
PACIFIC ORE LIMITED
(TO BE RENAMED SYNTONIC LIMITED)
ACN 123 867 765

NOTICE OF GENERAL MEETING

TIME: 10:00am (WST)

DATE: 23 May 2016

PLACE: Plaza Level, BGC Centre, 28 The Esplanade, Perth WA 6000

The Directors believe the proposed Acquisition of Syntonic by the Company is in the best interests of Shareholders and recommend that Shareholders vote in favour of all Resolutions set out in this Notice of Meeting.

*In addition, BDO, the Independent Expert engaged by the Company, has determined the proposed Acquisition of Syntonic by the Company as outlined in this Notice of Meeting is **FAIR AND REASONABLE** to Shareholders.*

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 6322.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am (WST) on 23 May 2016 at:

Plaza Level, BGC Centre
28 The Esplanade
Perth WA 6000

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on 21 May 2016.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES – ACQUISITION OF SYNTONIC

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

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

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

2. RESOLUTION 2 – CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of section 246B of the Corporations Act, article 2.3 of the Constitution, and for all other purposes, the Company is authorised to issue Performance Shares on the terms and conditions set out in the Explanatory Statement.”

3. RESOLUTION 3 – ISSUE OF CONSIDERATION SECURITIES

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

“That, subject to and conditional upon the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.1, section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for:

(a) *the Company to issue 1,200,000,000 Consideration Shares and 500,000,000 Performance Shares (**Consideration Securities**) at Settlement on the terms and conditions set out in the Explanatory Statement; and*

(a) *the acquisition of a relevant interest in the issued voting shares of the Company by Messrs Gary Greenbaum and Rahul Agarwal (**Majority Shareholders**) or their nominees and, separately, Lindfield Nominee Services Pty Ltd (**Trustee**) as nominee for the Majority Shareholders, which would otherwise be prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Consideration Securities as set out in the Explanatory Statement.*

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

Voting Prohibition Statement

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

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

However, the above prohibition does not apply if:

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

Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval required under section 611 (Item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company. **The Independent Expert has determined the issue of the Consideration Securities is FAIR AND REASONABLE to the non-associated Shareholders.**

4. RESOLUTION 4 – CAPITAL RAISING

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

“That, subject to and conditional on the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 50,000,000 Shares at a minimum issue price of \$0.02 per Share to raise at least \$1,000,000, with provision to issue up to an additional 50,000,000 Shares on the same terms in oversubscriptions at the Directors discretion, on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

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

5. RESOLUTION 5 – ISSUE OF ADVISOR SHARES

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

“That, subject to and conditional on the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 60,000,000 Advisor Shares to CPS Capital (or its nominees) on the terms and conditions set out in the Explanatory Statement.

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

6. RESOLUTION 6 – ISSUE OF ADVISOR OPTIONS

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

“That, subject to and conditional on the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 25,000,000 Advisor Options to Armada Capital (or its nominees) on the terms and conditions set out in the Explanatory Statement.

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

7. RESOLUTION 7 – CHANGE OF COMPANY NAME

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

*“That, subject to and conditional upon the passing of all the Essential Resolutions, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to “**Syntonic Limited**” with effect from the date that ASIC alters the Company’s registration on or about Settlement.”*

8. RESOLUTION 8 – ELECTION OF DIRECTOR – MR GARY GREENBAUM

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

“That, subject to and conditional on the passing of all the Essential Resolutions, for the purpose of article 6.2 of the Constitution and for all other purposes, Mr Gary Greenbaum, a Proposed Director who being eligible and having consented to act, be appointed as a Director of the Company on and from Settlement.”

9. RESOLUTION 9 – ELECTION OF DIRECTOR – MR RAHUL AGARWAL

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

“That, subject to and conditional on the passing of all the Essential Resolutions, for the purpose of article 6.2 of the Constitution and for all other purposes, Mr Rahul Agarwal, a Proposed Director who being eligible and having consented to act, be appointed as a Director of the Company on and from Settlement.”

10. RESOLUTION 10 – ADOPTION OF EMPLOYEE INCENTIVE OPTION PLAN

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

“That, subject to and conditional on the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Option Plan and for the issue of securities under that plan, on the terms and conditions set out in the Explanatory Statement.”

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

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

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

Dated: 19 April 2016

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'G. Swan', with a horizontal line extending to the right.

Mr Greg Swan
Company Secretary

EXPLANATORY STATEMENT

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

All Resolutions, other than Resolution 10, are Essential Resolutions. If any one of the Essential Resolutions are not approved at the Meeting, none of them will take effect and the Agreement and other matters contemplated by those Resolutions will not be completed.

1. BACKGROUND TO PROPOSED ACQUISITION OF SYNTONIC

1.1 General background

The Company was incorporated on 9 February 2007 and was admitted to the Official List of the ASX on 7 June 2007. The Company's primary operations during this time has been mineral exploration with a current focus on creating value from the Company's existing resource assets in Western Australia. Details of the Company's most recent activities are set out in its Quarterly Activities Report announced to the ASX on 29 January 2016. For the past 12 months, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas.

As announced on 10 December 2015 (with subsequent amendments announced on 29 January 2016 and 8 March 2016), the Company has entered into a binding heads of agreement (**HOA**) to acquire 100% of the issued capital of US-based Syntonic Wireless, Inc. (**Syntonic**) (a US state of Delaware "C-Corporation") (**Acquisition**) from the holders of shares in Syntonic (**Syntonic Shareholders**). Syntonic is a mobile services technology company focused on developing sponsored data services and cost effective mobile split billing solutions (**Syntonic Technology**).

Pursuant to the terms of the Agreement, Syntonic will merge with a wholly-owned subsidiary of Pacific that will be incorporated in Delaware, following which Syntonic will be the surviving corporation and shall be a wholly owned subsidiary of the Company (**Merger**).

The Acquisition is conditional on, among other things, Pacific obtaining all necessary regulatory and shareholder approvals to effect the acquisition and satisfying all other requirements of ASX for the reinstatement to official quotation of Pacific's shares on the ASX.

A summary of the material terms of the HOA is set out in Section 1.6(a) below.

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition and associated transactions. Each of the Resolutions are conditional upon the approval by Shareholders of each of the Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Resolutions will fail and Settlement will not occur.

A summary of the Resolutions is as follows:

- (a) as the Company is currently a mineral exploration company, the Acquisition, if successfully completed, will represent a significant change in the nature or scale of the Company's operations to a technology

company, for which Shareholder approval is required under ASX Listing Rule 11.1.2 (Resolution 1);

- (b) the creation of a new class of shares, being the Performance Shares (the terms and conditions of which are set out at Schedule 1) (Resolution 2);
- (c) the issue at Settlement of:
 - (i) 1,200,000,000 Shares (**Consideration Shares**) to the Syntonic Shareholders and Syntonic Optionholders (or their nominees) in the proportions determined by Syntonic; and
 - (ii) 500,000,000 Performance Shares to Messrs Gary Greenbaum and Rahul Agarwal (together, the **Majority Shareholders**) in equal proportions;(together, the **Consideration Securities**) (Resolution 3);
- (d) the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules and, to achieve this, must successfully undertake a capital raising by issuing up to 50,000,000 Shares at a minimum issue price of \$0.02 per Share to raise at least A\$1,000,000 via the Prospectus, with provision to issue up to an additional 50,000,000 Shares on the same terms in oversubscriptions at the Directors' discretion (**Capital Raising**) (Resolution 4);
- (e) the issue at Settlement of:
 - (i) 60,000,000 Shares (**Advisor Shares**) to persons nominated by CPS Capital Group Pty Ltd (ACN 088 055 636) (**CPS Capital**) in consideration for introducing the Acquisition to the Company; and
 - (ii) 25,000,000 Options (**Advisor Options**) on the terms and conditions set out in Schedule 2 to persons nominated by Armada Capital Pty Ltd (ACN 112 297 953) (**Armada Capital**) in consideration for those persons assisting to raise funds under the Capital Raising;(together, the **Advisor Securities**) (Resolutions 5 and 6);
- (f) the change of the Company's name to "Syntonic Limited" at Settlement (Resolution 7);
- (g) the appointment of 2 Proposed Directors nominated by Syntonic to the Board, being Messrs Gary Greenbaum and Rahul Agarwal (Resolutions 8 and 9); and
- (h) the adoption of an Employee Incentive Option Plan (Resolution 10), which is not one of the Essential Resolutions.

The Independent Expert's Report prepared by BDO (a copy of which is enclosed with this Notice of Meeting and Explanatory Statement) assesses whether the Acquisition is fair and reasonable to the non-associated Shareholders of the Company. **The Independent Expert's Report concludes that the Acquisition is FAIR AND REASONABLE to the non-associated Shareholders of the Company.**

1.2 Overview of Syntonic

(a) Industry Overview and Background

Syntonic was founded in Seattle, Washington in 2013 by Messrs Gary Greenbaum, Ph.D. and Rahul Agarwal who recognized that the mobile data plan model was restricting business innovation and significantly limiting the business potential of the mobile Internet. The co-founders' vision was to transform the access currency from megabytes of data to what end-users actually value – access to applications and content for work and play.

The timing for Syntonic's disruptive vision is aligned with a deep and growing frustration within the mobile ecosystem for existing business models which are failing to grow revenue. For the first time in twenty years, mobile operators are experiencing flat average revenue per unit (**ARPU**) despite exponential growth in mobile usage. Moreover, content providers and application developers are distressed that data rationing in nearly half the world limits their customer reach, engagement, and product monetization. Businesses are seeing the productivity gains of empowering employees with smartphones for work eroded by the rising business costs of device support, management, and access. Today's data plan is inefficient and no longer cost-effective for the mobile industry.

The Syntonic executive team assembled an experienced development team to create a platform service to enable new models for monetizing mobile access. The result is the cloud-managed Syntonic Connected Services Platform (**CSP**) that provides mobile content access policy and enforcement, billing services, and app usage analytics. Syntonic's flagship mobile services supported by the Syntonic CSP are Freeway by Syntonic® and Syntonic DataFlex®:

- (i) Freeway by Syntonic gives consumers the ability to connect to the mobile Internet free of charge on their mobile phone by having advertisers pay for the data. The world-wide sponsored data business opportunity is estimated at US\$29 billion in revenue by 2019. Freeway by Syntonic is the only multi-carrier solution in the market today that supports cross-geography campaign management and is available on iOS and Android smartphones.
- (ii) Syntonic DataFlex allows businesses a cost effective mobile split billing solution to separate personal from business use on employee smartphones. The market for business smartphones has rapidly expanded with estimates of over 500 million devices in 2016. Syntonic DataFlex is the only world-wide mobile split billing solution which address the immediate needs of both the enterprise and small and midsized business (**SMB**) with application level controls and analytics.

