condition is not satisfied, the Acquisition and the Offer will not proceed.</p> | Section 2.5 |
| H. Use of proceeds | | |
| How will the proceeds of the Offer be used? | <p>The Offer proceeds will be used for:</p> <ul style="list-style-type: none"> • expenses of the Offer; • development of Zyber and the Business; • sales and marketing of Zyber and the Business; and • working capital and corporate | Section 7.4 and 14.9 |

| Item | Summary | Further information |
|---|--|---------------------|
| | administration expenses of the Company. | |
| I. Additional information | | |
| Is there any brokerage, commission or duty payable by applicants? | No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer. | |
| What are the tax implications of investing in Shares? | <p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p> | |
| Where can I find more information? | <ul style="list-style-type: none"> • By speaking to your sharebroker, solicitor, accountant or other independent professional adviser • By reviewing DUO's public announcements, which are accessible from ASX's website at http://www.asx.com.au under the ASX code "DUO" • By visiting DUO's website at http://www.dourado.com.au • By visiting Zyber's website at www.zyber.com • By contacting Elizabeth Hunt, DUO's Company Secretary, on +61 8 9481 0389 • By contacting the Share Registry on +61 8 9324 2099. | |

6. TRANSACTION OVERVIEW

6.1 The Company

The Company is an Australian public company listed on the official list of ASX (ASX code: DUO). The Company was incorporated in May 2008 and was admitted to the official list of the ASX on 27 November 2009.

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

Since listing, the Company has predominantly operated in gold, copper and zinc exploration with a portfolio of tenements held in Western Australia, including the Mooloogool Project. Pursuant to its continuous disclosure obligations, the Company has kept the market fully informed and updated in relation to its projects. Details of these projects and the work done to date are available on the Company's ASX announcements platform. Details of the Company's most recent activities in these areas are set out in its Annual Report lodged with ASX on 24 September 2015 and its Quarterly Activities Report lodged with ASX on 27 October 2015.

In addition to its principal business activities, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas, which have the potential to deliver strong future growth for Shareholders. The Company has obtained seeking shareholder approval at the Annual General Meeting for the sale of the Mooloogool Project.

6.2 The Acquisition

On 2 September 2015, DUO announced to ASX that it entered into a conditional heads of agreement to acquire 100% of the issued capital of Zyber, which holds various intellectual property interests pertaining to data security and software. The Acquisition will be partially effected through Newco, a wholly owned Canadian subsidiary of DUO.

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

6.3 Key investment highlights

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

- (a) DUO Shareholders will benefit from opportunity to participate in Zyber's development of a 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) Canada is considered to have a low sovereign risk and investment friendly regulatory environment;
- (e) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a cyber security company; and
- (f) the Company will obtain ownership of the intellectual property interests pertaining to data security and software currently held by Zyber providing the Company an opportunity to diversify its interests to include the Business of Zyber which is engaged in the business of cyber security.

6.4 About Zyber

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 a secure mobile computing platform from which you can access your most sensitive or confidential data anywhere, any time, on any device, from and for any application completely secured end to end. Unlike current cloud based file sharing technologies, Zyber puts the management, audit and access controls of an enterprise's data back in the hands of IT where they belong.

Please refer to Section 8 for a more detailed summary of Zyber and the Company's proposed business following Settlement of the Acquisition.

6.5 Suspension and Re-admission to ASX

As DUO is currently focussed on mineral exploration, the Acquisition, if successfully completed, will represent a significant change in the nature and scale of DUO's operations to a cyber security company focused on developing the Business.

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

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

In accordance with ASX guidelines, DUO's Shares have been placed in suspension from trading from 30 November 2015 (the date of the Annual General Meeting).

The Shares will not be reinstated to Official Quotation until DUO has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List.

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

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

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

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

6.6 Shareholder Approval of Acquisition Resolutions

DUO has held the Annual General Meeting with the additional purpose of seeking the approval of Shareholders to a number of resolutions required to implement the Acquisition.

It is a condition to completion of the Acquisition that each of the following resolutions is approved by Shareholders:

- (a) the significant change in the nature or scale of the Company’s activities to become a cyber security company, for which Shareholder approval is required under ASX Listing Rule 11.1.2;
- (b) the consolidation of the Company’s capital on a 1:5 basis;
- (c) the issue of up to 140,000,000 Shares to the Zyber Shareholders (**Consideration Shares**) and up to 29,920,000 Options to the Zyber Warrantholders (**Consideration Options**) in consideration for 100% of the Zyber Securities;
- (d) the issue of Shares under the Offer; and
- (e) the issue of Performance Rights to Messrs Clay Epstein, Jason Tomkinson and Peter Wall,

(each, an **Acquisition Resolution**).

The Company confirms that Shareholders approved each of the Acquisition Resolutions at the Annual General Meeting.

6.7 Change of Name

Subject to completion of the Acquisition, the Company will change its name to “Zyber Holdings Ltd” on Settlement of the Acquisition, which in DUO’s opinion will be better suited to DUO’s new strategic direction.

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

7. DETAILS OF THE OFFER

7.1 The Offer

Pursuant to this Prospectus, the Company will be offering up to 120,000,000 Shares at an issue price of \$0.05 per Share to raise up to \$6,000,000.

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

(a) **Minimum subscription**

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

If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all Application monies for the Shares applied for under the Offer within the timeframe prescribed under the Corporations Act, without interest.

(b) **Not underwritten**

The Offer is not underwritten.

(c) **Minimum application amount**

Applications under the Offer must be for a minimum of \$2,000 worth of Shares (40,000 Shares) and thereafter, in multiples of \$200 worth of Shares (4,000 Shares).

(d) **Eligible participants**

To participate in the Offer you must be a resident of Australia or a sophisticated investor in Hong Kong or Singapore. See Section 7.11 for further details.

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

(e) **Quotation and trading**

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

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

7.2 Cleansing Offer

This Prospectus also includes an offer of one Share, which shall remain open (unless closed earlier at the discretion of the Directors) for a period of 12 months from the date of the Company's re-admission to the Official List (**Cleansing Offer**).

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

issued by the Company between the date of this Prospectus and the date that is 12 months after the date of re-admission to the Official List.

7.3 Purpose of the Offer

The primary purpose of the Offer is to:

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

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

7.4 Use of Funds

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

| | Funds to be raised under the minimum subscription to the Offer (\$3,000,000) | Percentage of Funds | Funds to be raised under the full subscription of the Offer (\$6,000,000) | Percentage of Funds |
|---|--|---------------------|---|---------------------|
| Existing cash reserves ¹ | \$400,000 | 11.76% | \$400,000 | 6.25% |
| Funds raised from the Public Offer | \$3,000,000 | 88.24% | \$6,000,000 | 93.75% |
| TOTAL | \$3,400,000 | 100% | \$6,400,000 | 100% |
| Expenses of the Offer ² | \$377,000 | 11.09% | \$560,000 | 8.75% |
| Engineering development | \$1,000,000 | 29.41% | \$2,000,000 | 31.25% |
| Research and development | \$500,000 | 14.71% | \$1,000,000 | 15.63% |
| Sales and marketing | \$500,000 | 14.71% | \$1,000,000 | 15.63% |
| Working capital and corporate administration ³ | \$1,023,000 | 30.09% | \$1,840,000 | 28.75% |
| TOTAL | \$3,400,000 | 100% | \$6,400,000 | 100% |

Notes:

- 1 Refer to the Investigating Accountant's Report set out in Section 11 of this Prospectus for further details.
- 2 Refer to Section 14.9 of this Prospectus for further details in relation to the expense of the Offer.
- 3 This includes corporate overheads, ASX fees, audit fees, rent and general administration costs.

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

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

If DUO raises less than the full subscription amount of \$6,000,000 under the Offer, it is intended that funds will be allocated firstly to the expenses of the Offer, and then scaled back pro rata among the remaining items of expenditure.

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

It should be noted that the Company may not be self-funding through its own operational cash flow at the end of the two year period referred to above. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding.

7.5 Taxation

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

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

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

7.6 Applications

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

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Offer Closing Date**, which is currently scheduled to occur on 14 December 2015.

Applications under the Offer must be accompanied by payment in full in Australian currency by cheque in accordance with the instructions set out in the Application Form.

The Company reserves the right to close the Offer early.

If you require assistance in completing an Application Form, please contact the Share Registry on +61 8 9324 2099.

7.7 Issue of Shares and Allocation Policy

(a) General

Subject to the satisfaction of each of the Conditions (see Section 2.5), the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date and in accordance with the timetable set out in Section 3.

(b) Offer

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

There is no guaranteed allocation of Shares under the Offer.

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

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

(c) Defects in applications

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

(d) Interest

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

7.8 ASX listing

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

such, the Shares may not be able to be traded for some time after the close of the Offer.

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

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

7.9 Clearing House Electronic Sub-Register System and Issuer Sponsorship

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

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

Electronic sub-registers also mean ownership of Shares can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in DUO during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

7.10 Applicants outside Australia – general information

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

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

If you are outside Australia, it is your responsibility to ensure compliance with all laws of any country relevant to, and obtain all necessary approvals for, the issue of the Shares pursuant to this Prospectus. The return of a completed Application

Form will be taken by DUO to constitute a representation and warranty by you that there has been no breach of any such laws and all relevant approvals have been obtained.

The Offer may be extended to institutional investors in certain foreign countries as contemplated in Section 7.11.

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

The Offer does not and will not constitute an offer of Shares in the US. Furthermore, no person ordinarily resident in the US is or will become permitted to submit an Application Form. If the Company believes that any Applicant is ordinarily resident in the US, or is acting on behalf of a person or entity that is ordinarily a resident of the US, the Company will reject that applicant's application.

7.11 Applicants outside Australia – Hong Kong and Singapore

This document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the

Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

7.12 Enquiries

If you have any queries in relation to the Offer, please contact Elizabeth Hunt, the Company Secretary on +61 8 9481 0389.

8. COMPANY OVERVIEW

8.1 Business Overview and Future Direction of DUO

As detailed in Section 6.1, since listing, the Company has focused on mineral exploration, with its principle focus being on exploration of the Mooloogool Project in Western Australia. Further information can be found on DUO's website, <http://www.dourado.com.au>.

As announced on 2 September 2015, DUO entered into a conditional heads of agreement to acquire 100% of the issued capital of Zyber. The Acquisition will be partially effected through Newco, a wholly owned Canadian subsidiary of DUO.

Upon Settlement of the Acquisition, the Company's focus will shift from mineral exploration in Western Australia to development of the Zyber Business. As such, the Mooloogool Project is not considered material in the context of the Offer.

8.2 Background on Zyber

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.

We believe, once complete, Zyber's technology will provide the ultimate in control and security without leaving a digital footprint on anyone's device. Zyber considers that its technology will be the only solution that can virtually eliminate the negligent end user as a threat to the security of mobile networks. Once the complete Zyber product is deployed, if a negligent end user loses or otherwise compromises a device, it will contain no data.

Further information on Zyber's technology, intellectual property, business model and the cyber security industry is set out below.