Syntonic's mobile services enable new and highly differentiated revenue sources for mobile operators, content providers, and application developers for both Syntonic's consumer and business customers.

Syntonic's executive team is comprised of experienced leaders with a proven track record of developing and commercializing transformational industry products.

The company's Chief Executive Officer (**CEO**) and co-founder, Mr Greenbaum, has been in the fore-front of technology revolution for the past 20 years spanning digital media and mobile computing. His experience ranges from co-founding a highly success Silicon Valley start-up to leading large international teams as an executive at Hutchison Whampoa Limited and at Microsoft Corporation.

Syntonic's Chief Technology Officer (**CTO**) and co-founder, Mr Agarwal, has been a technology entrepreneur for the past 20 years with expertise in architecting large scale multi-platform client-server solutions, instituting development and quality processes and managing technical teams. For the past decade, Mr Agarwal was founder of a technology solutions provider, Adroit Business Solutions, that developed mobile and security solutions for Fortune 100 companies.

The company's Chief Marketing Officer (**CMO**), Ben Rotholtz, brings a wealth of expertise in consumer and enterprise marketing. Most recently, Mr Rotholtz, was the head of corporate marketing at PopCap (acquired by EA Games for over US\$750m) responsible for the brand marketing for many of the world's leading mobile games including Bejewelled and Plants vs. Zombies.

Messrs Greenbaum, Agarwal, and Rotholtz met at RealNetworks where they were key members of the technical and marketing teams responsible for the development and deployment of the world's first internet streaming media solution.

Complementing Syntonic's diverse executive team is Syntonic's Board of advisors:

- (i) Steve Elfman: Former President, Sprint, Network Operations and Wholesale. Mr Elfman brings an extensive background of infrastructure and mobile applications expertise.
- (ii) John Landau: Former Senior VP of Technology and Services Evolution for Tata Communications, a member of the US\$100 billion Tata Group.
- (iii) Rudy Gadre: Former VP and General Counsel at Facebook during its formative years. Prior to his time at Facebook, Mr Gadre served as VP and Associate General Counsel for business development, intellectual property, and new technologies at Amazon.
- (iv) Bill Richter: Former President of EMC, Isilon Storage Division. Prior to his time at EMC, Mr Richter served as Isilon's CFO when it was an independent publicly traded company on the NASDAQ.

Upon completion of the Acquisition, the Company will have acquired both services, Freeway by Syntonic and Syntonic DataFlex, including all underlying technology components.

(b) **Freeway by Syntonic®**

Mobile connectivity is more often a requirement to enhance one's livelihood rather than a luxury. However, in many emerging markets, a 500MB data plan can represent more than a full day of one's wages. The current business model that requires consumers to buy data rather than access to services is stifling access to education and economic growth. Freeway by Syntonic enables a new access model for over 2 billion people who ration their data use and for over 3.7 billion people who have mobile coverage but cannot afford access. Syntonic's initial target market is Southeast Asia where data rationing is predominant and the market opportunity for sponsored content is estimated to be US\$6 billion by 2019.

Freeway by Syntonic allows consumers access to mobile content, web sites, and applications without incurring any mobile data charges. Brands, application developers, content providers, and advertisers are motivated to pay for a consumer's mobile data usage to 1) increase consumer awareness, 2) acquire new users, 3) deepen engagement, and 4) monetize their products.

Several usage categories are enabled with the Freeway by Syntonic service:

- (i) **Content provider sponsored access:** for example, a messaging application or social media platform would provide access to their application for free to grow market share in a competitive geography; a mobile game of chance application would bundle free data access to their application to increase player engagement.
- (ii) **Brand sponsored premium content:** for example, a soft-drink brand would sponsor mobile access to a local cricket match to raise brand prominence; a local government would offer sponsored access to regional health and education web sites.
- (iii) **Action-based rewards:** for example, downloading a casual game application would provide one hour of open Internet access; an online mobile shopping site would grant a fixed pool of free mobile access for every purchase.

The Freeway by Syntonic version 1 mobile application is available today on the Google Play and on the App Store. The application provides a gateway to discover sponsored content promotions to more than 60 million AT&T subscribers. The Freeway by Syntonic service supports any web site and any application using the Freeway 1.0 Software Development (**SDK**) toolkit.

Freeway by Syntonic 2.0 will be deployed in the 2nd quarter of 2016 and extends sponsored data functionality to include action-based data rewards. The principle markets for this updated services will initially be Southeast Asia and Latin America where more than 80% of subscribers purchase pre-paid data plans that result in data rationing and impede mobile content and application usage.

Freeway by Syntonic 2.0 introduces significant technical and competitive advantages principally focused on eliminating deployment

friction for mobile carriers, content providers, application developers, and advertisers.

Freeway by Syntonic was designed to be easy to deploy and manage. First, the service works with any mobile application without requiring any engineering modifications. By eliminating costly and time-consuming adoption barriers, Syntonic ensures that application developers and content providers can quickly get to market with their sponsored content solutions. Second, sponsors require tools to manage their campaigns across geographies and mobile operators. Syntonic provides management consoles to assess and optimize campaign results in real-time. Third, the service offers both sponsored data and action-drive reward functionality, expanding consumer scenarios and Syntonic revenue opportunities. Finally, mobile operators require carrier-grade performance, reliable, and scalable solutions with minimum core network modifications. Syntonic's Connected Services Platform uses existing carrier infrastructure to reduce integration time to several days instead of the typical multiple-quarter integration and release timelines. Carrier-grade deployments on the AT&T and Tata Communications networks have hardened and proven Syntonic's technologies; and as a result, minimal time is required for Syntonic's mobile operator customers to test and access the high availability, scalability, and reliability of Syntonic's Connected Services Platform.

Revenue potential

The Freeway by Syntonic business model is multi-sided, whereby Syntonic receives revenue from both the mobile operator and from the content provider. Syntonic generates revenue from the mobile operator through an annual platform license, a sponsored data traffic tariff, service hosting fees, and a content-based revenue share. On the content side, Syntonic generates revenue from standard advertising based modes: Cost-per-Action (**CPA**) and Cost-per-Install (**CPI**). CPA ensures sponsors that their investments result in a quantifiable consumer engagement. For a CPA example, a consumer could be given the opportunity to sign up for an online music service in exchange for sponsored access to the music service. In the case of the Rhapsody music service, an affiliate fee of up to US\$8.00 is paid by Rhapsody as a bounty for facilitating the action of a music subscription sign-up. CPI, by contract, is the price a sponsor pays when the consumer installs the sponsored application. For various online games, this fee can be up to US\$4.00 per app install.

Freeway by Syntonic supports three go-to-market strategies:

- (i) **Carrier-branded, white-labelled solution:** Syntonic licenses the CSP and a carrier-branded version of the Freeway by Syntonic service to the mobile operator. For example, Tata Communications is deploying a white-labelled version of the Syntonic services for all subscribers in their mobile operator exchange network. As a carrier branded solution, unique content offers can be provided to the operator's subscribers, generating a new revenue stream and providing competitive differentiation. The mobile operator is responsible for driving customer awareness and adoption of the service.
- (ii) **Freeway by Syntonic as a cross-carrier sponsored data service:** Large premium content providers, such as global brands or

social media/messaging platforms, require a solution that works across mobile operators and geographies. In this approach, Syntonic's customers (e.g. Expedia) are the content providers and sponsors. An additional revenue stream is generated by reselling wholesale data to these customers.

- (iii) **Freeway by Syntonic as an over-the-top solution:** Most mobile operators that offer pre-paid data plans support a mechanism so that subscribers can add data back to their plans, commonly known in the industry as a "top-up". Freeway by Syntonic can use these top-up mechanisms to 'reimburse' the consumer for their claimed sponsored data offers and promotional rewards. This benefits mobile operators that have not yet invested in a sponsored data technology since they can now have a straightforward path to provide sponsored data and rewards to their subscribers. For example, a consumer downloads the Kindle Reading App as offered by the Freeway by Syntonic service and can then be awarded a monetary amount equal to 300MB free data access credited directly to their pre-paid mobile account using the existing operator payment systems. This is an "over-the-top" solution because the solution does not require any involvement by the mobile operator.

(c) **Syntonic DataFlex®**

Smartphones have become invaluable to businesses by enabling a more productive workforce. It has been shown that employee productivity is enhanced by 1.5 to 4.75 hours per week. Driven by productivity gains, more companies are allowing their employees to Bring-Their-Own-Device (**BYOD**) to work. In 2016, it is estimated that more than 330 million BYOD smartphones will be used for work.

The promises of corporate BYOD adoption falls short of its potential business value for several reasons: 1) companies lack the means to accurately reimburse employees for the business use of their personal mobile device, 2) companies lack BYOD business usage insight which is needed for regulatory compliance, and 3) companies are now exposed to more frequent and expensive network security breaches.

Syntonic DataFlex was launched in trial deployment during the 3rd quarter of 2015. The service securely divides an employee's BYOD smartphone into two parts: one part personal and one part business. As a benefit to the employee and a shield to reduce risk to the company, personal data remains private and separate from business data. Businesses obtain accurate, substantiated data costing information, app usage analytics, and risk alert notifications of potential security breaches. Syntonic DataFlex allows companies to confidentially deploy and expand their BYOD programs while saving over 50% of their current mobile costs.

The components of Syntonic DataFlex include: the Syntonic CSP for policy management, enforcement, and analytics; the IT management portal to facilitate employee enrollment, provision applications, and customize billing and usage analytics; Syntonic connectors for integration with Enterprise Mobility Management (**EMM**) solutions and with expense management and payroll system providers; and the Syntonic DataFlex smartphone application.

Revenue potential

Syntonic DataFlex comes in two versions, standard and premium. The standard edition is meant for rapid deployment and principally targets the SMB customer. In the U.S. alone, the SMB market represents over 330,000 eligible businesses. The premium edition includes additional data analytics and security features, targeting the needs of larger enterprises. In the U.S., the enterprise market represents over 16,000 businesses. For both versions, the revenue model is based on a per-employee annual license. Additional fees for the enterprise version are derived from maintenance and support and premium add-ons such as EMM, expense management, and payroll system connectors.