8.3 Description of the Zyber Business and technology

Almost all desktop virtualization competitors take a centralized approach that does not take advantage of the powerful processing capabilities of today's end point devices. Zyber takes advantage of all the processing capabilities within a network and consequently is much less expensive than centralized Virtual Desktop Infrastructure (**VDI**), which by definition must replicate all the end point processing power within an enterprise. Yet an enterprise already has sunk costs in all the computers that it has purchased over time. Zyber simply leverages these assets and then centrally manages all aspects of the desktop.

It is the centralized management and the ability to update software from a central point and push out the changes to end point devices, which reduces operating costs dramatically for desktops. Typically operating costs (OPEX) of a desktop are much higher than capital expenditures (CAPEX), during the lifetime of a unit.

Zyber's centralized approach to file syncing technology means that an enterprise can bring in a secure file sharing (**SFS**) appliance internally, as opposed to a remote managed service somewhere in the cloud. The Zyber USB Virtual Desktop (**UVD**) technology integrates with Zyber SFS technology.

Zyber intends to build a centralized VDI for the Mobile and Desktop marketplaces. Part of Zyber's value proposition is that we intend to utilize open source components and commodity hardware, greatly reducing software licensing and hardware costs.

There are four proposed stages to the development of the Zyber technology. Stage 1 of the technology has been developed and deployed in proof of concept trials and beta testing with one company and Stage 2 is currently in testing with one customer. The results of the testing have been positive and Zyber is targeting a full deployment of this technology with this customer in 2016.

Stage 3 and Stage 4 are planned for development and are targeted to be released in early 2016 and mid-2016 respectively.

Zyber expects to initiate an additional three significant beta test customers in Q1, 2016, with an aim to be revenue producing by Q3, 2016.

Further information on each of the four stages is set out below:

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

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 data in a vulnerable state.

(b) **Stage 2 – Secure File Sharing (SFS)**

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. 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 SFS product provides for security both at rest and in transmission.

Zyber's SFS solution is currently in testing with a potential client in the retail sector in Canada.

(c) **Stage 3 – Open Source Virtualization (OVA)**

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

As designed, we expect Zyber's OVA to represent a significant evolution in mobile security by removing the negligent end user as a threat to enterprise networks. Zyber's OVA design eliminates the need to send

files over the internet, or to mobile devices. 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. Therefore, if a device is lost, it contains no data.

(d) **Stage 4 – Mobile Touch Virtualization (MTV)**

The Zyber MTV is intended to enhance the user's Windows experience on Android and IOS devices in a secure manner without the risk of compromise of data. Zyber's MTV is also intended to allow independence for the end user from any specific technology choice.

8.4 Intellectual Property Strategy

Zyber is preparing four provisional patent applications for lodgment in the United States and relevant international markets in relation to its technology. These patents cover the areas of:

- (a) a more efficient process for the delivery of roaming profiles;
- (b) private cloud server appliance allowing for super high density "hybrid-persistent" virtual work environments;
- (c) secure delivery of virtualized applications; and
- (d) a process for utilizing Windows based environments on iOS or Android devices.

Zyber anticipates that another area of patent applications will be in the management of encryption keys for shared file systems. Zyber executives have significant encryption management expertise to facilitate the drafting and submission of patent applications in this area.

The patent applications have not yet been lodged with the United States Patent and Trademark Office due to the cost involved and the prioritization of expenditure focusing on development and operational aspects of the business. After the completion of the Acquisition, Zyber expects to engage Intellectual Property legal counsel and finalize and submit provisional patent applications in the US and relevant international markets.

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. Further details of this intellectual property risk are set out in Section 9.2(b).

8.5 The Cyber Security Industry

The market in which Zyber is operating, the enterprise file sharing services (**EFSS**) market, has grown rapidly in the past few years with over 140 companies currently offering services and technology in this space.

EFSS refers to a range of on-premises or cloud-based capabilities that enables individuals to synchronize and share documents, photos, videos and files across mobile devices, such as smartphones, tablets and PCs. Sharing can happen between people (for example, partners and customers) within or outside the organization, or on a mobile device, as data sharing among apps. Access to files in enterprise repositories (such as file servers and content platforms) from

mobile devices or remote PCs extends user productivity and collaboration to modern use cases. Security and collaboration support are critical aspects for enterprises to adopt EFSS.

Participants in the EFSS market include companies that have exclusively end point solutions (such as Zyber) as well as others who are currently offering these solutions as part of a broader package of software products and services. Whilst the number of EFSS participants has resulted in a highly competitive industry, Zyber considers that there is opportunity to obtain a competitive advantage by focusing on the benefits that the Zyber technology can offer, resulting in a product that is not directly in competition with most of the offerings in the market.

One underlying reason for the significant growth of the EFSS market is the increasing importance of cyber security for all businesses and organisations, particularly in light of the popularity of mobile devices.

EFSS has become a priority for organizations to enable a modern, digital workplace for employees, partners and even clients. Organizations are increasingly investing in enterprise-class capabilities such as EFSS, which complement mobile productivity and collaboration features with data protection, security and compliance. Initially, organizations aim to stem the widespread usage of personal cloud services at work and the relative threats. Eliminating "shadow IT" from their environment is not the only achievement, though. Progressively, organizations discover that EFSS represents a modern alternative to traditional, cumbersome IT tools (such as FTP servers, email attachments, fragmented file servers and so on), and it can help to back up/synchronize client devices.

Regarding recurrent revelations about pervasive surveillance activities (for example, see the U.S. National Security Agency/Central Security Service's PRISM program for computer and network surveillance and data mining), some organizations do not trust cloud solutions for which the supplier holds the encryption keys and data. Sharing files across devices and people, and even outside the organization, requires granular controls to protect data during access and use.

The cost of EFSS can be high, especially for public cloud offerings that include cloud storage in the bundle. Prices are dropping, however, partly because large cloud providers, such as Google and Microsoft, offer a large amount of cloud storage for a limited price or free of charge. Most offerings are based on a subscription model (per user, per month) and on certain parameters, such as the number of users, storage per user and so on. The typical price for an average public cloud configuration ranges between \$10 and \$40 per user, per month.

Zyber anticipates that the EFSS industry will undergo significant consolidation in the next few years. This will result in greater barriers to entry for new participants, and is one driver for Zyber in its goal to commercializing its technology as soon as possible to take advantage of current market growth and relatively lower barriers to entry.

8.6 Zyber Business Model

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

(a) Pricing and Positioning Strategy

The SFS and OVA products are intended to be priced primarily using the subscription pricing model. This model is a monthly recurring revenue service model.

Subscription fees using this model are intended to be tiered depending on the number of end users, with reduced fees for larger volumes of users. The targeted customers will include medium to large enterprises looking for a monthly operation cost for the Zyber functionality.

Zyber also intends to sell UVD devices with loaded Zyber software for a one-time charge and annual maintenance fee, but these devices will almost always be integrated to backend Zyber servers, which manage and control the devices.

Where appropriate, Zyber may also use:

- (i) the product licensing model for larger enterprises that treat software purchase as capital expenditure. This will involve an upfront purchase price with an ongoing maintenance fee; and
- (ii) the value added reseller (**VAR**) model, whereby monthly subscription fees are split between Zyber and the seller. The advantage of this model is the potential for dramatic expansion of the Zyber customer base.

(b) Distribution Strategy

Zyber products and services are intended to be primarily distributed through a VAR channel distribution strategy. In the short-term, we intend to approach larger customers directly, but the long-term sales strategy will be to use indirect sales distribution channels. Each version of our product set will build upon the previous version and will likely use similar channels.

Distribution channels on a per version basis are as follows:

SFS for the enterprise is intended to be sold by these VAR channels:

- (i) Direct Sales – SFS appliances may be sold direct to enterprises by Zyber sales people, to prove the cost effectiveness and the marketability of SFS to the channel, and for the channel to have reference accounts. These accounts will eventually be handed over to our VAR community;
- (ii) Managed Service Providers (**MSP**) and Internet Service Providers (**ISP**) – With Desktop as a Service (**DaaS**) services need a secure and cost effective file sync service as an add on to DaaS services;
- (iii) MSPs and ISPs – Without DaaS Services but wanting to provide a secure “DropBox-like” solution will need SFS; and

- (iv) System Integrators – Specializing in security solutions and Virtual Desktop Infrastructure solutions are ideal channel partners for SFS.

UVD is intended to be sold through the following channels:

- (i) Direct Sales – The UVD solution may be sold direct to large enterprises by Zyber sales people initially, but this is to prove the cost effectiveness and the marketability of UVD to the channel, and for the channel to have reference accounts. These accounts will eventually be handed over to our VAR community;
- (ii) SanDisk Enterprise Sales – We intend to partner with the provider of our UVD Hardware, SanDisk, to leverage their enterprise sales channels and help their sales reps sell more hardware via the integration of our enterprise class software;
- (iii) System Integrators – Like IBM Global Services and HP that manage large physical desktop deployments for large enterprises and are paid on a fixed rate contract, can dramatically reduce their costs through the implementation of UVD;
- (iv) DaaS Providers – MSPs that have shied away from conventional centralized DaaS due to high capital costs, now have a cost effective UVD decentralized/centralized DaaS solution through Zyber, which absolutely has the lowest cost of entry.

OVA is intended to be sold through the following channels:

- (i) System Integrators – Specializing in virtualization solutions for SMEs and for Graphic intense Operations for Medicine & Engineering;
- (ii) ISPs and MSPs – may buy appliances and provide DaaS Services to small to medium enterprises (**SME**);
- (iii) Direct Sales if required – Appliances may be sold direct to large enterprises that have “bring your own device” initiatives by Zyber sales people initially, but this is to prove the cost effectiveness and the marketability of OVA to the channel, and for the channel to have reference accounts. These accounts will eventually be handed over to our VAR community. However it is anticipated that the existing Zyber VAR Channel for its SFS and UVD will be able to effectively introduce OVA.

MTV is intended to be sold through the following channels:

- (i) System Integrators – Specializing in mobile solutions and virtualization solutions for BYOD initiatives and banking targets;
- (ii) Cellular Service Providers (**CSPs**) – to sell MTV as a security upgrade;
- (iii) Direct Sales – MTV may be sold direct to supply chains and medical networks by Zyber sales people initially, but this is to prove the cost effectiveness and the marketability of MTV to the

channel, and for the channel to have reference accounts. These accounts will eventually be handed over to our VAR community. However it is anticipated that the existing Zyber VAR channel for its other technologies will be able to effectively introduce MTV.

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

8.7 Key Dependencies of the Business Model

The key factors that the Company will depend on to meet its objectives are:

- (a) completion of the Offer to enable funding of the continued development of the Zyber technology;
- (b) completion of expanded beta testing of the UVD and SFS technology. Refer to Section 8.3 for further details;
- (c) ability to establish key VAR relationships. Refer to Section 8.6 for further details;
- (d) ability to protect its intellectual property in the Business. Refer to Section 8.4 above for further information on Zyber's intellectual property strategy;
- (e) establishment of corporate identity and trademarks;
- (f) recruitment of staff and acquisition of infrastructure necessary to commercialise and sell the product;
- (g) successful completion of the OVA and MTV technology. Refer to Section 8.3 for further details; and
- (h) ability to successfully compete with other EFSS providers and achieve sufficient sales of the Zyber product offerings to enable revenue production. Refer to Section 8.5 and 8.6 for further details.