The Syntonic DataFlex market opportunity is primarily in geographies where BYOD is entrenched and growing, e.g. North America, the United Kingdom, Brazil, China, etc. The sales model supports two channels for selling this service to business customers, direct and through partners. The direct sell-in model is based on driving business customers to the Syntonic DataFlex self-service, on-line portal. The portal acts as the online console for employee enrollment, application provisioning, billing, and usage analytics. Most of the initial sales process will be transactional; however, over time as awareness of the Syntonic DataFlex solution grows, the customer acquisition model will transition to be a more efficient on-line, self-service. The other channel model for Syntonic DataFlex sales is through partnership. Syntonic DataFlex is sold as a managed service option bundled in the partner's overall enterprise solution. Examples of possible Syntonic DataFlex sales partners include mobile operators, enterprise solution providers, and network solution providers. The partnership model will likely be responsible for the majority of the initial large enterprise sales.

(d) Competition & Market Share

(i) Freeway by Syntonic

Sponsored data and data rewards are receiving significant worldwide interest, creating opportunities for Syntonic and competitors. Potential competition for Freeway by Syntonic include several early-stage companies and a few mobile operators trying to develop their own in-house solution.

The majority of early-stage competitors are pursuing solutions around data rewards, which require little or no carrier integration. These solutions are typically monetized through very basic CPA and CPI models and provide minimal offer management support. These competitors' approaches expose technical and business value gaps when compared to Syntonic's comprehensive Freeway by Syntonic solution.

Several mobile operators are trying to develop their own in-house platform solutions for sponsored content. However, Syntonic has been approached by several of these mobile operators for partnership opportunities to help bridge the technical and business limitations of their platforms. Additionally, mobile operators are frequently recognizing that a single operator solution is a major barrier that impedes premium global content providers who can't rationalize the time, energy, and resources for supporting a single operator solution.

Freeway by Syntonic's unique and differentiated advantages include: multi-carrier platform and multi-device support; proven carrier-grade reliability, availability and scalability; comprehensive tools for managing sponsorship campaigns across geographies with real-time analytics for assessing campaign success; support for both sponsored data and action driven rewards; and a zero-engineering overhead solution for rapidly on-boarding application developers. Given the extensive technical challenges and the substantial operator requirements, the Proposed Directors are confident that Freeway by Syntonic has a substantial lead over other competitors.

(ii) **Syntonic DataFlex**

Previous generations of mobile split billing solutions were focused on split billing for voice and text messaging using a Voice-over-IP (**VOIP**) application or using mobile devices that supported two phone numbers. Separating voice and text messaging only partially solves BYOD cost inefficiencies and doesn't address the largest growing segment of mobile phone usage, data. The separation of business and personal data use for reimbursement has been accomplished through employee expense reports, fixed stipends, or a telecom expense management (**TEM**) solution that provides a fixed reimbursement to the employee's telecom provider. Reimbursements or fixed stipends are often based on the maximum employee usage and don't provide an accurate costing of employee usage or any app data analytics about how mobile content and applications are being used in the enterprise.

Mobile carriers that are participating in sponsored data programs are recognizing that the same sponsored data technology can be used in an enterprise setting to support split mobile billing. Mobile operators are excited about split billing because it allows them to effectively double their ARPU with two data plans assigned to a single device. Enterprise Device Management (**EMM**) and telecom expense management vendors are also enthused since they recognize the immediate revenue uplift of bundling split billing with their existing telecom services.

It is both a challenge and an opportunity that enterprise environments are highly heterogeneous—businesses of every size and sector deploy widely divergent workflow solutions, expense management systems, varied Original Equipment Manufacturer (**OEM**) hardware, and different mobile carrier networks. Heterogeneity makes it unlikely that serious competition in mobile split billing can occur unless the vendor can work across a highly diverse enterprise environment. For example, no single carrier can offer an effective mobile split billing solution for BYOD since the employee workforce uses a mix of regional mobile operators. Similarly, EMM and TEM vendors can only service their specific customer segments.

Syntonic's cross-carrier, cloud-based solution can integrate into any corporate management system and workflow. As a

consequence, Syntonic sees partnership opportunities rather than competition with mobile carriers, EMMs, and TEM's that can realize additional value for mobile split billing and analytics by bundling the Syntonic DataFlex service into their existing telecom offerings.

(e) **Strategy Post Listing**

Syntonic intends to maintain its global business headquarters in Seattle, Washington and to add a satellite office in Australia in the 2nd half of 2016. Currently, Syntonic is evaluating office locations in South Australia, Victoria, and New South Wales. The Australian office will allow Syntonic to increase efficiencies in the company's Southeast Asian business by being closer to the time-zone sales with dedicated engineering support. Moreover, Syntonic expects to fully utilize Australian Government benefits such as the "Research & Development Tax Incentive" and the "Export Market Development Grant" to offset staffing costs and operational expenses. Syntonic expects to add regional offices as its global presence expands, helping to support and procure local business opportunities.

Syntonic's business strategy doesn't change after the company has been listed.

(f) **Intellectual Property**

Unlike a traditional fixed functionality 'product' where the value is transferred in the product sale, Syntonic's value is primarily derived through on-going consumption and licensing of its cloud-based services. Syntonic services are comprised of continually evolving functionality with no tangible product transfer.

For cloud-based services, the costly patent model for maintaining advantage is migrating to more marketplace defensible means such as quick-to-market innovation, differentiated product offerings, and vigorous market share growth. Hence, Syntonic's primary competitive defence is speed to market paired with deepening engagements with mobile operators, content providers, and consumers and businesses.

However, Syntonic has also filed several patents and has been granted registered trademarks for Syntonic branding elements. To ensure trade secret protection, Syntonic maintains strict security controls on source code and platform access both internally and to partners, who are required to adhere to Syntonic's rigid non-disclosure policies. Additionally, Syntonic has secured all URL's relevant to its business operations. Post re-quotations, Syntonic will continue to pursue further international protections on its core technology and business model innovations.

1.3 Re-compliance with Chapters 1 and 2 of the Listing Rules

ASX has advised the Company that, given that the Company is proposing to make a change in its activities from a mineral exploration company to a technology company, it has exercised its discretion to require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules prior to the Company completing the Acquisition.

For this purpose, the Company will be required to re-comply with the conditions to listing on ASX set out in Chapters 1 and 2 of the ASX Listing Rules in order to achieve Settlement and before it can be re-instated to trading on ASX following Settlement.

ASX Listing Rule 2.1 Condition 2 provides that it is a condition of quotation of the main class of a company's securities of an entity seeking admission to ASX that the issue price of the securities for which the company seeks quotation must be at least A\$0.20 in cash. In addition, ASX Listing Rule 1.1 Condition 11 provides that for an entity to be admitted to the official list, the exercise price for any options on issue must be at least A\$0.20 in cash.

On 14 April 2016, ASX granted the Company a waiver from the requirements outlined above to enable the Company to issue securities for the purpose of satisfying ASX Listing Rule 2.1, Condition 2 at not less than \$0.02 per Share with all Options issued or to be issued having an exercise price of not less than \$0.02 after the completion of the Acquisition. This waiver is subject to Shareholders approving the Company undertaking the Capital Raising at not less than \$0.02 and issuing Options in connection with the Acquisition with exercise prices not less than \$0.02.

1.4 Capital Raising

For the purposes of the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, the Company intends to undertake the Capital Raising comprising the issue of the Prospectus with a minimum subscription of \$1,000,000 (**Minimum Subscription**) through the issue of Shares at an issue price of not less than \$0.02, with provision to raise additional funds in oversubscriptions at the Directors' discretion through the issue of up to an additional 50,000,000 Shares (**Oversubscriptions**).

The issue price at which Shares will be issued under the Capital Raising will be determined by the Company, provided that the issue price shall be at least \$0.02 per Share and the Company will announce the issue price by no later than 5.00pm (WST) on the Business Day immediately preceding the date of the Meeting.

Funds raised under the Capital Raising are intended to be used in the manner set out in Section 1.5.

The Company expects to lodge a prospectus for the Capital Raising with ASIC before the date of the General Meeting. The Capital Raising is intended to be completed in accordance with the timetable set out in Section 1.10.

1.5 Use of funds

Following Settlement, the Company expects to use its cash funds as follows (excluding any revenues to be received by Syntonic from its business which will increase the total funds available to the Company):

FUNDS AVAILABLE¹	Minimum Subscription (A\$1,000,000) A\$	Percentage of Funds %	Maximum Subscription (A\$2,000,000) A\$	Percentage of Funds %
Cash reserves of the Company (post Acquisition) ²	\$3,090,000	75.6%	\$3,030,000	60.2%
Funds raised from the Capital Raising ³	\$1,000,000	24.4%	\$2,000,000	39.8%
TOTAL	\$4,090,000	100%	\$5,030,000	100%
ALLOCATION OF FUNDS	Minimum Subscription (A\$1,000,000) A\$	Percentage of Funds %	Maximum Subscription (A\$2,000,000) A\$	Percentage of Funds %
Engineering & Development ⁴	\$1,230,000	30.1%	\$1,470,000	29.2%
Program Costs ⁵	\$80,000	2.0%	\$80,000	1.6%
Hosting & Infrastructure ⁶	\$210,000	5.1%	\$210,000	4.2%
Marketing ⁷	\$510,000	12.5%	\$750,000	14.9%
Business Development & Sales ⁸	\$950,000	23.2%	\$1,250,000	24.8%
Working Capital and Corporate Administration ⁹	\$820,000	20.0%	\$919,000	18.3%
Expenses associated with the Acquisition ¹⁰	\$290,000	7.1%	\$351,000	7.0%
TOTAL	\$4,090,000	100.0%	\$5,030,000	100.0%

Notes

- No amounts have been included for revenues that will be received by Syntonic from its business after Settlement (including any licensing fees, usage fees, revenue shares, commissions, service fees, and download bounties from Syntonic's products) which will increase the total funds available to the Company.
- These funds represent existing cash held by the Company and Syntonic at 31 December 2015 adjusted for transactions associated with the Acquisition as if they had occurred on 31 December 2015. The Company and Syntonic will incur costs and receive revenues within the ordinary course of their respective businesses after 31 December 2015 which will change this amount prior to Settlement.
- Under the Minimum Subscription scenario above, it is assumed that 50,000,000 Shares are issued at an issue price of A\$0.02 each to raise A\$1,000,000. Under the Maximum Subscription scenario above, it is assumed that 100,000,000 Shares are issued at an issue price of A\$0.02 each to raise A\$2,000,000.
- Engineering and development costs include:
 - payroll & payroll taxes;
 - contractors; and
 - employee benefits.
- Program costs include:
 - travel; and
 - training expenses.
- Hosting and infrastructure costs refer to the costs of the equipment and server time required to deliver the service.
- Marketing includes all costs related to advertising and promoting Syntonic's product.

8. Business development & sales includes all business development and outbound evangelism costs, including trade shows, corporate events, non-marketing sponsorships and the cost of business development staff.
9. Working capital and corporate administration costs include the general costs associated with the management and operation of the business including administration expenses, management salaries, directors' fees, rent and other associated costs.
10. Refer to the table below for the itemised costs of the expenses associated with the Acquisition:

Estimated Costs of Acquisition	Minimum Subscription (A\$1,000,000) A\$	Maximum Subscription (A\$2,000,000) A\$
ASX Fees	\$94,336	\$95,336
ASIC Fees	\$2,320	\$2,320
Legal and Due Diligence Expenses	\$100,000	\$100,000
Independent Expert's Report	\$20,000	\$20,000
Shareholder Meeting and Share Registry Costs	\$14,000	\$14,000
Other (including printing and mailing costs)	\$8,344	\$8,344
Capital Raising Fees	\$60,000	\$120,000
TOTAL	\$290,000	\$351,000

The above tables are statements of current intentions as of the date of this Notice of Meeting. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

1.6 Key Contracts

(a) HOA

The revised HOA dated 5 March 2016 sets out the terms upon which the Majority Shareholders, being the current majority holders of common shares on issue in Syntonic (**Syntonic Shares**), agree to grant the Company an option to purchase all Syntonic Shares on issue.

The material terms of the HOA are as follows:

- (i) **(Option Facilitation Fee)**: the Company paid a cash sum of \$250,000 to Syntonic in consideration for the Majority Shareholders granting the Syntonic Option (defined below);
- (ii) **(Syntonic Option)**: in consideration for the Company paying the Option Facilitation Fee to Syntonic, the Majority Shareholders grant the Company an option to purchase all of their Syntonic Shares, free of any encumbrances;
- (iii) **(Exercise of Syntonic Option)**: the Company exercised the Syntonic Option on 17 March 2016;

- (iv) (**Pacific Loan**): upon exercise of the Syntonic Option, the Company made a loan of \$250,000 (**Pacific Loan**) to Syntonic (on the terms and conditions set out below in Section 1.6(i));
- (v) (**Consideration**): the consideration payable by Pacific for the acquisition of all Syntonic Shares on issue at Settlement is the issue of:
- (A) 1,200,000,000 Consideration Shares to:
- (I) the Syntonic Shareholders (or their nominees) in consideration for the transfer of their Syntonic Shares to the Company (which includes all Shares to be issued upon conversion of the Armada Loans); and
- (II) the Syntonic Optionholders (or their nominees) in consideration for the cancellation of their Syntonic Options,
- each, in the proportions to be determined by Syntonic; and
- (B) 250,000,000 Performance Shares to Mr Gary Greenbaum (or his nominee) and 250,000,000 Performance Shares to Mr Rahul Agarwal (or his nominee);
- (vi) (**Conditions Precedent**): completion of the Acquisition is conditional upon the satisfaction or waiver of the following outstanding conditions precedent:
- (A) the Company undertaking the Capital Raising and receiving valid applications for the minimum amount of Shares required to satisfy the requirements of ASX for the purposes of Chapters 1 and 2 of the ASX Listing Rules;
- (B) the Company and all Syntonic Shareholders executing binding documentation pursuant to which the Syntonic Shareholders agree to sell their Syntonic Shares to the Company in consideration of the Company issuing it (or its nominee) with its Respective Proportion of the Consideration Shares;
- (C) the Company being satisfied in its sole discretion (acting reasonably and in good faith) that it will acquire all Syntonic Shares and that all convertible securities in Syntonic will convert or be cancelled prior to or at Settlement such that at Settlement, the Company shall acquire all Syntonic Shares then on issue and Syntonic shall otherwise have no securities on issue;
- (D) the execution of executive services agreements with Mr Gary S. Greenbaum and Mr Rahul Agarwal (the proposed terms of which are set out below in Section 1.6(i));

- (E) the Company providing Syntonic with evidence to Syntonic's satisfaction that at Settlement, the Company has a cash balance of no less than AUD\$1,600,000 and total liabilities not exceeding AUD\$100,000 (excluding liabilities incurred in connection with the transactions contemplated by the Agreement);
 - (F) if required, the Company being granted a modification under sections 259C(2) and 655A of the Corporations Act 2001 (Cth), to enable it to implement the Merger (if applicable);
 - (G) conditional approval being obtained from ASX to reinstate the securities of the Company to trading on ASX (after the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the Company and Syntonic;
 - (H) the parties obtaining all necessary regulatory approvals (including ASX approvals and waivers and ASIC relief) to complete the Acquisition;
 - (I) the Company obtaining all requisite shareholder approvals pursuant to the ASX Listing Rules (including but not limited to ASX Listing Rule 11.1), the Corporations Act and its constitution to give effect to:
 - (I) the transactions contemplated by this Agreement (including, if required, pursuant to item 7 of section 611 of the Corporations Act as a result of any entity acquiring a voting power in Pacific in excess of 20% in connection with the Acquisition); and
 - (II) the change of name from "Pacific Ore Limited" to "Syntonic Limited";
 - (J) ASX approving the terms of the Performance Shares under ASX Listing Rules 6.1 and 6.2; and
 - (K) the Company:
 - (I) incorporating a Delaware corporation, which will become a wholly owned subsidiary of Pacific; and
 - (II) entering into an agreement and plan of merger with Syntonic and the Pacific subsidiary (**Merger Agreement**), whereby the Pacific subsidiary will merge into Syntonic, with Syntonic continuing as the surviving company following the transaction;
- (vii) (**Advisor Shares**): upon Settlement occurring, the Company will issue 60,000,000 Shares (**Advisor Shares**) to persons nominated by CPS Capital in consideration for CPS Capital introducing the Acquisition to the Company.

- (viii) **(Advisor Options)**: upon Settlement occurring, the Company will issue 25,000,000 Options (**Advisor Options**) to persons nominated by Armada Capital in consideration for those persons assisting to raise funds under the Capital Raising.
- (ix) **(Board Changes)**: upon Settlement occurring, Messrs Gary Greenbaum and Rahul Agarwal will be appointed to the board of the Company.

The HOA otherwise contains terms, conditions and restrictions which are customary for an agreement of its nature.

(b) **Trust Agreement**

As part of the structuring of the transaction, it is proposed that the Majority Shareholders will direct the Company to issue their proportion of the Consideration Securities, being 747,481,776 Consideration Shares and 500,000,000 Performance Shares to an independent trustee, Lindfield Nominee Services Pty Ltd (the **Trustee**), as their nominee to hold the legal title to these securities on behalf of each of the Majority Shareholders as beneficiaries.

The sole shareholder and director of Lindfield Nominee Services Pty Ltd is Mr Peter Vickers.

Mr Peter Vickers studied at the University of Sydney and is a Fellow of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors and is a Chartered Tax Adviser (CTA) of the Tax Institute. Mr Peter Vickers is an authorized representative under the Corporations Act and is licensed to give investment advice. He is a registered tax agent, a registered company auditor, a registered SMSF auditor, an external examiner for the Law Society of NSW and a Justice of the Peace. Mr Peter Vickers has no current relevant interest in the Company and is not a related party of the Company.

The Majority Shareholders and the Trustee will enter into a trust agreement to document the terms of the trust arrangement (**Trust Agreement**). The key terms of the Trust Agreement will be as follows:

- (i) the Consideration Securities that will be held in trust will be all the Consideration Shares and Performance Shares of the Majority Shareholders;
- (ii) the Trustee will be indemnified for actions made in good faith;
- (iii) the Trust Agreement will describe the holding of legal title by the Trustee for and on behalf of the beneficiaries (being the Majority Shareholders);
- (iv) for so long as the Trustee holds the Consideration Securities, the Majority Shareholders will not:
 - (A) receive dividends;
 - (B) exercise the right to vote. The voting rights attaching to the Consideration Shares and any Shares issued upon conversion of the Performance Shares will be

exclusively exercised by the Trustee at its sole discretion;
or

- (C) exercise any other rights that flow from ownership of the Consideration Shares and Performance Shares;
- (v) the ASX restriction agreement which will be separately entered into will ensure that the Consideration Shares and Performance Shares the subject of the Trust Agreement cannot be disposed of or pledged in any way.

The effect of this trust arrangement is that the Trustee will have a relevant interest in all of the Consideration Shares and Performance Shares the subject of the trust, and accordingly it is necessary to include this in the approval of Resolution 3.

The number of Consideration Shares and Performance Shares that will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules will be determined by ASX after the prospectus is lodged with ASX for the raising of capital to be approved in accordance with this Notice.

Approval for the issue of the Consideration Shares and the Performance Shares is the subject of Resolution 3.

(c) **Tata Distribution and Licence Agreement**

Syntonic and Tata Communications (America) Inc. (**Tata Communications**) entered into a distribution and licence agreement (**Tata Distribution and Licence Agreement**) pursuant to which Tata Communications is granted a licence to Syntonic's Connected Services Platform on the following terms:

- (i) (**Grant of Licence**): Syntonic grants to Tata Communications and its affiliates, a license to Syntonic's Connected Services Platform technologies for the deployment of a global sponsored data exchange and to provide sponsored data services to Tata Communications' customers;
- (ii) (**Licence Fees**): Tata Communications will pay to Syntonic a fixed licensing fee per annum; and
- (iii) (**Net Revenue Fees**): Tata Communications will pay to Syntonic a sponsor data tariff based on utilization of the Syntonic Connected Services Platform.

The Tata Distribution and Licence Agreement otherwise contains terms which are customary for an agreement of its nature. Additional specific terms of the Tata Distribution and Licence Agreement cannot be revealed due to its confidential and commercially sensitive nature.

(d) **Tata Sponsored Data Agreement**

Syntonic and Tata Communications (America) Inc. (**Tata Communications**) entered into a mobile sponsored data exchange distribution agreement (**Tata Sponsored Data Agreement**) pursuant to which Syntonic provides sponsored data services for content providers

participating in the Freeway by Syntonic® and Syntonic DataFlex® mobile services on the following terms:

- (i) **(Grant of Licence)**: Syntonic is granted a limited, non-exclusive, and non-transferable right to use Tata Communications' Sponsored Data Exchange Service for distribution of Syntonic's services;
- (ii) **(Data Fees)**: Tata charges Syntonic a wholesale data fixed cost (per MB) which Syntonic resells to specific content sponsors bundled with their sponsored data service, with a significant margin; and
- (iii) **(Net Revenue Fees)**: Syntonic retains all sponsorship fees associated with content providers it procures for its services.