8.8 Growth Strategy

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

- (a) allocating cash and non cash resources to rapidly complete development the technology and establish effective sales networks;
- (b) adopting appropriate portfolio and risk management policies to achieve operating efficiencies and maximise returns for investors; and
- (c) ensuring the application of appropriate debt levels with a view to providing acceptable risk-adjusted return.

8.9 Funding

The funding for the Company for the two years following re-admission to the Official List of ASX will be met by the offer of Shares pursuant to the Offer under this Prospectus and by the Company's existing cash reserves (see Section 7.4 for

further details). As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of securities and/or from debt funding.

8.10 Financial Information

(a) Historical financial information

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

- (i) the audited Statement of Financial Position of DUO as at 30 June 2015;
- (ii) the audited Statement of Financial Position of Zyber as at 30 September 2015; and
- (iii) the reviewed pro-forma Statement of Financial Position of DUO (after Settlement of the Acquisition) as at 30 September 2015.

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

The full financial statements for DUO for its financial year ended 30 June 2015 and half year ended 31 December 2014, which include the notes to the financial statements, can be found from DUO's ASX announcements platform on www.asx.com.au.

(b) Forecast

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

8.11 Dividend Policy

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

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

8.12 Capital Structure

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

| SHARES | Number |
|---|--------------------|
| Shares currently on issue (pre-Consolidation) | 586,235,041 |
| Post Consolidation Shares currently on issue | 117,247,008 |
| Consideration Shares to be issued to Zyber Shareholders at settlement of the Acquisition ^{1,2} | 140,000,000 |
| Shares to be issued pursuant to the Offer ³ | 120,000,000 |
| TOTAL SHARES | 377,247,008 |

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 88,086,901 of these Shares will be issued as Exchangeable Shares.
2. DUO 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 DUO Shares on a one-for-one basis at the election of the holder. The Company estimates that no more than 33,976,375 (on a post-Consolidation basis) of these shares will be issued as Exchangeable Shares. Further information on the milestones is set out in Section 13.1 below.
3. This assumes that the maximum subscription of \$6,000,000 is raised under the Offer. If the Company raises the minimum subscription of \$3,000,000, only 60,000,000 Shares will be issued pursuant to the Offer.

| OPTIONS | Number |
|--|-------------------------|
| Options currently on issue (pre-Consolidation) | 54,045,306 ¹ |
| Post Consolidation Options currently on issue | 10,809,061 |
| Consideration Options to be issued to the Zyber Warrantheolders ² | 29,920,000 |
| Options to be issued to Joint Lead Managers | 10,000,000 |
| TOTAL OPTIONS | 50,729,061 |

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 section 14.3.
3. The Options will be issued pursuant to the mandate summarised in section 13.3 (subject to the receipt of prior shareholder approval in general meeting). The Options will have an exercise price of \$0.10 each and expiry date of four (4) years from their date of issue.

| PERFORMANCE RIGHTS | Number |
|--|-------------------|
| Total Performance Rights currently on issue | Nil |
| Performance Rights to be issued to DUO Directors | 30,000,000 |
| TOTAL PERFORMANCE RIGHTS | 30,000,000 |

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

8.13 Substantial Shareholders

As at the date of this Prospectus, no Shareholders hold 5% or more of the total number of Shares on issue.

On completion of the Acquisition and the Offer (assuming minimum subscription under the Offer), the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

| Shareholder | Shares | % |
|--|------------|--------|
| Blue Cove Capital Corporation ¹ | 48,452,226 | 12.84% |

Notes:

1. Blue Cove Capital Corporation (an entity controlled by Jason Tomkinson) has an interest in approximately 34.61% of the issued capital of Zyber, and accordingly will be issued approximately 48,452,226 Shares at Settlement of the Acquisition. The Company has also agreed to issue 10,000,000 Performance Rights to Jason Tomkinson.

8.14 Restricted Securities

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

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

The Company has applied to the ASX for a waiver from certain restriction requirements that might otherwise apply to Consideration Shares and Consideration Options on the basis that a majority of the Vendors:

- (a) paid cash for their Zyber Shares; and
- (b) have held their Zyber Shares and Zyber Warrants for a substantial period of time prior to the Acquisition of Zyber by the Company.

Subject to this waiver, a proportion of the Consideration Securities may be restricted from trading for a period of up to 24 months after the date of re-admission of the Company to the Official List. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

Additionally, pursuant to the Share Exchange Agreements, the majority of the Vendors have agreed to a voluntary escrow period on the Consideration Securities for a period of twelve months after completion of the Acquisition.

8.15 Top 20 Shareholders

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

9. RISK FACTORS

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

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

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

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from Zyber, parties contracted or associated with Zyber and the Heads of Agreement and other agreements, including, but not limited to, those summarised in this Prospectus. The risks and uncertainties described below are not intended to be exhaustive. The summary of risks that follows is not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company, Zyber and their related entities and consequently Applicants. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire all Zyber's Shares are as follows.

9.1 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

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.

9.2 Risks specific to Zyber's business

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

(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.

9.3 General risks

(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 the Offer. 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.

9.4 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.

10. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

10.1 Directors and key personnel of the Company

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

- (a) Mr James Ellingford (Non-Executive Chairman & Director);
- (b) Mr Paul Callander (Non-Executive Director); and
- (c) Mr Peter Wall (Non-Executive Director).

It is proposed that upon Settlement of the Acquisition:

- (a) Mr Clay Epstein will join the Board as the CEO/Managing Director;
- (b) Mr Jason Tomkinson and Ms Charly Duffy will join the Board as Non-Executive Directors;
- (c) Mr Peter Wall will continue as a Director as the Non-Executive Chairman;
- (d) Mr Paul Callander will continue as a Director in his current role; and
- (e) Mr James Ellingford will resign.

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

10.2 Current Directors of the Company

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

James Ellingford (Non-Executive Chairman & Director)

Dr Ellingford's professional life culminated in being President of an international publicly listed billion dollar business with its headquarters in Geneva, Switzerland and New York, USA. He has vast experience in the international arena and has successfully developed close ties with both financial institutions as well as governments throughout the world. Dr Ellingford holds a Post Graduate in Corporate Management, a Masters in Business Administration as well as a Doctorate in Management. Dr Ellingford is also currently Non-Executive Chairman of Victory Mines Limited (ASX: VIC).

As set out in Section 10.1, Mr Ellingford will resign on Settlement of the Acquisition.

Paul Callander (Non-Executive Director)

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

He has been involved with a number of publicly listed U.S. companies as part of the executive management team running Asia Pacific operations with various electronic commerce and software solutions.

As set out in Section 10.1, Mr Callander will remain on the Board in his current role on Settlement of the Acquisition.

Peter Wall (Non-Executive Director)

Mr Peter Wall LLB BComm MAppFin FFin is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.

Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on technology, equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions. Mr Wall is a director of a number of other ASX listed companies.

As set out in Section 10.1, Mr Wall will remain on the Board on Settlement of the Acquisition and will be appointed as the Non-Executive Chairman of the Board.

Elizabeth Hunt (Chief Financial Officer and Company Secretary)

Ms Hunt BSc, MAcc, GIA(Cert), GAICD has over fifteen years' corporate and accounting experience with a particular interest in governance. Ms Hunt's knowledge includes IPO management, governance & risk, company secretarial matters, ASX listing requirements, ASIC and other statutory reporting requirements, and financial accounting and reporting.

Ms Hunt holds a BSc degree in Sustainable Development and has completed a Master of Accounting, the Governance Institute of Australia Certificate in Governance and Risk Management, and is a Graduate of the Australian Institute of Company Directors.

Ms Hunt is Managing Director of Mining Corporate Pty Ltd and Company Secretary of a number of ASX listed companies.

10.3 Proposed Directors

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

Clay Epstein - (Proposed Chief Executive Officer and Managing Director)

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 (Proposed Non-Executive Director)

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 (Proposed Non-Executive Director)

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.

10.4 Zyber Advisory Committee

Paul Assaly

Mr. Assaly is currently one of the most senior sales executives with the second largest Canadian telecommunications services company TELUS and was recently awarded TELUS's most prestigious National Leadership Award in Sales and Marketing, TELUS Executive of the Year. He has been with TELUS for over nine years and is responsible for some of TELUS' largest accounts.

Prior to TELUS, Mr. Assaly worked for Bell Canada, Canada's largest Telecommunications Company, Alcatel/Lucent and various start-ups in the technology sector

10.5 Zyber Senior Management

Tony Louie - Sales Lead

Mr. Louie is a seasoned sales and business development professional with a strong track record spanning 25 years at some of the world's top technology companies like Cisco Systems, AT&T, NCR and TELUS.

In Mr. Louie's nine-year career at Cisco, he was consistently rated as the top performer covering industries like service providers, enterprise, commercial and channel partners.

Karim Noorani - Product Manager

Mr. Noorani is a certified project management professional (PMP) with more than two decades of experience in delivering large scale software projects.

For the last seven years, Mr. Noorani has been working on IT projects for TELUS and has held quality assurance management roles with a number of organizations like Cogent Health Solutions and E-xact Transactions.

10.6 Personal Interests of Directors

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

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

| Director | Remuneration for year ended 30 June 2014 | Remuneration for year ended 30 June 2015 | Proposed remuneration for current financial year | Shares | Options | Performance Rights |
|-------------------------------|--|--|--|------------|-----------|--------------------|
| Existing Directors | | | | | | |
| James Ellingford ¹ | \$54,625 | \$160,256 | \$10,000 per month | Nil | Nil | Nil |
| Peter Wall ² | Nil | \$30,000 | \$5,000 per month | Nil | Nil | 10,000,000 |
| Paul Callander ³ | Nil | Nil | \$3,000 per month | Nil | 5,000,000 | Nil |
| Proposed Directors | | | | | | |
| Clay Epstein ⁴ | Nil | Nil | CAD\$20,000 per month | 3,460,874 | 3,400,000 | 10,000,000 |
| Jason Tomkinson ⁵ | Nil | Nil | CAD\$15,000 per month | 48,452,226 | 4,760,000 | 10,000,000 |
| Charly Duffy ⁶ | Nil | Nil | \$3,000 per month | Nil | 5,000,000 | Nil |

Notes:

- Mr Ellingford will resign as a Director upon settlement of the Acquisition.
- Shareholder approval has been obtained at the Annual General Meeting for the issue of 10,000,000 Performance Rights to Mr Wall.
- Mr Paul Callander was appointed as a director on 2 September 2015. Shareholder approval has been obtained at the Annual General Meeting for the issue of 5,000,000 Options to Mr Callander.
- 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 pursuant to the Acquisition. Mr Epstein also holds 500,000 Zyber Warrants and will be issued 3,400,000 Consideration Options in consideration for the cancellation of his Zyber Warrants. Shareholder approval has been obtained at the Annual General Meeting for the issue of 10,000,000 Performance Rights to Mr Epstein. In addition to his salary, Mr Epstein has the ability to earn additional discretionary bonuses subject to meeting milestones to be agreed.

5. 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 pursuant to the Acquisition. Mr Tomkinson also holds 700,000 Zyber Warrants and will be issued 3,400,000 Consideration Options in consideration for the cancellation of his Zyber Warrants. Shareholder approval has been obtained at the Annual General Meeting for the issue of 10,000,000 Performance Rights to Mr Tomkinson.
6. Shareholder approval has been obtained at the Annual General Meeting for the issue of 5,000,000 Options to Ms Duffy.