The Tata Sponsored Data Agreement otherwise contains terms which are customary for an agreement of its nature. Additional specific terms of the Tata Sponsored Data Agreement cannot be revealed due to its confidential and commercially sensitive nature.

(e) **AT&T Sponsored Data Agreement**

Syntonic and AT&T Mobility LCC and its affiliates (**AT&T**) have entered into a sponsored data agreement (**AT&T Sponsored Data Agreement**) pursuant to which Syntonic sponsors the data usage for specific content on behalf of eligible AT&T wireless subscribers on the following terms:

- (i) **(Grant of Licence)**: Syntonic is granted a limited, royalty free, non-exclusive, non-transferable and revocable licence to sponsor data usage over the AT&T network for specific content to eligible AT&T wireless subscribers; and
- (ii) **(Data Fees)**: AT&T charges Syntonic a wholesale data fixed cost (per MB) which Syntonic resells to specific content sponsors bundled with their sponsored data service, with a significant margin.

The AT&T Sponsored Data Agreement otherwise contains terms which are customary for an agreement of its nature. Additional specific terms of the AT&T Sponsored Data Agreement cannot be revealed due to its confidential and commercially sensitive nature.

(f) **Syntonic Convertible Notes**

Syntonic is party to various convertible note agreements under which it issued convertible notes to investors in consideration for an aggregate amount of US\$1,723,592 (including accrued interest), with all outstanding monies to convert into Syntonic Shares immediately prior to Settlement of the HOA.

(g) **Armada Loan Agreements**

Syntonic is party to various unsecured loans procured by Armada Capital for an aggregate cash sum of US\$735,000 (**Armada Advance**) on the following terms and conditions:

- (i) **(Conversion)**: the Armada Advance shall automatically convert into Shares at Settlement of the HOA at a deemed issue price of A\$0.0075 per Share with any interest accrued to be paid out in cash at Settlement; and
- (ii) **(Interest)**: interest on the advance accrues daily from the date the Armada Advance was provided to Syntonic and will be calculated on a monthly basis on the amount outstanding at a rate of 7% per annum until such time as all outstanding monies are repaid or converted.

(h) **Pacific Loan Agreement**

On 17 March 2016, the Company and Syntonic entered into a loan agreement (**Pacific Loan Agreement**) under which it loaned a sum of AUD\$250,000 (**Pacific Advance**) to Syntonic to fund the interim activities of Syntonic on the following terms and conditions:

- (i) **(Repayment)**: the Pacific Advance together with all outstanding monies shall be repaid by 31 December 2016 or such earlier date on which:
 - (A) a change of control occurs in respect of Syntonic; or
 - (B) Syntonic applies for admission on a recognised stock exchange; or
 - (C) Syntonic completes a capital raising of an amount equal to or greater than the AUD\$250,000; or
 - (D) Syntonic disposes (in any manner whatsoever) of a material part of its business or interest therein or enters into an arrangement with a person to jointly develop a material part of the business of Syntonic in such a manner that is determined by the Company to constitute a joint venture arrangement; or
 - (E) an event of default occurs and the Company gives a repayment notice to Syntonic, declaring the outstanding monies to be immediately due and payable.
- (ii) **(Interest)**: interest on the Pacific Advance will accrue daily on and from 1 July 2016 and will be calculated on a monthly basis on the amount outstanding at a rate of 6% per annum until such time as all outstanding monies are repaid. Interest shall be payable in full on the Repayment Date.

(i) **Executive Service Agreements**

The proposed terms and conditions of the executive service agreement to be entered into between Pacific and Mr Gary S. Greenbaum are as follows:

- (i) **(Base Salary)**: US\$250,000 per annum;
- (ii) **(Discretionary Bonus)**: up to US\$150,000 payable upon key performance indicators (**KPI's**) being achieved. The KPI's are to

be determined by agreement between Mr Greenbaum and the Board; and

- (iii) **(Termination)**: six months' notice period for termination without cause.

The proposed terms and conditions of the executive service agreement to be entered into between Pacific and Mr Rahul Agarwal are as follows:

- (i) **(Base Salary)**: US\$250,000 per annum;
- (ii) **(Discretionary Bonus)**: up to US\$150,000 payable upon KPI's being achieved. The KPI's are to be determined by agreement between Mr Agarwal and the Board; and
- (iii) **(Termination)**: six months' notice period for termination without cause.

1.7 Delaware law “merger”

The Acquisition of Syntonic by the Company is being implemented by way of a reverse triangular merger. To facilitate this merger, the Company will incorporate a Delaware corporation, which will be a wholly-owned subsidiary of the Company (**US Subsidiary**). In order that the Syntonic Shareholders are entitled to the equivalent of “roll over relief” in the US and to effect the merger in accordance with Delaware law, the US Subsidiary will merge with and into Syntonic. At the effective time of the merger, the following actions will happen simultaneously:

- (a) the US Subsidiary will merge with and into Syntonic, with Syntonic surviving the merger and continuing to exist as a wholly-owned subsidiary of the Company;
- (b) the US Subsidiary will cease to exist; and
- (c) the Consideration Shares will be distributed to the Syntonic Shareholders and Syntonic Optionholders as consideration for their Syntonic Shares and Syntonic Options.

All other substantive conditions precedent for completion of the Acquisition (including all Shareholder approvals) will be satisfied by the time the merger is effected and the Consideration Shares are issued. If any other conditions are not satisfied, the Acquisition will not proceed and the merger will not occur.

Section 259C(1) of the Corporations Act provides that an issue of shares of a company to an entity it controls is void except in certain circumstances set out in sections 259C(1)(a) to (d). Section 259C(2) specifically allows ASIC to exempt a company from the operation of section 259C.

Section 606(1) of the Corporations Act prohibits a person from acquiring a relevant interest in issued voted shares in a listed company if the person acquiring the securities or someone else's voting power in the company increases to more than 20%. Section 655A allows ASIC to exempt a company from the operation of a provision of Chapter 6 (which includes section 606(1)).

1.8 Effect on Capital Structure

A pro forma capital structure following Settlement (assuming the Maximum Subscription of A\$2,000,000 is raised under the Capital Raising) is set out below:

	Shares	Options	Performance Shares
Current capital structure	656,776,880	Nil	Nil
Consideration Securities	1,200,000,000	Nil	500,000,000 ¹
Capital Raising	100,000,000 ²	Nil	Nil
Advisor Securities	60,000,000	25,000,000 ³	Nil
Capital structure post Acquisition	2,016,776,880	25,000,000	500,000,000

Notes:

1. Terms and Conditions of the Performance Shares are set out in Schedule 1.
2. The Minimum Subscription under the Capital Raising is \$1,000,000. In the event that the Minimum Subscription is raised under the Capital Raising, 50,000,000 less Shares will be issued (assuming an issue price of \$0.02 per Share).
3. Consisting of 25,000,000 unlisted Options exercisable at \$0.02 on or before the date that is three years from the date of issue.

1.9 Pro Forma Statement of Financial Position

The pro-forma balance sheet of the Company following completion of the Acquisition and issues of all Shares, Performance Shares and Options contemplated by this Notice is set out in Schedule 4, showing: (a) the pro-forma balance sheet of the Company assuming that the Minimum Subscription is raised under the Capital Raising; and (b) the pro-forma balance sheet of the Company assuming that the Maximum Subscription is raised under the Capital Raising. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

1.10 Indicative timetable

An indicative timetable for Settlement and the associated transactions is set out below:

Event	Date
Dispatch of Notice of Meeting	22 April 2016
Lodgement of Prospectus with the ASIC	12 May 2016
Opening Date of the Capital Raising	12 May 2016
Meeting held to approve the Acquisition	23 May 2016
Closing Date of the Capital Raising	30 May 2016
Settlement of the Acquisition	13 June 2016
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	20 June 2016
Re-quotations of Shares (including Shares issued under the Capital Raising) on ASX	27 June 2016

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

1.11 Board intention if Settlement occurs

In the event that Settlement occurs, the Company proposes to:

- (a) continue development of the Syntonic Technology;
- (b) undertake marketing throughout Australia and internationally; and
- (c) pursue business development opportunities for the Syntonic Technology both in Australia and internationally.

It is intended to allocate the funds raised from the Capital Raising and existing cash reserves as set out in Section 1.5.

1.12 Composition of the Board of Directors

It is intended that the Board of Directors will comprise the following upon Settlement occurring:

- (a) Mr Gary Greenbaum;
- (b) Mr Rahul Agarwal;
- (c) Mr Ian Middlemas; and
- (d) Mr Mark Pearce.

It is currently intended that Mr David Parker will retire on Settlement and that Mr Middlemas and Mr Pearce will continue as interim Directors until appropriate replacement Directors are identified. Additional Board and management resources may be considered as appropriate as the Syntonic Technology develops.

1.13 Advantages of the proposals in the Resolutions

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

- (a) the Company will obtain ownership of Syntonic;
- (b) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a technology company;
- (c) with increasing global deployment of connected devices, the Company will be exposed to an industry which has the potential to grow significantly;
- (d) Syntonic has existing revenue generating operator deployments with worldwide mobile carriers including Tata Communications and others in rapidly expanding Asian markets; and
- (e) the Company will be managed by directors and officers with significant experience in the technology industries with a view to guiding the

Company to be a significant player in the mobile connected services industry.

1.14 Disadvantages of the proposals in the Resolutions

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

- (a) the Company will be changing the nature and scale of its activities to primarily be a technology company, which may not be consistent with the objectives of all Shareholders;
- (b) the Acquisition will result in the Capital Raising, the issue of Consideration Securities and the Advisor Securities which will have a dilutionary effect on the holdings of Shareholders;
- (c) future outlays of funds from the Company may be required for the operations of Syntonic; and
- (d) there are additional risk factors associated with the change in nature of the Company's activities resulting from the Acquisition. Some of the key risks are summarised in Section 1.15 below.

1.15 Risk factors

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 Syntonic, parties contracted or associated with Syntonic and the HOA. The risks and uncertainties described below are not intended to be exhaustive. 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. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire all Syntonic Shares is set out below.

(a) Risks relating to the Change in Nature and Scale of Activities

(i) Re-quotations of Shares on ASX

The acquisition of Syntonic 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-quotations 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.

(ii) **Dilution risk**

The Company currently has 656,776,880 Shares on issue. At Settlement, the Company proposes to issue:

- (A) the Consideration Shares;
- (B) the Performance Shares;
- (C) the Capital Raising Shares;
- (D) the Advisor Shares; and
- (E) the Advisor Options.

On issue of the Consideration Shares, the Capital Raising Shares (assuming the Maximum Subscription of 100,000,000 Shares), and the Advisor Shares (and provided no Options are exercised):

- (A) the existing Shareholders will retain approximately 32.6% of the Company's issued Share capital;
- (B) the Vendors will hold approximately 59.4% of the Company's issued Share capital;
- (C) the Advisors will hold approximately 3.0% of the Company's issued Share capital; and
- (D) the investors under the Capital Raising will hold approximately 5.0% of the Company's issued Share capital.

If subsequently the performance milestones are met and all the Performance Shares are converted (and provided no other Shares are issued or Options exercised), the interests of the existing Shareholders in the Company will reduce to 26.1%.

If subsequently the Advisor Options are exercised (and provided no other Shares are issued or Options exercised), the interests of the existing Shareholders in the Company will reduce to 25.8%.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Business.

(iii) **Liquidity risk**

On Settlement, the Company proposes to issue the Consideration Shares, the Performance Shares, the Capital Raising Shares, the Advisor Shares and the Advisor Options. The Directors understand that ASX will treat these securities as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions will be made to the ASX to apply for cash formula relief in respect of these Securities.

Based on the post-Acquisition capital structure (assuming the Maximum Subscription of 100,000,000 Shares under the Capital

Raising and assuming no further Shares are issued or Options exercised), the Consideration Shares will equate to approximately 59.4% of the issued Share capital on an undiluted basis. This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(iv) **Contractual risk**

Pursuant to the HOA, the Company was granted the Syntonic Option to acquire 100% of Syntonic. The Company paid the Option Facilitation Fee on 16 December 2015. Completion of the Acquisition is subject to the fulfilment of certain conditions precedent. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the HOA. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(b) **Risks in respect of Syntonic's current operations**

(i) **Competition and new technologies**

The industry in which Syntonic is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Syntonic not being differentiated to other similar offerings.

The size and financial strength of some of Syntonic's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, Syntonic's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

The key competition risk is in achieving appreciable market share and differentiation from its key competitors.

(ii) **Sales and marketing success**

Following Settlement, the Company intends to focus on developing and marketing the Syntonic Technology. By its nature, there is no guarantee that the Syntonic Technology's development and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty creating market awareness of the Syntonic Technology. This would likely have an adverse impact on the Company's potential profitability.

Even if the Company does successfully commercialise the Syntonic Technology, there is a risk the Company will not achieve a commercial return. For example, new technology may overtake the Company's technology.

(iii) **Attracting customers to the Syntonic Technology**

The Company's revenue will be affected by its ability to attract customers to the Syntonic Technology. Various factors can affect the level of customers using the Syntonic Technology, including:

- (A) Marketing and promotions: If the Company's marketing and promotion efforts are not effective this may result in fewer customers using the Syntonic Technology; and
- (B) Brand damage: If the Company or Syntonic suffer from reputational damage, customer numbers could be affected.
- (C) Pricing: Targeted customers may not be prepared to incur the costs for their business implicit in the adoption of the Syntonic Technology or to abandon their investments in existing technologies.

Accordingly, there is no guarantee that Syntonic's marketing and pricing strategies will be successful to achieve a sizeable take up rate of its products from customers.

(iv) **Hacker attacks**

Syntonic will rely upon the availability of its Syntonic Technology to provide services to customers and attract new customers. Hackers could render the Syntonic Technology unavailable or cause customers' personal information to be compromised.

Although Syntonic has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the Syntonic Technology could lead to a loss of revenue for the Company while compromising customers' information could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.

(v) **Limited operating history**

Syntonic has a limited operating history and the potential of its business model is unproven. No assurances can be given that Syntonic will achieve commercial viability through the successful implementation of its business plans.

(vi) **Failure to deal with growth**

Syntonic's business has the potential to grow rapidly. If that occurs and Syntonic fails to properly manage that growth, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the Syntonic business, including demand for Syntonic's products/services,

revenue collection, customer satisfaction and public perception.

(vii) **Risks associated with overseas expansion**

The Syntonic Technology has been constructed so as to be capable of being utilised in, and marketed to, multiple overseas jurisdictions. As Syntonic seeks to expand into overseas markets, including Southeast Asia, Europe and Latin America, it may require a physical presence in those countries and an associated increase in overheads and development and marketing costs.

There is the risk that any overseas expansion will be unsuccessful, or that even if there is demand for Syntonic's products in that market, that the costs of doing business in that market, including the costs of establishing a new base in country, overseas regulatory compliance and the potential duplication of running costs for the business, are such that Syntonic's profitability and available working capital will be adversely impacted.

(viii) **Business model to initially focus on growing market share**

Syntonic's business model is initially focused on maximising sales and market share, rather than profitability. This is likely to require expenditure on marketing and business development and significant expenditure on personnel. Only once Syntonic has incurred such additional expenditure will it be in a position to seek to achieve its targeted revenue growth and market penetration objectives. Accordingly, Syntonic may not achieve significant profitability in the short term or may suffer losses and, to the extent such circumstances continue, may suffer a shortage of working capital.

(ix) **Customer concentration risk**

Over-reliance upon key customers may, in the event of termination or non-renewal of such arrangements, create revenue volatility. Syntonic is conscious of customer concentration risk and the need to diversify its customer base. However, large contract wins could skew the concentration of revenues, increasing the risk that non-renewal will have a larger impact on future earnings.

(x) **Contractual third party risk**

The Company relies on third parties for key deliverables in its business model. This includes payment gateway providers, sales staff and integration of the Syntonic Technology to the market dispensing software packages. A failure of any one of these parties without an appropriate countermeasure could cause a disruption to operations. The company is continually assessing the risk and opportunities associated with its business model and other than disruptions for short periods of time due to service delivery failure is not solely reliant on any one party for delivery.

(xi) **Staff risk**

There is a risk that, where there is a turnover of development staff who have knowledge of the technology and business, that knowledge will be lost in the event that those staff resign or retire. This involves the risk that those staff will have information in respect of Syntonic's intellectual property which has a commercial value to Syntonic as well as an opportunity cost for replacement of those staff and subsequent training.

This risk is mitigated as Syntonic has historically had low levels of staff turnover in the development teams. In addition, all staff contracts contain express provisions with respect to ownership of intellectual property and restraints of trade to limit any potential loss suffered by Syntonic to the maximum extent possible.

(xii) **Protection of intellectual property rights**

Syntonic has pursued IP protection in the form of patent applications however legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the Syntonic Technology may eventually be launched. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

Market conditions depending, the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

(xiii) **Net Neutrality**

Government regulatory agencies in several countries have debated the appropriateness of sponsored data (sometimes referred to as toll free data or zero-rated data) in light of net neutrality. Net neutrality is a telecom tenet that requires all data on the Internet be treated the same, without differentiation based on price or quality of service. At issue is whether giving consumers free access to mobile content violates the principle of net neutrality.

The principle concern of net neutrality advocates is that Internet providers, such as mobile operators, could vary their services based on price or quality of service, and subsequently act as gatekeepers, demanding an extra charge or "toll" on specific traffic in exchange for a guarantee of quality or premium delivery. Sponsored data has entered into the debate because, for some government regulatory agencies, free mobile data could be perceived as price discrimination that unfairly favours larger companies who have the means to pay

for free data. However, few regulatory agencies have taken this view on sponsored data.

The Federal Communications Commission (**FCC**) issued their Open Internet Rules in March 2015 detailing the U.S. position on net neutrality. The FCC specifically considered and referenced Syntonic in their findings, and commented favourably about the value of innovative business models, such as sponsored data: "these business models increase choice and lower costs for consumers" and improve competition by helping edge providers "distinguish themselves in the marketplace and tailor their services to consumer demands."

Freeway by Syntonic does not distort competition to benefit only a handful of favoured or "deep-pocketed" content providers. The service supports any application and web site. Any Android or iOS developer that wants to incorporate sponsored data into a specific application or web site can readily do so. Additionally, the FCC explained that its content rules do not apply to "non-bias data services," explicitly citing exemptions for Syntonic's services which encompass the Syntonic DataFlex offering.

Most other government regulatory agencies have taken a similar position vis-à-vis sponsored data. For example, the European Parliament rejected amendments to recent legislation that would have banned sponsored data.

However, a few isolated government regulatory entities, most notably the Telecom and Regulatory Authority of India (**TRAI**), have taken a more aggressive position against sponsored data. TRAI specifically targeted sponsored data as a form of discriminatory pricing and as a result prohibited sponsored data services in India. Recent negative public backlash to TRAI's ruling has prompted TRAI to re-examine its position on sponsored data. In the interim, Freeway by Syntonic will limit its services to support data rewards and loyalty programs in the Indian market, both of which are wholly compliant with TRAI's regulations.

(xiv) **Currency risk**

Syntonic expects to derive a majority of its revenue from outside Australia and in foreign currencies (including US dollars). Accordingly, changes in the exchange rate between these foreign currencies and the Australian dollar would be expected to have a direct effect on the performance of Syntonic.

(c) **General Risks Relating to the Company**

(i) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these employees cease their employment and

suitable replacements are not identified and engaged in a timely manner.

(ii) **Risk of high volume of Share sales**

If Settlement occurs, the Company will have issued a significant number of new Securities to various parties. Some of the Vendors and others that receive Shares as a result of the Acquisition or the Capital Raising may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of the Company's Shares.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, Shareholders may, upon selling their Shares, receive a market price for their securities that is less than the price of Shares offered pursuant to the Capital Raising.

(iii) **Trading price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks, and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(iv) **Additional requirements for capital**

The capital requirements of the Company depend on numerous factors. Depending on the ability of the Company to generate income from its operations, the Company may require further financing in addition to amounts raised under the Capital Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(v) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety 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 Syntonic are currently engaged in any litigation.

(vi) **Economic risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

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

- (A) general economic outlook;
- (B) interest rates and inflation rates;
- (C) currency fluctuations;
- (D) changes in investor sentiment toward particular market sectors;
- (E) the demand for, and supply of, capital; and
- (F) terrorism or other hostilities.

(vii) **Technology Sector Risks**

The technology sector is characterised by rapid change. New and disruptive technologies can place competitive pressures on existing companies and business models, and technology stocks may experience greater price volatility than securities in some slower changing market sectors.

The value of the Company's securities may be adversely affected by any general decline in the valuation of listed securities and/or adverse market sentiment towards the technology sector in particular, regardless of the Company's operating performance.