DUO's Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Shareholders have approved the payment of fees to the Non-Executive Directors which in aggregate cannot exceed \$350,000 per annum, although this may be varied by ordinary resolution of the Shareholders in general meeting. The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

10.7 Director participation in the Offer

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

10.8 Agreements with Directors

The agreements the Company has entered into with Directors and Proposed Directors are contained in Sections 13.4 and 13.5.

11. INVESTIGATING ACCOUNTANT'S REPORT



RSM Corporate Australia Pty Ltd

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 92619100
F +61(0) 8 92619102

www.rsm.com.au

26 November 2015

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

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report ("Report") on Dourado Resources Limited's historical and pro forma historical financial information

Introduction

We have been engaged by Dourado Resources Limited ("DUO" or "Company") to report on the historical financial information of the Company as at and for the three years ended 30 June 2015 and of Zyber Secure Mobile Solutions Inc. ("Zyber") for the year ended 31 March 2015 and as at and for the six months ended 30 September 2015 and the pro forma historical financial information as at 30 September 2015 for inclusion in the public document in connection with the proposed acquisition of Zyber and capital raising via a prospectus of the Company, pursuant to which the Company is offering up to 120,000,000 Shares at an issue price of \$0.05 per Share to raise up to \$6,000,000 with a minimum subscription of 60,000,000 Shares to raise at least \$3,000,000 ("Public Offer") dated on or about 26 November 2015 ("Prospectus").

Expressions and terms defined in the Prospectus have the same meaning in this Report.

Background

DUO is an ASX listed company. On 2 September 2015, the Company announced that it had entered into a heads of agreement ("Heads of Agreement") to acquire 100% of the issued capital of Zyber, which holds various intellectual property interests pertaining to data security and software ("Acquisition").

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

Scope

Historical financial information

You have requested RSM Corporate Australia Pty Ltd (“RSM”) to review the following historical financial information of the Company and Zyber included in the Prospectus at the Appendix to this Report:

- the consolidated statement of comprehensive income for each of the three years ended 30 June 2015 of the Company;
- the statement of comprehensive income for the year ended 31 March 2015 and the six months ended 30 September 2015 of Zyber (Zyber was incorporated on 24 March 2014); and
- the consolidated statements of financial position as at 30 June 2015 for the Company and as at 30 September 2015 of Zyber;

together the “Historical Financial Information”. The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards (“IFRS”) and the Company’s and Zyber’s adopted accounting policies. The Historical Financial Information has been extracted from:

- the financial statements of the Company for each of the three years ended 30 June 2015, which were audited by RSM Australia Partners, in accordance with the Australian Auditing Standards (and IFRS). RSM Australia Partners issued unqualified audit opinions for each of the years ended 30 June 2015, 30 June 2014 and 30 June 2013 however the audit opinion in each year included an emphasis of matter on the Company’s ability to continue as a going concern; and
- the financial statements of Zyber for the year ended year ended 31 March 2015 and the six months ended 30 September 2015, which were audited by another auditor, in accordance with IFRS. The auditor issued unqualified audit opinions for the year ended 31 March 2015 and the six months ended 30 September 2015, however the audit opinion included an emphasis of matter on Zyber’s ability to continue as a going concern.

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

Pro forma historical financial information

You have requested RSM to review the pro forma historical consolidated statement of financial position as at 30 September 2015 referred to as “the Pro Forma Historical Financial Information”.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company and Zyber after adjusting for the effects of the subsequent events and pro forma adjustments which have occurred in the period since 30 June 2015 for the Company and since 30 September 2015 for Zyber to the date of this Report, as described in Note 1 of the Appendix to this Report. The stated basis of preparation is the recognition and measurement principles contained in IFRS applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Note 1 of the Appendix to this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position or statement of comprehensive income, and/or cash flows.

Directors' responsibility

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

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making such enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- a consistency check of the application of the stated basis of preparation, to the Historical and Pro Forma Historical Financial Information;
- a review of the Company's, Zyber's and their auditors' work papers, accounting records and other documents;
- enquiry of directors, management personnel and advisors;
- consideration of subsequent events and pro-forma adjustments described in Note 1 of the Appendix to this report; and
- performance of analytical procedures applied to the pro forma historical financial information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Historical Financial Information

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

- the consolidated statement of comprehensive income for each of the three years ended 30 June 2015 of both the Company;
- the consolidated statement of comprehensive income for the year ended 31 March 2015 and the six months ended 30 September 2015 of Zyber; and
- the consolidated statements of financial position as at 30 June 2015 for the Company and as at 30 September 2015 of Zyber;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Appendix to this Report.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in the Appendix to this Report, and comprising the consolidated statements of financial position as at 30 June 2015 for the Company and as at 30 September 2015 for Zyber are not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Appendix of this Report.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully

Andrew Gilmour
A J GILMOUR
Director

**Appendix A – Historical and Pro Forma Financial Information
Dourado Resources Limited**

**DOURADO RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2014 AND 30 JUNE 2013**

| | DUO Audited 30-Jun-15 \$ | DUO Audited 30-Jun-14 \$ | DUO Audited 30-Jun-13 \$ |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Revenue | 676 | 932 | 420 |
| Other income | 6,864 | 115,909 | 30,021 |
| Expenses | | | |
| Employee benefits expense | (16,641) | (6,244) | (62,362) |
| Exploration costs written off | (146,318) | (21,455,994) | (29,358,888) |
| Loss on disposal of investments | - | (19,251) | (99,295) |
| Share of net loss of associate entity | - | - | (41,727) |
| Impairment of investment in associate entity | - | - | (1,443,273) |
| Impairment of financial assets - available for sale | - | - | (336,927) |
| Loss on disposal of tenements | - | (19,251) | (90,629) |
| Depreciation expense | - | (4,003) | (1,557) |
| Finance costs | (14,759) | (34,995) | (13,257) |
| Company secretarial | (151,223) | (115,957) | - |
| Consultancy costs | (1,227,168) | (684,612) | - |
| Marketing | (848,720) | - | - |
| Director fees | (260,891) | (275,342) | - |
| Corporate advice | (540,600) | - | - |
| Legal fees | (74,093) | (58,626) | - |
| Other expenses | (495,275) | (641,319) | (789,441) |
| Loss before income tax expense | (3,768,148) | (23,198,753) | (32,206,915) |
| Income tax | - | - | (24,256) |
| Loss for the period | (3,768,148) | (23,198,753) | (32,231,171) |
| Other comprehensive income | - | - | - |
| Total comprehensive loss for the period | (3,768,148) | (23,198,753) | (32,231,171) |

Investors should note that past results are not a guarantee of future performance.

**Appendix A – Historical and Pro Forma Financial Information
Dourado Resources Limited**

**ZYBER SECURE MOBLIE SOLUTIONS INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015 AND
THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

| | Zyber Audited 6 months to 30-Sep-15 \$ | Zyber Audited year ended 31-Mar-15 \$ |
|---|---|--|
| Sales | - | 1,727 |
| Accounting and audit fees | (3,152) | (3,021) |
| Computer supplies | (2,781) | (4,330) |
| Management fees | (36,769) | (125,868) |
| Meals and entertainment | - | (4,221) |
| Office and miscellaneous | (2,020) | (274) |
| Professional fees | (89,524) | (8,888) |
| Rent | (12,938) | - |
| Share based compensation | - | (108,750) |
| Technical consulting fees | (98,093) | (31,215) |
| Travel and related | (2,763) | (277) |
| Website and media | (11,976) | (30,460) |
| Write-off of advance royalty | (52,527) | - |
| Total general and administrative expenses | (312,542) | (317,305) |
| Loss and comprehensive loss for the period | (312,542) | (315,578) |

*Zyber was incorporated on 24 March 2014.

Investors should note that past results are not a guarantee of future performance.

**Appendix A – Historical and Pro Forma Financial Information
Dourado Resources Limited**

**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

| | Note | Zyber Audited 30-Sep-15 | DUO Audited 30-Jun-15 | Subsequent events Unaudited 30-Sep-15 | Pro forma adjustments Unaudited 30-Sep-15 | Pro forma consolidated Unaudited 30-Sep-15 |
|--|------|-------------------------------|-----------------------------|--|--|---|
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | 3 | 24,329 | 1,203,782 | 895,237 | 5,440,000 | 7,563,348 |
| Trade and other receivables | 4 | 5,232 | 25,665 | 600,000 | (600,000) | 30,897 |
| Other assets | | 13,237 | - | - | - | 13,237 |
| TOTAL CURRENT ASSETS | | 42,797 | 1,229,447 | 1,495,237 | 4,840,000 | 7,607,481 |
| NON-CURRENT ASSETS | | | | | | |
| Deferred exploration and evaluation expenditure | 5 | - | 103,724 | (103,724) | - | - |
| Intangible assets | | 10,641 | - | - | - | 10,641 |
| TOTAL NON-CURRENT ASSETS | | 10,641 | 103,724 | (103,724) | - | 10,641 |
| TOTAL ASSETS | | 53,438 | 1,333,171 | 1,391,513 | 4,840,000 | 7,618,122 |
| CURRENT LIABILITIES | | | | | | |
| Trade and other payables | 6 | 164,419 | 1,194,128 | (470,349) | (600,000) | 288,198 |
| TOTAL CURRENT LIABILITIES | | 164,419 | 1,194,128 | (470,349) | (600,000) | 288,198 |
| TOTAL LIABILITIES | | 164,419 | 1,194,128 | (470,349) | (600,000) | 288,198 |
| NET ASSETS | | (110,981) | 139,043 | 1,861,862 | 5,440,000 | 7,329,924 |
| EQUITY | | | | | | |
| Issued capital | 7 | 539,062 | 68,137,631 | 1,965,586 | (58,800,867) | 11,841,412 |
| Accumulated losses | 8 | (650,043) | (67,998,588) | (103,724) | 64,240,867 | (4,511,488) |
| TOTAL EQUITY | | (110,981) | 139,043 | 1,861,862 | 5,440,000 | 7,329,924 |

The unaudited consolidated pro forma statement of financial position represents the reviewed consolidated statement of financial position of the Company as at 30 September 2015 adjusted for the subsequent events and pro-forma transactions outlined in Note 1 of this Appendix. It should be read in conjunction with the notes to the historical and pro forma financial information.

Appendix A – Historical and Pro Forma Financial Information Dourado Resources Limited

1. Introduction

The financial information set out in this Appendix consists of the consolidated statement of financial position as at 30 June 2015 for the Company and as at 30 September 2015 for Zyber and the statement of comprehensive income for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 for the Company and for the year ended 31 March 2015 and the six months ended 30 September 2015 for Zyber (“the Historical Financial Information”) together with a pro forma consolidated statement of financial position reflecting the Directors’ pro forma adjustments (“the Pro Forma Historical Financial Information”).