(viii) **Force majeure**

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(ix) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

(x) **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.

1.16 Plans for the Company if the Resolutions are not passed

If the Essential Resolutions are not passed and the Agreement is not completed, the Company will continue to focus on mineral exploration and look for potential business acquisitions to take the Company forward.

1.17 Directors' interests in the Agreement

None of the Company's existing Directors have any interest in the proposed Acquisition, other than as disclosed in this Notice.

1.18 Vendors

None of the Vendors or their associates are related parties of the Company (other than by virtue of becoming Directors upon Settlement) and they have no existing interest in the Company's Securities.

1.19 Forward looking statements

The forward looking statements in this Explanatory Statement are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Explanatory Statement. These risks include but are not limited to, the risks detailed in Section 1.15. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

2.1 General

Resolution 1 seeks approval from Shareholders for the Acquisition.

The Acquisition will change the nature of the Company's activities from a mineral exploration company to a technology company.

A summary of the terms and conditions of the HOA is set out in Section 1.6(a) above and a detailed description of Syntonic and its business is outlined in Section 1.2 above.

2.2 ASX Listing Rule 11.1

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

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

ASX has indicated to the Company that the change in the nature and scale of the Company's activities as a result of Acquisition requires the Company in accordance with ASX Listing Rule 11.1.2 to obtain Shareholder approval and the Company must comply with any requirements of ASX in relation to the Notice of Meeting.

2.3 Suspension until re-compliance with Chapters 1 and 2 of the ASX Listing Rules

ASX has also indicated to the Company that the change in the nature and scale of the Company's activities is a back-door listing of Syntonic which consequently requires the Company to (in accordance with ASX Listing Rule 11.1.3) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (including any ASX requirement to treat the Company's securities as restricted securities).

Accordingly, it is anticipated that the Company's securities will be subjected to a trading halt or suspension and thereby cease trading on ASX's Official List prior to market open on the day of the Meeting. If the Essential Resolutions are approved at the Meeting, it is expected that the Company's Securities will remain suspended from quotation until the Company has acquired Syntonic pursuant to the HOA and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

If the Essential Resolutions are not approved at the Meeting, it is expected that the Company's securities will be reinstated to quotation on ASX's Official List after the Company announces the results of the Meeting in accordance with the Listing Rules and Corporations Act.

3. RESOLUTION 2 – CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES

3.1 Background

Resolution 2 seeks Shareholder approval for the Company to be authorised to issue the Performance Shares.

3.2 Legal requirements

Section 246B of the Corporations Act and article 2.3 of the Constitution provides that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the holders of the issued shares of the affected class; or
- (b) the written consent of the holders of 75% of the votes of the affected class.

The Company must give written notice of the variation to the members of the affected class within 7 days after the variation is made.

Section 246C(5) of the Corporations Act confirms that if a company with only one class of shares issues a new class of shares, the issue of the new class of shares is taken to vary the rights attached to shares in the existing class if:

- (a) the rights attaching to the new class of shares are not the same as the rights attached to the existing class of shares; and
- (b) the rights attaching to the new class of shares are not provided for in:
 - (i) the Company's constitution (if any); or
 - (ii) a notice, document or resolution that is lodged with ASIC.

3.3 Application to the Company

The Company currently has only one class of shares on issue being fully paid ordinary shares. The terms of the Performance Shares will not be the same as the Shares and the rights attaching to the Performance Shares are not provided for in the Constitution. Accordingly, the Company seeks Shareholder approval by special resolution at the Meeting for the creation of a new class of shares known as Performance Shares.

The Performance Shares are proposed to be issued in three classes with each class having a separate milestone event triggering their conversion into Shares but otherwise each class will be on the same terms. The proposed terms of each class of the Performance Shares are set out in Schedule 1.

In the event Resolution 2 is passed by the requisite majority the Company will give written notice of the variation to the rights attaching to Shares to Shareholders within 7 days.

Resolution 2 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

4. RESOLUTION 3 – ISSUE OF CONSIDERATION SECURITIES

4.1 General

Resolution 3 seeks Shareholder approval for the issue of:

- (a) 1,200,000,000 Consideration Shares to the Syntonic Shareholders and Syntonic Optionholders in consideration for the acquisition of 100% of their Syntonic Shares and Syntonic Options; and
- (b) 500,000,000 Performance Shares to the Majority Shareholders;

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

The Consideration Shares to be issued to the Syntonic Optionholders (**Syntonic Option Consideration Shares**) will be subject to a vesting period commencing on the date of Settlement and ending 12 months following Settlement (**Vesting Period**).

In the event that the a Syntonic Optionholder ceases to be employed by, or provide services to, Syntonic during the Vesting Period, the Syntonic Option Consideration Shares held by that Syntonic Optionholder will be bought back by the Company and cancelled.

4.2 ASX Listing Rule 7.1

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

The effect of Resolution 3 will be to allow the Company to issue the Consideration Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity. In addition, Resolution 3 will permit each of Gary Greenbaum and Rahul Agarwal to acquire a voting power in the Company in excess of 20%.

The Directors understand that ASX may treat each of the Consideration Securities as restricted securities for the purpose of the ASX Listing Rules. However, submissions will be made to the ASX to apply for cash formula relief in respect of the Consideration Shares.

4.3 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Consideration Securities to be issued at Settlement is as follows:
 - (i) 1,200,000,000 Consideration Shares; and
 - (ii) 500,000,000 Performance Shares.
- (b) the Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by

any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of all those Securities will occur on the same date;

- (c) the Consideration Securities will be issued for nil cash consideration in satisfaction of the Acquisition;
- (d) the Consideration Shares will be issued to the Syntonic Shareholders, persons entitled to become Syntonic Shareholders and Syntonic Optionholders, who are not related parties of the Company (other than as a result of the Acquisition), in consideration for their respective Syntonic Shares;
- (e) the Performance Shares will be issued to the Majority Shareholders, who are not related parties of the Company (other than as a result of the Acquisition);
- (f) the Consideration Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Performance Shares to be issued to the Majority Shareholders will be issued on the terms and conditions set out in Schedule 1; and
- (h) no funds will be raised from the proposed issue as the Consideration Securities are proposed to be issued in consideration for the Acquisition by the Company of all of the Syntonic Shares and cancellation of all other Syntonic securities in accordance with the terms of the HOA.

4.4 Item 7 of section 611 of the Corporations Act

(a) **Section 606 of the Corporations Act – Statutory Prohibition**

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%,

(Prohibition).

(b) **Voting Power**

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the Company in which the person and the person's associates have a relevant interest.

(c) **Associates**

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

- (i) (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the person;
- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the Company's board or the conduct of the Company's affairs; or
- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the Company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a Company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(d) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (i) a body corporate in which the person's voting power is above 20%; and
- (ii) a body corporate that the person controls.

(e) **Relationship between the Majority Shareholders and the Trustee**

Each of the Majority Shareholders is a director of Syntonic and Proposed Director of the Company.

Other than under the HOA, no relevant agreement exists to which the Majority Shareholders are a party under which they propose to control or influence the composition of the Board or the conduct of the Company's affairs. The Majority Shareholders will act independently in

determining how they will vote on Board and Shareholder resolutions. As such, the Majority Shareholders are not considered associates of one another.

Other than under the Trust Agreement, there is no relationship between either of the Majority Shareholders and the Trustee. Under the Trust Agreement, all voting rights attaching to the Consideration Shares and Shares issued upon conversion of the Performance Shares will be held by the Trustee. As such, the Trustee will have a relevant interest in all Consideration Securities of the Majority Shareholders for so long as they are held by the Trustee in accordance with the Trust Agreement.

The Trustee will cease to have a relevant interest in the Consideration Securities of the Majority Shareholders upon the Consideration Securities being transferred to the Majority Shareholders by the Trustee, at which time the Majority Shareholder will acquire a relevant interest in the Consideration Securities.

(f) **Control**

The Corporations Act defines "control" very broadly under section 50AA of the Corporations Act control to mean that an entity has the capacity to determine the outcome of decisions about the financial and operating policies of the Company.

4.5 Reason section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

As set out in the tables in Section 4.6(b), each of the Majority Shareholders and the Trustee will acquire a voting power in the Company in excess of 20% as a result of the issue of the Consideration Shares and Performance Shares (assuming they are converted into Shares in accordance with their terms) to the Trustee on behalf of the Majority Shareholders.

Accordingly, Resolution 3 seeks Shareholder approval for the purpose of section 611 Item 7 and all other purposes to enable the Company to issue the Consideration Securities.

4.6 Specific Information required by section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO annexed to this Explanatory Statement.

(a) **Identity of the Acquirer and its Associates**

The Trustee will be issued the Consideration Securities to which the Majority Shareholders are entitled in accordance with the terms of the Trust Agreement as set out in Section 1.6(b) of this Explanatory Memorandum. Mr Peter Vickers is an associate of the Trustee by virtue of him being the sole shareholder and director of the Trustee.

Under the terms of the Trust Agreement, the Consideration Securities to which the Majority Shareholder are entitled will be transferred to the Majority Shareholders following expiry of ASX imposed escrow. At this time, the Majority Shareholders will acquire a relevant interest in the Consideration Securities. For the purposes of the Corporations Act, there are no persons who are associates of Mr Messrs Gary Greenbaum and Rahul Agarwal.

(b) **Relevant Interests and Voting Power of Majority Shareholders and the Trustee**

Neither Mr Gary Greenbaum, Mr Rahul Agarwal, the Trustee nor Mr Peter Vickers currently hold any Shares in the Company.