The Pro Forma Historical Financial Information has been compiled by adjusting the consolidated statements of financial position of the Company and Zyber for the impact of the following subsequent events and pro forma adjustments:

Adjustments adopted in compiling the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared by adjusting the Historical Financial Information to reflect the financial effects of subsequent events which have occurred in the period since 30 June 2015 for the Company and since 30 September 2015 for Zyber to the date of this Report as followings:

- (i) The completion of a rights issue (partly completed in June 2015) to raise a total of \$965,586 through the issue of 965,587,652 shares to existing shareholders. At 30 June 2015, 520,000,141 shares had not yet been issued and a total of \$526,831 in funds had been received and held in trust, which were released into issued capital upon settlement of the transaction and a further \$543,518 in liabilities owed by the Company was settled with a portion of the shares issued;
- (ii) The consolidation of the Company’s ordinary shares on a ratio of 5:1; and
- (iii) Completion of a share placement of 200,000,000 shares at \$0.005 per share to raise \$1 million; and
- (iv) The Company providing a loan of \$600,000 to Zyber for operating costs prior to completion of the Acquisition,

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Acquisition and the Capital Raising.

- (v) A further consolidation of the Company’s ordinary shares on a ratio of 5:1;
- (vi) Subject to completion of the Public Offer and Acquisition, the Company will no longer pursue its exploration interests and the carrying amount of the assets will be written off;
- (vii) The acquisition of 100% of the issued capital of Zyber through the issue of 140,000,000 post-consolidation ordinary DUO shares and 54,000,000 performance shares (“Consideration Shares”) and 29,920,000 options exercisable at \$0.05 per option (“Consideration Options”);
- (viii) The issue of 120,000,000 (minimum 60,000,000) post-consolidation ordinary DUO shares at \$0.05 each to raise \$6,000,000 (minimum \$3,000,000) pursuant to the Prospectus; and
- (ix) Payment of cash costs of the Public Offer estimated to be \$560,000 (minimum \$377,000).

The Pro Forma Consolidated Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in financial statements prepared in accordance with the *Corporations Act 2001*.

Appendix A – Historical and Pro Forma Financial Information Dourado Resources Limited

B Basis of Preparation

(a) Statement of compliance

The Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (AASBs), adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The significant accounting policies that have been adopted in the preparation and presentation of the Pro forma Historical Financial Information are:

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments classified at *fair value through profit or loss*, which are measured at fair value.

(c) Principals of consolidation

The historical and pro forma financial information incorporates the assets, liabilities and results of entities controlled by the Company at the end of the pro forma reporting period. A controlled entity is any entity over which the Company has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated entity have been eliminated in full on consolidation. Accounting policies of subsidiaries have been charged where necessary to ensure consistency with those adopted by the parent entity.

(d) Functional and presentation currency

The historical and pro forma financial information is presented in Australian dollars, which is the functional currency of the Company. Zyber regularly transacts in Canadian Dollars and the financial information has been converted into the function currency of the Company in accordance with IAS 21 – *The Effects of Changes in Foreign Exchange Rates*.

(e) Use of estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(f) Going concern

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

(g) Revenue recognition

The Company provides its customers hardware and software sales, installation and implementation services, staff training, and monthly access and maintenance services.

Revenue from the sale of hardware and software in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns. Revenue from the sale of hardware and software is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Appendix A – Historical and Pro Forma Financial Information Dourado Resources Limited

(g) Revenue recognition (cont.)

Revenue from the provision of services is recognised when the amount can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, and the costs incurred for the transaction and costs to complete the transaction can be measured reliably.

Monthly access and maintenance revenue is recognised over the term of the related agreement on a straight-line basis. Deferred revenues represent amounts invoiced in excess of revenues recognised.

When two or more revenue generating activities or deliverables are sold under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair values of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(i) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(j) Intangible assets

Intangible assets acquired, either individually or with a group of assets, are initially recognised and measured at cost. Intangible assets with finite lives are amortised over their estimated useful lives using the straight-line method at the following rates:

| | |
|-----------------------|---------|
| Intellectual property | 7 years |
|-----------------------|---------|

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss, or any reversal of a previously-recognised impairment loss, is recognised immediately in profit or loss.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Appendix A – Historical and Pro Forma Financial Information Dourado Resources Limited

(l) Impairment of assets

At the end of each reporting period, the consolidated entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the consolidated entity recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

De-recognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Appendix A – Historical and Pro Forma Financial Information Dourado Resources Limited

(n) Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and if recognised, the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

(o) Share-based payment transactions

The Company provides benefits to employees and other parties in the form of share based payments, whereby the employees and parties provide services in exchange for shares and other securities in the Company. The cost of the equity settled share based payment transactions is determined by reference to the fair value of the equity instruments granted assessed in accordance with AASB 2 *Share Based Payments*.

The fair value of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance/ and or service conditions are fulfilled (vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- The grant date fair value;
- The extent to which the vesting period has expired; and
- The number of equity instruments that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for equity instruments that do not ultimately vest, except for equity instruments where vesting is conditional upon a market condition.

**Appendix A – Historical and Pro Forma Financial Information
Dourado Resources Limited**

2. Reverse acquisition

The proposed acquisition of Zyber (the legal subsidiary) by the Company (the legal parent) is deemed to be a reverse acquisition as the substance of the transaction is such that the existing shareholders of Zyber will obtain control of the Company. However, the Company is not considered to meet the definition of a business under AASB 3 *Business Combinations* (AASB 3) and, as such, it has been concluded that the Acquisition cannot be accounted for in accordance with the guidance set out in AASB 3. Therefore, consistent with the accepted practice for transactions similar in nature to the Acquisition, the Acquisition has been accounted for in the consolidated financial statements of the legal acquirer (the Company) as a continuation of the financial statements of the legal acquiree (Zyber), together with a share based payment measured in accordance with AASB 2 *Share Based Payment* (AASB 2), which represents a deemed issue of shares by the legal acquiree (Zyber), equivalent to current shareholders interest in the Company post the Acquisition. The excess of the assessed value of the share based payment over the net assets of the Company has been expensed to the income statement as a listing fee.

The Company (legal parent, accounting acquiree) will issue 140,000,000 ordinary shares, 54,000,000 performance shares and 29,920,000 options to Zyber's shareholders who, as a result, will own approximately 56%¹ of the combined entity at settlement of the Acquisition prior to the Public Offer. The remaining 46% will be owned by the current shareholders of the Company.

As there is no current market for Zyber shares, the pro forma fair value of 100% of the Company is assessed as \$5,862,350 immediately prior to the Acquisition.

Consequently, a listing expense of \$3,861,445 has been expensed to the income statement which represents the excess of the deemed fair value of the share based payment less the pro forma net assets of the Company of \$2,000,905, immediately prior to settlement of the Acquisition, as set out below.

| | Note | Unaudited Pro-forma 30-Jun-15 \$ |
|--|-------------|---|
| Cash and cash equivalents | | 2,099,019 |
| Trade and other receivables | | 625,665 |
| Trade and other payables | | <u>(723,779)</u> |
| Net assets of the Company acquired on reverse acquisition | | <u>2,000,905</u> |
| Assessed fair value of asset acquired: | | |
| - Post-consolidation Company shares on issue | 7 | 117,247,008 |
| - Post-consolidation value per share under the Prospectus | | <u>\$ 0.05</u> |
| Deemed fair value of share-based payment, assessed in accordance with AASB 2 | 7 | <u>5,862,350</u> |
| Pro-forma listing expense recognised on reverse acquisition | 8 | <u><u>3,861,445</u></u> |

¹ Calculations do not reflect the impact of the performance share or options

**Appendix A – Historical and Pro Forma Financial Information
Dourado Resources Limited**

3. Cash and cash equivalents

| | Note | Audited 30-Sep-15 \$ | Unaudited Pro-forma 30-Sep-15 \$ |
|---|---------|----------------------------|---|
| Cash and cash equivalents | | 24,329 | 7,563,348 |
| Zyber cash and cash equivalents as at 30 September 2015 | | | 24,329 |
| <i>Subsequent events are summarised as follows:</i> | | | |
| Total proceeds from rights issue | 1(i) | | 965,586 |
| Monies held in trust and released to equity on completion of the rights issue | 1(i) | | (526,831) |
| Liabilities settled through the issue of shares | 1(i) | | (543,518) |
| Proceeds raised through the share placement | 1(iii) | | 1,000,000 |
| | | | <u>895,237</u> |
| <i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i> | | | |
| DUO cash and cash equivalents as at 30 June 2015 | 1(vii) | | 1,203,782 |
| Proceeds from the Public Offer pursuant to the Prospectus | 1(viii) | | 6,000,000 |
| Capital raising costs | 1(ix) | | (560,000) |
| | | | <u>6,643,782</u> |
| Pro-forma cash and cash equivalents | | | <u><u>7,563,348</u></u> |

The Prospectus has provision for subscriptions of between 60,000,000 and 120,000,000 shares to raise between \$3 million and \$6 million wherein the pro forma statement of financial position assumes the maximum \$6 million is raised. Should the minimum \$3 million be raised, the share issue costs would decrease to \$377,000 and the cash at bank balance would decrease by \$2,817,000 million to \$4,746,348.

4. Trade and other receivables

| | Note | Audited 30-Sep-15 \$ | Unaudited Pro-forma 30-Sep-15 \$ |
|---|--------|----------------------------|---|
| Trade and other receivables | | 5,232 | 30,897 |
| Zyber receivables as at 30 September 2015 | | | 5,232 |
| <i>Subsequent events are summarised as follows:</i> | | | |
| Loan from DUO to Zyber prior to the Acquisition | 1(iv) | | 600,000 |
| <i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i> | | | |
| DUO receivables as at 30 June 2015 | 1(vii) | | 25,665 |
| Elimination of loan on completion of the Acquisition | 1(vii) | | (600,000) |
| Pro-forma trade and other receivables | | | <u><u>30,897</u></u> |

**Appendix A – Historical and Pro Forma Financial Information
Dourado Resources Limited**

5. Deferred exploration and evaluation expenditure

| | Note | Audited 30-Sep-15 \$ | Unaudited Pro-forma 30-Sep-15 \$ |
|---|--------|----------------------------|---|
| Deferred exploration and evaluation expenditure | | - | - |
| Zyber Deferred exploration and evaluation expenditure as at 30 September 2015 | | | - |
| <i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i> | | | |
| DUO exploration assets as at 30 June 2015 | 1(vi) | | 103,724 |
| Write-off of deferred exploration and evaluation expenditure on completion of the Acquisition | 1(vii) | | (103,724) |
| Pro forma deferred exploration and evaluation expenditure | | | - |

Subject to completion of the Public Offer and Acquisition, the Company will no longer pursue its exploration interests and the carrying amount of the assets has been written-off on a pro forma basis.

6. Trade and other payables

| | Note | Audited 30-Sep-15 \$ | Unaudited Pro-forma 30-Sep-15 \$ |
|---|--------|----------------------------|---|
| Trade and other payables | | 164,419 | 288,198 |
| Zyber payables as at 30 September 2015 | | | 164,419 |
| <i>Subsequent events are summarised as follows:</i> | | | |
| Loan from DUO to Zyber prior to the Acquisition | 1(iv) | | 600,000 |
| Funds received for Entitlement Offer transferred to equity | 1(i) | | (526,831) |
| Settlement of amounts payable through the issue of DUO shares | 1(i) | | (543,518) |
| <i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i> | | | |
| DUO payables as at 30 June 2015 | 1(vii) | | 1,194,128 |
| Elimination of loan on completion of the Acquisition | 1(vii) | | (600,000) |
| Pro-forma trade and other payables | | | 288,198 |

**Appendix A – Historical and Pro Forma Financial Information
Dourado Resources Limited**

7. Issued capital

| | Note | Number of shares | \$ |
|---|-----------|---------------------|-------------------|
| Zyber issued share capital as at 30 September 2015 | | 1,411,174,463 | 539,062 |
| <i>Subsequent events are summarised as follows:</i> | | | |
| Completion of rights entitlement issue | 1(i) | 520,000,742 | 438,755 |
| Release of funds held in trust to equity on completion of rights issue | 1(i) | - | 526,831 |
| Elimination of shares on share consolidation at a rate of 5:1 | 1(ii) | (1,544,940,164) | - |
| Completion of share placement | 1(iii) | 200,000,000 | 1,000,000 |
| <i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i> | | | |
| Elimination of shares on second share consolidation at a rate of 5:1 | 1(v) | (468,988,033) | (1,965,586) |
| Existing post-consolidation shares at Acquisition | 2 | 117,247,008 | 539,062 |
| Shares issued to Zyber shareholders on reverse acquisition | 1(vii), 2 | 140,000,000 | 5,862,350 |
| Fully paid ordinary shares issued at \$0.05 pursuant to this Prospectus | 1(viii) | 120,000,000 | 6,000,000 |
| Cash costs associated with the share issue pursuant to this Prospectus | 1(ix) | - | (560,000) |
| | | 260,000,000 | 11,302,350 |
| Pro-forma issued share capital | | 377,247,008 | 11,841,412 |

The Prospectus has provision for subscriptions of between 60,000,000 and 120,000,000 shares to raise between \$3 million and \$6 million wherein the pro forma statement of financial position assumes the maximum \$6 million is raised. Should the minimum \$3 million be raised, the share issue costs would decrease to \$377,000 and the issued capital would decrease by \$2,817,000 million to \$9,024,412. The total number of shares on issue would be 317,247,008.

(a) Options

A total of 29,920,000 Consideration Options in the Company are to be issued as a part of the Acquisition. Using a Black Sholes valuation model, the fair value of the options to be issued has been assessed based on the following assumptions:

| | |
|-------------------------|-----------|
| Underlying share price | \$0.05 |
| Exercise price | \$0.05 |
| Expected volatility | 90% |
| Option life | 3.9 years |
| Risk-free interest rate | 1.90% |
| Value per option | \$0.032 |

**Appendix A – Historical and Pro Forma Financial Information
Dourado Resources Limited**

6. Issued capital (cont.)

(b) Performance shares

The Company will issue 54,000,000 performance shares to the shareholders of Zyber as a part of the consideration for the Acquisition. The performance shares are to be issued as three tranches of 18,000,000 with key terms as follows:

- 18,000,000 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 five enterprises/corporations who each have annualised revenues of at least \$100,000,000 and, of these, two of which have been converted into binding commercial contracts for purchase and use of a Zyber product within 12 months of Settlement;
- 18,000,000 shares to be issued in the event that Zyber generates gross revenue from sales of \$5,000,000 within 36 months of Settlement; and
- 18,000,000 Shares to be issued in the event that Zyber generates gross revenue from sales of \$10,000,000 within 59 months of Settlement.

(c) Performance Rights

Subject to shareholder approval, the Company will issue 30,000,000 Performance Rights to the directors of the Company. Each Performance Right shall vest into one ordinary share on successful completion of the Public Offer and the occurrence of:

- Each Performance Right A will convert into one share the in Company upon, within 12 months of completing the Public offer, the volume weighted average price of the Company's shares (over a 10 day trading period) being equal to or greater than \$0.0625;
- Each Performance Right B will convert into one share the in Company upon, within 24 months of completing the Public offer, the volume weighted average price of the Company's shares (over a 10 day trading period) being equal to or greater than \$0.075;
- Each Performance Right C will convert into one 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 annualised 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
- Each Performance Right D will convert into one share upon Zyber generating gross revenue from sales of \$5,000,000 within 36 months from the date of issue of the Performance Rights.

8. Accumulated losses

| | Note | Audited 30-Sep-15 \$ | Unaudited Pro-forma 30-Sep-15 \$ |
|---|-------------|-------------------------------------|---|
| Accumulated losses | | (650,043) | (4,511,488) |
| Zyber accumulated losses as at 30 September 2015 | | | (650,043) |
| <i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i> | | | |
| Pro-forma listing expense recognised on reverse acquisition | 2 | | (3,861,445) |
| Pro-forma accumulated losses | | | <u>(4,511,488)</u> |

**Appendix A – Historical and Pro Forma Financial Information
Dourado Resources Limited**

9. Related party disclosure

The Directors of DUO as at the date of this Report are Peter Wall, Mr Paul Callander and James Ellingford. James Ellingford is to resign subject to the completion of the Acquisition, following which it is intended that the Board of the Company will be comprised of Peter Wall, Mr Paul Callander, Clay Epstein, Jason Tomkinson and Charly Duffy. Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Section 10 of the Prospectus.

10. Controlled entities

| Consolidated Entities | Country of Incorporation | Pro-forma Interest held |
|------------------------------------|---------------------------------|--------------------------------|
| Dourado Resources Limited | Australia | Parent |
| Zelta Holdings Pty Limited | Australia | 100% |
| Tower Group Pty Limited | Australia | 100% |
| Abbotts Exploration Pty Limited | Australia | 100% |
| Anuman Holdings Pty Limited | Australia | 100% |
| Zyber Secure Mobile Solutions Inc. | Canada | 100% |

12. CORPORATE GOVERNANCE

12.1 ASX Corporate Governance Council Principles and Recommendations

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

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

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

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

12.2 Board of Directors

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

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

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

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

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

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

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

12.3 Composition of the Board

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

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

Following Settlement, the Board is proposed to consist of 5 members. The Company has adopted a Nominations Committee Charter, but has not formally adopted a Nominations and Remuneration Committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a Nomination and Remuneration Committee. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the Board.

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

12.4 Identification and management of risk

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

12.5 Ethical standards

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

12.6 Independent professional advice

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

12.7 Remuneration arrangements

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

by each Non-Executive Director. The current amount has been set at an amount not to exceed \$350,000 per annum.

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

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

12.8 Trading policy

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

12.9 External audit

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

12.10 Audit committee

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

12.11 Diversity Policy

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

12.12 Departures from Recommendations

Following re-admission to the Official List of ASX, DUO will be required to report any departures from the Recommendations in its annual financial report. The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out in the following pages.

| Principle / Recommendation | Commentary |
|--|--|
| Principle 1: Lay solid foundations for management and oversight | |
| <u>Recommendation 1.1</u> A listed entity should disclose: | Complies To add value to the Company the Board has been formed so that it has effective |

| | |
|---|---|
| <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | <p>composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience have been stated in the Directors' Report of the 2015 Annual Report along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment.</p> <p>The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out those delegated duties.</p> <p>In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company. To assist the Board carry its functions, it has developed a Code of Conduct to guide the Directors.</p> <p>In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.</p> <p>Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.</p> <ul style="list-style-type: none"> • Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and |
|---|---|

| | |
|--|---|
| | <p>guide the conduct of the Board.</p> <ul style="list-style-type: none"> • Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company. • Overseeing Planning Activities: the development of the Company's strategic plan. • Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company as well as ensuring timely and balanced disclosures of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities. • Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company. • Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting along with ensuring the integrity of the Company's financial and other reporting. • Human Resources: reviewing the performance of Executive Officers and monitoring the performance of senior management in their implementation of the Company's strategy. • Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety |
|--|---|

| | |
|--|--|
| | <p>systems to ensure the well-being of all employees.</p> <ul style="list-style-type: none"> • Delegation of Authority: delegating appropriate powers to the Managing Director to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board. • Monitoring the effectiveness of the Company's corporate governance practices. <p>Full details of the Board and Company Secretary roles and responsibilities are contained in the Board Charter.</p> |
| <p><u>Recommendation 1.2</u> A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> | <p>Doesn't comply</p> <p>Proposed directors are considered for appointment based on their experience. Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's operations. In addition, Directors should have the relevant blend of personal experience in:</p> <ul style="list-style-type: none"> • Accounting and financial management; and • Director-level business experience. <p>Checks such as criminal record and bankruptcy history were not undertaken in relation to the appointments of Mr Wall and Mr Callander having relied on each director's consent to act that there were no matters of this nature to disclose. However, prior to the Company's 2015 AGM, the Company will undertake these checks and disclose any adverse findings.</p> |
| <p><u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | <p>Complies</p> <p>The Company has entered into an agreement with each director setting out the terms of their appointment.</p> <p>Each non-executive director has a</p> |

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| | <p>written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees.</p> <p>Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.</p> |
| <p><u>Recommendation 1.4</u> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p> | <p>Complies</p> <p>The company secretary is accountable to the board. The board relies on the company secretary for guidance on governance matters, monitoring of board policies, preparation of board papers and any other matters required by the board.</p> <p>The duties provided by the company secretary are detailed in the agreement between the company and Mining Corporate, the company providing company secretarial services.</p> <p>The company secretary works closely with the board Chairman but is also available to each board member and each board member available to the company secretary.</p> <p>Full details of the Board and Company Secretary roles and responsibilities are contained in the Board Charter.</p> |
| <p><u>Recommendation 1.5</u> A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the</p> | <p>Complies</p> <p>The Company recognises and respects the value of diversity at all levels of the organisation. The board is committed to setting measurable objectives for attracting and engaging women at the board level, in senior management and across the whole organisation.</p> |

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| <p>entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>The Diversity Policy is available on the Company's website.</p> <p>Gender diversity objectives for the employment of women are as follows:</p> <ul style="list-style-type: none"> • to the Board – 25% • to senior management (including board and company secretary) – 20% by 2016 • to the organisation as a whole – 20% by 2015 <p>As at the date of this report, the Company has the following proportion of women appointed:</p> <ul style="list-style-type: none"> • to the Board – 0% • to senior management (including board and company secretary) – 25% • to the organisation as a whole – 25% <p>The Company recognises that diversity extends to matters of age, disability, ethnicity, marital/family status, religious/cultural background and sexual orientation. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool.</p> |
| <p><u>Recommendation 1.6:</u> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Complies</p> <p>It is the policy of the Board to conduct evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Company.</p> <p>During the financial year no formal evaluation of the performance of the board and its members was carried out. This was due to the unexpected loss of a director and a focus on the recapitalisation of the company. As the Company progresses towards its proposed new business activities, a review of board performance will be undertaken at an appropriate time.</p> <p>However, a general review of the Board and executives occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity</p> |

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| | are in place. |
| <p><u>Recommendation 1.7:</u> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Doesn't comply</p> <p>During the financial year there was no formal evaluation of individual senior executives as, other than directors, there are no senior executives appointed. Refer Recommendation 1.6 above.</p> <p>The board will establish a formal policy when appropriate.</p> |
| Principle 2: Structure the board to add value | |
| <p><u>Recommendation 2.1</u> The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(A) the charter of the committee;</p> <p>(B) the members of the committee; and</p> <p>(C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>Complies</p> <p>The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.</p> <p>The Company does not have a separate Nomination Committee but the board as a whole employs the processes and procedures set out in the Nomination Committee Charter which is summarised below. However, during the year the board did not meet as the Nomination Committee.</p> <p>Should the Company circumstances change to warrant a separate Nomination Committee, one will be established.</p> <p>The responsibilities of the Nomination Committee (or the board convening as the Nomination Committee) include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as directors for review by the Board. The Nomination Committee also oversees management succession plans including the Managing Director and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of directors. Matters such as remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of</p> |

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| | <p>independent professional advice are clearly understood by all directors, who are experienced public company directors.</p> <p>In determining candidates for the Board, the Nomination Committee follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.</p> |
| <p><u>Recommendation 2.2</u></p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>Complies</p> <p>The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages.</p> <p>The skill areas of the board are relevant to the current operations of the company and collectively include CEO/CFO/COO experience; legal; corporate governance; risk management; strategy; accounting and finance; acquisitions, human resources, technology, marketing & public relations; health & safety; community development; geology and mining.</p> <p>Subject to the outcome of the proposed acquisition, the Company will reassess any skills gaps and address them through the identification of suitable candidates and professional development. In anticipation of this change, the board has appointed Paul Callander to the board who provides relevant experience with software and technology. In addition, as foreshadowed in the announcement dated 2 September 2015, two additional, appropriately qualified directors will join the board on completion of the acquisition.</p> |

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| <p><u>Recommendation 2.3</u></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | <p>Complies</p> <p>The Company has concluded that each of the current directors is independent based on an assessment of the following criteria.</p> <p>The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. An Independent Director:</p> <ol style="list-style-type: none"> 1. is a Non-Executive Director, and; 2. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment; 3. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided; 4. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; 5. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company; 6. has no material contractual relationship with the Company or other group member other than as a Director of the Company; 7. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; 8. is free from any close family ties with any person who falls within the categories described above; and 9. has not served on the Board for a period which could, or could |
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| | <p>reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.</p> <p>Materiality for the purposes of points 1 to 9 above is determined on the basis of both quantitative and qualitative aspects with regard to the independence of Directors. An amount over 5% of the Company's expenditure or 10% of the particular directors annual gross income is considered to be material. A period of more than six years as a Director would be considered material when assessing independence.</p> <p>The length of service of each board member is:</p> <ul style="list-style-type: none"> - James Ellingford – since 9 January 2014 - Peter Wall – since 9 January 2015 - Paul Callander – since 2 September 2015 - Peter Torney – period 9 January 2014 until 9 September 2015 |
| <p><u>Recommendation 2.4</u> A majority of the board of a listed entity should be independent directors.</p> | <p>Complies</p> <p>The Board has a majority of Directors who are independent.</p> |
| <p><u>Recommendation 2.5</u> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | <p>Complies</p> <p>The Chairperson is an independent Director who is not the CEO / Managing Director.</p> |
| <p><u>Recommendation 2.6</u> A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p> | <p>Complies</p> <p>It is the policy of the Company that each new Director undergoes an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:</p> <ul style="list-style-type: none"> • details of the roles and responsibilities of a Director; • formal policies on Director appointment as well as conduct and contribution expectations; • a copy of the Corporate |

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| | <p>Governance Statement, Charters, Policies and Memos and</p> <ul style="list-style-type: none"> • a copy of the Constitution of the Company. <p>In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board has implemented an Ongoing Education Framework.</p> |
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Principle 3: Act ethically and responsibly

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| <p><u>Recommendation 3.1</u></p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p> | <p>Complies</p> <p>As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole.</p> <p>A copy of the Code of Conduct is published on the Company website.</p> |
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Principle 4: Safeguard integrity in corporate reporting

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| <p><u>Recommendation 4.1</u></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and</p> <p>(v) experience of the members of the committee; and</p> <p>(vi) in relation to each reporting period, the number of times the committee met throughout</p> | <p>Complies</p> <p>The Company does not have a separate Audit Committee but the board as a whole employs the processes and procedures set out in the Audit Committee Charter. The responsibilities of the Audit Committee (or the board convening as the Audit Committee) is published on the Company website.</p> <p>However, during the year the board did not meet as the Audit Committee.</p> <p>Should the Company circumstances change to warrant a separate Audit Committee, one will be established.</p> |
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| <p>the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | |
| <p><u>Recommendation 4.2</u></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>Complies</p> <p>As the Company has no Managing Director or Chief Financial Officer, the declaration is provided by the Chairman and Company Secretary to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p> |
| <p><u>Recommendation 4.3</u></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> | <p>Complies</p> <p>In accordance with Section 250RA of the Corporations Act 2001, the external auditor is required to attend every AGM for the purpose of answering questions from security holders relevant to the audit.</p> |
| <p>Principle 5: Make timely and balanced disclosure</p> | |
| <p><u>Recommendation 5.1</u></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>Complies</p> <p>The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.</p> <p>In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.</p> <p>A copy of the Company's continuous</p> |

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| | disclosure policy is published on the website. |
| Principle 6: Respect the rights of security holders | |
| <u>Recommendation 6.1</u> A listed entity should provide information about itself and its governance to investors via its website. | Complies The Company provides information on its website including director information, ASX announcements, project information, corporate governance policies and its constitution. The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. |
| <u>Recommendation 6.2</u> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | Doesn't comply Refer Recommendation 6.1. The Company communicates effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company. Should the future operations of the Company require a formal investor relations program, one will be established. |
| <u>Recommendation 6.3</u> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | Complies The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to making it easy for shareholders to participate in general meetings of the Company and ensuring the attendance of the external auditor at the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report of future Annual Reports. |
| <u>Recommendation 6.4</u> A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically. | Complies All new shareholders receive correspondence will allows they to elect to receive communications electronically. An election form is also sent to all shareholders periodically. Additionally, a shareholder can, at any |

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| | time, contact the share registry to make this election. |
| Principle 7: Recognise and manage risk | |
| <p><u>Recommendation 7.1</u></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(A) the charter of the committee;</p> <p>(B) the members of the committee; and</p> <p>(C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>Complies</p> <p>The role of a Risk Committee is to help the board recognise and manage risk.</p> <p>The Company does not have a separate Risk Committee but the board as a whole employs the processes and procedures set out in the Risk Management Strategy which is summarised below. However, during the year the board did not meet as the Risk Committee.</p> <p>Should the Company circumstances change to warrant a separate Risk Committee, one will be established.</p> <p>The responsibilities of a Risk Committee (or the board convening as the Risk Committee) are set out in the Risk Management Strategy published on the Company website.</p> <p>The objectives of the Company's Risk Management Strategy are to identify risks to the Company; balance risk to reward; ensure regulatory compliance is achieved; and ensure senior executives, the Board and investors understand the risk profile of the Company.</p> <p>The Board monitors risk through various arrangements including regular Board meetings; share price monitoring; market monitoring; and regular review of financial position and operations.</p> |
| <p><u>Recommendation 7.2</u></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>Doesn't comply</p> <p>Given the limited operations of the Company during the year, the board has not undertaken a review of the risk management framework.</p> <p>At the completion of the proposed acquisition, the profile of the Company's risks will change and a complete review of risks will be undertaken.</p> <p>In addition the Company has undertaken a thorough due diligence process in relation to the proposed</p> |

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| | acquisition as part of the Company's overall risk management responsibilities. |
| <p><u>Recommendation 7.3</u></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>Complies</p> <p>The Company does not have an internal audit function due to its size and limited current operations.</p> <p>Risks and internal controls are continuously monitored by all directors through numerous mechanisms such as weekly review of the cash and creditor position; monthly tenement status reports; and monthly board meetings.</p> <p>The Company has identified that at the completion of the proposed acquisition, the profile of the Company's risks will change and a complete review of risks will be undertaken including identification of any areas requiring improvement.</p> |
| <p><u>Recommendation 7.4</u></p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>Complies</p> <p>The Company does not have any material exposure to economic, environmental or social sustainability risks.</p> <p>The Company however, continues to closely monitor its cash position to early identify any economic risks that could arise. Additionally, the acquisition of Zyber may expose the Company to some foreign exchange risk but this will be monitored.</p> <p>The Company's current exploration operations are subject to strict environmental guidelines, all of which are adhered to.</p> |
| Principle 8: Remunerate fairly and responsibly | |
| <p><u>Recommendation 8.1</u></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an</p> | <p>Complies</p> <p>The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate and transparent process for establishing remuneration levels and incentive policies for employees.</p> <p>The Company does not have a separate Remuneration Committee but the board</p> |

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| <p>independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>as a whole employs the processes and procedures set out in the Remuneration and Nomination Committee Charter which is summarised below. However, during the year the board did not meet as the Remuneration Committee.</p> <p>Should the Company circumstances change to warrant a separate Remuneration Committee, one will be established.</p> <p>The responsibilities of a Remuneration Committee (or the board convening as the Remuneration Committee) are set out in the Remuneration and Nomination Committee Charter published on the Company website.</p> <p>Full details regarding the remuneration of Directors has been included in the Directors' Report of the 2015 Annual Report.</p> |
| <p><u>Recommendation 8.2</u></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>Refer to the Remuneration Report section of the 2015 Annual Report.</p> |
| <p><u>Recommendation 8.3</u></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>The Company does not have an equity-based remuneration scheme.</p> |

13. MATERIAL CONTRACTS

13.1 Heads of Agreement

DUO 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 DUO, through a wholly owned Canadian subsidiary of DUO, Newco, has agreed to acquire all of the shares in Zyber, subject to the satisfaction of certain conditions precedent set out below.

The material 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 Prospectus are as follows:
- (i) Zyber preparing audited financial accounts for the past three years or since incorporation;
 - (ii) DUO 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 reinstating DUO's quoted securities to trading on ASX following completion of the Acquisition);
 - (iii) DUO raising a minimum of \$3,000,000 (or such other amount sufficient to meet ASX's admission requirements) through the issue of DUO Shares at an issue price of not less than A\$0.02 per DUO Share; and
 - (iv) the Zyber Shareholders and Zyber Warrantheolders entering into any escrow agreements required by ASX under the ASX Listing Rules and, to the extent that ASX does not impose an escrow period of at least 12 months on any Zyber Shareholders or Zyber Warrantheolders, those Zyber Shareholders and Zyber Warrantheolders entering into a voluntary restriction agreement in respect of their Consideration Shares and/or Consideration Options whereby they will agree to a voluntary escrow period of 12 months from Settlement.
- (b) **(Consideration):** In consideration for DUO acquiring Zyber, DUO has agreed to issue to the Zyber Shareholders up to 194,000,000 Shares (**Consideration Shares**) as follows:
- (i) 140,000,000 Shares to be issued at Settlement;
 - (ii) 18,000,000 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) 18,000,000 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) 18,000,000 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 DUO 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.

ASX has granted a waiver to the Company to issue the fully paid ordinary shares in the capital of the Company to the Zyber Shareholders upon the exchange of the Exchangeable Shares and satisfaction of the above milestones no later than 5 years from the date of the Meeting.

The Company shall also issue 29,920,000 Consideration Options to the Zyber Warrantheolders in consideration for the cancellation of their Zyber Warrants.

- (c) (**Loan**): DUO has provided Zyber an unsecured loan of CAD\$600,000 with an interest rate of 6% p.a (capitalised annually) (**Loan**). The Loan is repayable either in cash or in fully paid ordinary shares in Zyber at a deemed issue price CAD\$0.05 each, at the sole discretion of Zyber. In the event that the Acquisition does not proceed, the Loan shall be repayable 12 months after termination of the Agreement.
- (d) (**Appointment of Directors**): Upon completion of the Acquisition, the current DUO directors (other than Peter Wall and Paul Callander) will resign as directors and Zyber will have the right to nominate 4 directors of Zyber to the DUO board. Clay Epstein will be joining the Board as the CEO/Managing Director and Jason Tomkinson will be joining the Board as a Non-Executive Director.
- (e) (**Change of Name**): DUO will seek Shareholder approval to change its name to "Zyber Holdings Limited" (this approval has been obtained).

13.2 Development Agreements

Zyber has entered into a number of development agreements with third parties relating to the development, testing and analysis of Zyber's technology and commercial product offerings.

Each development agreement contains clauses:

- (a) obliging the service provider to protect Zyber's confidential information from unauthorised disclosure;
- (b) acknowledging Zyber's ownership of any developments created by the service provider in the provision of the services, the use of Zyber's confidential information, resulting from the use of Zyber's resources or relating to the business operations of Zyber (**Developments**); and

- (c) obliging the service provider (and its employees, if applicable) to assign any right and title in the Developments to Zyber.

The scope of work under these agreements is still being negotiated.

13.3 Joint Lead Manager Agreement

The Company has appointed APP Securities Pty Ltd and Patersons Securities Ltd as joint lead manager in relation to the Offer.

Under the terms of the agreement, the JLMs will, inter alia:

- (a) organise and manage appropriate marketing programs aimed at promoting the Company to high net worth investors, retail clients and institutional investors where appropriate; and
- (b) assist the Company in undertaking, arranging and managing capital raisings.

In consideration for these services, the Company has agreed to:

- (a) pay the JLMs a fee equal to 5% of the funds raised under the Offer (and any future equity raisings during the term of the mandate);
- (b) subject to obtaining prior shareholder approval, issue to each JLM (or their nominees) 5,000,000 unlisted options to acquire Shares with an exercise price of \$0.10 each and expiry date of four (4) years from their date of issue; and
- (c) pay each JLM a monthly retainer of \$7,500 each (plus GST) for a period of 12 months.

13.4 Consultancy Agreements

The Company has entered into consultancy agreements (**Consultancy Agreements**) with:

- (a) Steintech LLC and Mr Clay Epstein, the proposed Managing Director and Chief Executive Officer of the Company; and
- (b) Blue Cove Capital Corp and Mr Jason Tomkinson, a proposed Non Executive Director of the Company.

(with each of Steintech LLC and Blue Cove Capital Corp being a **Consultant** and each of Clay Epstein and Jason Tomkinson being a **Nominated Person**).

The Consultancy Agreements are effective from the date of Settlement of the Acquisition.

The material terms of the Consultancy Agreements are as follows:

- (a) (**Engagement**): the Company shall engage the Consultant as a consultant to the Company on completion of the Acquisition, with the Nominated Person as the person nominated to perform the services on behalf of the Consultant for the duration of the Consultancy Agreements;

- (b) **(Services)**: the Consultant shall provide consulting services to the Company in relation to the management of the Company's business;
- (c) **(Fee)**: in consideration of the provision of the consulting services, the Company shall provide a fee of CAD\$20,000 per month to Steintech LLC and CAD\$15,000 per month to Blue Cove Capital Corp (exclusive of VAT) which sum shall accrue daily on and from Settlement of the Acquisition and is payable monthly in arrears unless otherwise agreed; and
- (d) **(Termination)**: the consultancy agreement can be terminated by the Company upon giving 6 months notice, by the Consultant upon giving 3 months notice, or otherwise upon the occurrence of termination events akin to misconduct or incapacity.

13.5 Non-executive letters of appointment

The Company entered into letter agreements with each of Peter Wall, Paul Callander and Charly Duffy (**Non Executive Directors**) in relation to their appointment as non-executive directors of the Company. The appointment commences upon the Settlement of the Acquisition and automatically ceases at the end of any meeting at which they are not re-elected as a director by the shareholders of the Company or otherwise ceases in accordance with the Constitution.

The Non Executive Directors shall be paid the following directors' fees:

- (a) Mr Wall – \$5,000 per month;
- (b) Mr Callander – \$3,000 per month; and
- (c) Ms Duffy - \$3,000 per month.

In addition to the directors' fees, the Company has agreed to issue 10,000,000 Performance Rights to Mr Wall and 5,000,000 Options to each of Mr Callander and Ms Duffy.

13.6 Deeds of indemnity, insurance and access

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

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

14. ADDITIONAL INFORMATION

14.1 Litigation

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

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

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special

arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

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

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

(d) **Winding-up**

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

(e) **Shareholder liability**

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

(f) **Transfer of Shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

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

14.3 Terms of Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph 14.3(i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Consideration Option will expire at 5:00 pm (WST) on 31 October 2019 and each Related Party Option will expire on the date which is three years from its date of issue (**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**). The Related Party Options may only be exercised once the relevant Director has remained as a Director for 12 months after the re-admission of the Company to the Official List.

(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 14.3(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.

14.4 **Terms of Broker Options**

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph 14.4(i), the amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) four years from the date of issue (**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 14.4(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

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

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

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

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

(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.

14.5 **Summary of Performance Rights Plan**

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).

The Performance Rights proposed to be issued to Clay Epstein, Jason Tomkinson and Peter Wall shall be issued in accordance with the above terms, and shall be subject to the following milestones:

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.

14.6 Interests of Directors and Proposed Directors

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

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

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

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

14.7 Interests of Experts and Advisers

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

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

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

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or

- (ii) the Offer; or
- (f) the Offer,

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

- (g) the formation or promotion of the Company; or
- (h) the Offer.

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 11 of this Prospectus. The Company estimates it will pay RSM Corporate Australia Pty Ltd a total of \$12,000 (excluding GST) for these services.

RSM Australia Partners has acted as the auditor to Company and has prepared the audited accounts of the Company as set out in the Investigating Accountant's Report. The Company will not pay any fees to RSM Australia Partners in relation to the Offer.

Steinepreis Paganin has acted as the solicitors to Company in relation to the Offer. The Company expects that it will pay Steinepreis Paganin \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

APP Securities Pty Ltd and Patersons Securities Limited have acted as corporate adviser and joint lead manager to the Offer. The Company will pay APP Securities Pty Ltd and Patersons Securities Limited the fees described in Section 13.3 for these services.

14.8 Consents

Each of the parties referred to in this Section 14.8:

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

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

RSM Australia Partners has given its written consent to being named as the Company's auditor in this Prospectus and to the inclusion of the audited accounts of the Company in the Investigating Accountant's Report. RSM Australia Partners has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

The auditor of Zyber has given its written consent to the inclusion of the audited accounts of Zyber in the Investigating Accountant's Report. This party has not withdrawn its consent prior to lodgement of this Prospectus.

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

APP Securities Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as corporate adviser to the Company and joint lead manager to the Offer in the form and context in which it is named. APP Securities Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as corporate adviser to the Company and joint lead manager to the Offer in the form and context in which it is named. Patersons Securities Limited has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

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

14.9 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$560,000 (assuming full subscription) and \$377,000 (assuming minimum subscription) and are expected to be applied towards the items set out in the table below:

| Item of Expenditure | \$3,000,000 minimum subscription under Offer (\$) | \$6,000,000 full subscription under Offer (\$) |
|--|---|--|
| ASIC fees | 2,320 | 2,320 |
| ASX fees | 70,862 | 73,862 |
| Legal fees | 80,000 | 80,000 |
| Investigating Accountant's Fees | 12,000 | 12,000 |
| Lead broker fees | 180,000 | 360,000 |
| Printing, Distribution and Miscellaneous | 31,818 | 31,818 |
| TOTAL | 377,000 | 560,000 |

14.10 Continuous disclosure obligations

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

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

14.11 Electronic Prospectus

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

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

14.12 Governing law

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

15. DIRECTORS' AUTHORISATION

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

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

James Ellingford
Chairman
For and on behalf of
DOURADO RESOURCES LIMITED

16. GLOSSARY

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

\$ means an Australian dollar.

Acquisition means the acquisition of 100% of the issued capital of Zyber in accordance with the Heads of Agreement.

Acquisition Resolutions means those Shareholder resolutions referred to in Section 6.6 of this Prospectus approved at the General Meeting, as described in further details in the Notice of Meeting.

Annual General Meeting means the meeting of Shareholders held on 30 November 2015 at which all resolutions were approved, including the Acquisition Resolutions.

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

ASIC means Australian Securities & Investments Commission.

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

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

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

Broker Options means the 10,000,000 unlisted Options to be issued to the JLMs on the terms and conditions set out in section 14.4, subject to shareholder approval being obtained.

Business has the meaning given in Section 5A.

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

CAD\$ means a Canadian dollar.

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

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

Conditions has the meaning set out in section 2.4.

Consideration Securities means the Consideration Shares and the Consideration Options.

Consideration Shares has the meaning given to it in Section 6.6.

Consideration Options has the meaning given to it in Section 6.6, with each Consideration Option having the terms set out in Section 14.3.

Consolidation means the consolidation of the issued securities of the Company existing at the date of the Notice of Meeting on a one (1) for five (5) basis (rounded up to the nearest whole number).

Constitution means the constitution of the Company.

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

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

Exchangeable Shares has the meaning given to it in Section 13.1.

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 13.1.

MTV means mobile touch virtualization.

Newco means 1050494 B.C. Ltd, a wholly owned subsidiary of the Company incorporated in British Columbia, Canada, having Incorporation Number BC1050494.

Notice of Meeting means the notice of general meeting and explanatory statement of the Company released on ASX on 28 October 2015 in relation to the General Meeting.

Offer means the offer pursuant to this Prospectus, as set out in Section 7.1 of up to 120,000,000 Shares at an issue price of \$0.05 per Share to raise \$6,000,000.

Official List means the official list of ASX.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

OSV means open source virtualization.

Performance Rights means the performance rights having the terms set out in Section 14.5.

Proposed Directors means Mr Clay Epstein, Mr Jason Tomkinson and Ms Charly Duffy who will be appointed to the Board of the Company upon completion of the Acquisition.

Prospectus means this prospectus.

PRP means the Performance Rights plan to be adopted at the Annual General Meeting.

Related Party Options means the Options to be issued to Mr Paul Callander and Ms Charly Duffy pursuant to Shareholder approval obtained at the Annual General Meeting, with each Option having the terms set out in Section 14.3.

Section means a section of this Prospectus.

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

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

SFS means secure file sharing.

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

Shareholder means a holder of Shares.

UVD means USB virtual desktop.

VAR means value added reseller.

Vendors means the Zyber Shareholders and the Zyber Warrantholders.

Voluntary Restriction Agreements has the meaning given in Section 5G.

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

Zyber means Zyber Secure 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.