The relevant interests of Mr Gary Greenbaum, Mr Rahul Agarwal, the Trustee, and Mr Peter Vickers in the voting shares in the capital of the Company (both current, and following the issue of the Consideration Securities contemplated by this Notice) are set out in the table below:

<u>Mr Gary Greenbaum</u>					
Event	Shares held by or issued to Mr Greenbaum	Cumulative Relevant interest of Mr Greenbaum	Total Shares issued	Cumulative Total Shares on issue ⁴	Cumulative voting power of Mr Greenbaum ⁴
Current holdings	-	-	-	656,776,880	0%
Issue of Capital Raising Shares ¹	-	-	50,000,000	706,776,880	0%
Issue of Advisor Shares ²	-	-	60,000,000	766,776,880	0%
Issue of Consideration Shares ²	373,740,888	373,740,888	1,200,000,000	1,966,776,880	19.00%
First Performance Share milestone met ³	83,333,333	457,074,221	166,666,666	2,133,443,546	21.42%
Second Performance Share milestone met ³	83,333,333	540,407,554	166,666,666	2,300,110,212	23.49%
Third Performance Share milestone met ³	83,333,334	623,740,888	166,666,668	2,466,776,880	25.29%

<u>Mr Rahul Agarwal</u>					
Event	Shares held by or issued to Mr Agarwal	Cumulative Relevant interest of Mr Agarwal	Total Shares issued	Cumulative Total Shares on issue ⁴	Cumulative voting power of Mr Agarwal ⁴
Current holdings	-	-	-	656,776,880	0%
Issue of Capital Raising Shares ¹	-	-	50,000,000	706,776,880	0%
Issue of Advisor Shares ²	-	-	60,000,000	766,776,880	0%
Issue of Consideration Shares ²	373,740,888	373,740,888	1,200,000,000	1,966,776,880	19.00%
First Performance Share milestone met ³	83,333,333	457,074,221	166,666,666	2,133,443,546	21.42%
Second Performance Share milestone met ³	83,333,333	540,407,554	166,666,666	2,300,110,212	23.49%
Third Performance Share milestone met ³	83,333,334	623,740,888	166,666,668	2,466,776,880	25.29%

The Trustee⁵	Shares held by or issued to the Trustee	Cumulative Relevant interest of the Trustee	Total Shares issued	Cumulative Total Shares on issue⁴	Cumulative voting power of the Trustee⁴
Current holdings	-	-	-	656,776,880	0%
Issue of Capital Raising Shares ¹	-	-	50,000,000	706,776,880	0%
Issue of Advisor Shares ²	-	-	60,000,000	766,776,880	0%
Issue of Consideration Shares ²	747,481,776	747,481,776	1,200,000,000	1,966,776,880	38.01%
First Performance Share milestone met ³	166,666,666	914,148,442	166,666,666	2,133,443,546	42.85%
Second Performance Share milestone met ³	166,666,666	1,080,815,108	166,666,666	2,300,110,212	46.99%
Third Performance Share milestone met ³	166,666,668	1,247,481,776	166,666,668	2,466,776,880	50.57%

Notes:

1. This assumes that the Minimum Subscription of A\$1,000,000 is raised under the Capital Raising at an issue price of \$0.02 per Share. If the Maximum Subscription is raised under the Capital Raising, then the maximum voting power of Mr Gary Greenbaum, Mr Rahul Agarwal, and the Trustee will be reduced.
2. Refer to Section 1.6(a) for a summary of the HOA, under which the Advisor Shares and Consideration Shares will be issued.
3. Refer to Schedule 1 for the terms and conditions of the Performance Shares.
4. This assumes that no further Shares are issued following Settlement of the Acquisition.
5. Mr Peter Vickers is the sole shareholder of the Trustee. Accordingly, pursuant to section 608(3) of the Corporations Act, he is deemed to have the relevant interests of the Trustee.

(c) Summary of increases

From the above chart it can be seen that:

- (i) the maximum relevant interests that Mr Gary Greenbaum will hold after the issue of the Consideration Securities is 623,740,888 Shares, and the maximum voting power that Mr Gary Greenbaum will hold is 25.29%. This represents a maximum increase in voting power of 25.29% (being the difference between 0% and 25.29%);
- (ii) the maximum relevant interests that Mr Rahul Agarwal will hold after the issue of the Consideration Securities is 623,740,888 Shares, and the maximum voting power that Mr Rahul Agarwal will hold is 25.29%. This represents a maximum increase in voting power of 25.29% (being the difference between 0% and 25.29%); and
- (iii) the maximum relevant interests that the Trustee (and Mr Peter Vickers) will hold after the issue of the Consideration Securities is 1,247,481,776 Shares, and the maximum voting power that the Trustee (and Mr Peter Vickers) will hold is 50.57%. This represents

a maximum increase in voting power of 50.57% (being the difference between 0% and 50.57%).

(d) **Assumptions**

Note that the following assumptions have been made in calculating the above:

- (i) the Company has 656,776,880 Shares on issue as at the date of this Notice of Meeting;
- (ii) the Company does not issue any additional Shares other than pursuant to the resolutions set out in this Notice;
- (iii) the Performance Shares milestones are met; and
- (iv) prior to Settlement, the Majority Shareholders, the Trustee, Mr Peter Vickers and their associates do not acquire any additional Shares.

(e) **Reasons for the proposed issue of securities**

As set out in Section 1.1 of this Explanatory Statement, the reason for the issue of the Consideration Securities to the Majority Shareholders is as consideration for the Acquisition.

(f) **Date of proposed issue of securities**

The Consideration Securities the subject of Resolution 3 are intended to be issued at Settlement.

(g) **Material terms of proposed issue of securities**

The terms upon which the Consideration Shares are to be issued are set out in Section 1.6. The terms upon which the Performance Shares are to be issued are set out in Schedule 1.

(b) **Majority Shareholder Intentions**

The Company understands that the Majority Shareholders and the proposed new Directors have the intentions for the Company as set out in Section 1.2

(h) **Interests and Recommendations of Directors**

None of the current Board members have a material personal interest in the outcome of the Essential Resolutions.

All of the Directors are of the opinion that the Acquisition is in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Essential Resolutions. The Directors' recommendations are based on the reasons outlined in Section 1.13.

The Directors are not aware of any information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

4.7 Advantages and Disadvantages of the Acquisition

Non-exhaustive lists of the advantages and disadvantages of the Acquisition are set out in Sections 1.13 and 1.14 of the Explanatory Memorandum.

4.8 Independent Expert's Report

The Independent Expert's Report prepared by BDO (a copy of which is enclosed with this Notice of Meeting and Explanatory Statement) assesses whether the Acquisition is fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the Acquisition is FAIR AND REASONABLE to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

5. RESOLUTION 4 – CAPITAL RAISING

5.1 General

Resolution 4 seeks Shareholder approval for the issue of up to 50,000,000 Shares at a minimum issue price of A\$0.02 per Share to raise at least A\$1,000,000 (**Minimum Subscription**), with provision to issue up to an additional 50,000,000 Shares (on the same terms) in oversubscriptions at the Directors' discretion (**Oversubscriptions**) (collectively the **Prospectus Offer**).

The issue price at which Shares will be issued under the Capital Raising will be determined by the Company, provided that the issue price shall be at least A\$0.02 per Share and the Company will announce the issue price by no later than 5.00pm (WST) on the Business Day immediately preceding the date of the Meeting.

On 14 April 2016, ASX granted the Company a waiver to enable the Company to undertake the Prospectus Offer at not less than A\$0.02 per Share. The waiver is conditional upon Shareholders approving the issue price of Shares under the Prospectus Offer at a price of not less than A\$0.02 per Share.

For the purposes of the Listing Rules, none of the subscribers for the Shares to be issued under Resolution 4 will be related parties of the Company.

The Prospectus Offer will be conditional on the following:

- (a) Shareholders passing all of the Essential Resolutions;
- (b) conditional approval being obtained from the ASX to reinstate the securities of the Company to trading on the ASX (after the Company recompiles with Chapters 1 and 2 of the ASX Listing Rules); and
- (c) the Shares to be issued under the Prospectus Offer being issued contemporaneously with Settlement.

Further details of the Prospectus Offer will be set out in the Prospectus.

A summary of ASX Listing Rule 7.1 is set out in Section 4.2 above.

The effect of Resolution 4 will be to allow the Company to issue Shares under the Prospectus Offer during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Shares to be issued is 100,000,000 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be not less than A\$0.02 per Share, as determined by the Company and announced by no later than 5.00pm (WST) on the Business Day immediately preceding the date of the Meeting.;
- (d) the Shares are proposed to be issued to the applicants under the Prospectus Offer. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue; and
- (f) the Company intends to use the funds raised under the Prospectus Offer as set out in Section 1.5.

6. RESOLUTION 4 – ISSUE OF ADVISOR SHARES

6.1 General

Resolution 5 seeks Shareholder approval for the issue of 60,000,000 Advisor Shares in consideration for CPS Capital introducing the Acquisition to the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 4.2 above.

The effect of Resolution 5 will be to allow the Company to issue the Advisor Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Advisor Shares to be issued is 60,000,000;
- (b) the Advisor Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Advisor Shares will occur on Settlement;
- (c) the Advisor Shares will be issued for nil cash consideration in

consideration for CPS Capital introducing the Acquisition to the Company, and as such no funds will be raised from the issue;

- (d) the Advisor Shares will be issued to CPS Capital (and persons nominated by CPS Capital), who are not related parties of the Company;
- (e) the Advisor Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Advisor Shares as the Advisor Shares are being issued in consideration for fund CPS Capital introducing the Acquisition to the Company.

7. RESOLUTION 6 – ISSUE OF ADVISOR OPTIONS

7.1 General

Resolution 6 seeks Shareholder approval for the issue of 25,000,000 Advisor Options in consideration for Armada Capital (and persons nominated by Armada Capital) assisting to raise funds under the Capital Raising.

A summary of ASX Listing Rule 7.1 is set out in Section 4.2 above.

The effect of Resolution 5 will be to allow the Company to issue the Advisor Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Advisor Options to be issued is 25,000,000;
- (b) the Advisor Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Advisor Options will occur on Settlement;
- (c) the Advisor Options will be issued for nil cash consideration in consideration for fund raising services provided by Armada Capital (and those persons nominated by Armada Capital), and as such no funds will be raised from the issue;
- (d) the Advisor Options will be issued to Armada Capital (and persons nominated by Armada Capital), who are not related parties of the Company;
- (e) the Advisor Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue of the Advisor Options as the Advisor Options are being issued in consideration for fund raising services provided by Armada Capital (and those persons nominated by Armada Capital).

8. RESOLUTION 7 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 7 seeks the approval of Shareholders for the Company to change its name to "**Syntonic Limited**". The Board proposes this change of name on the basis that it more accurately reflects the proposed operations of the Company following Settlement.

If Resolution 7 is passed the change of name will take effect after ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 7 is passed, the Company will lodge a copy of the special resolution with ASIC following Settlement in order to effect the change.

9. RESOLUTIONS 8 AND 9 – ELECTION OF DIRECTORS

In accordance with article 6.2 of the Constitution, the Company may elect a person as a Director by resolution passed at a general meeting.

In accordance with the HOA, the Company has agreed to appoint Messrs Gary Greenbaum and Rahul Agarwal (**Proposed Directors**) as directors of the Company. Their appointments will take effect on and from Settlement.

For the Proposed Directors to be eligible for election, the Proposed Directors, or a Shareholder intending to propose their nomination, must leave at the Company's registered office at least 30 Business Days before the Meeting, a written notice from the Proposed Directors consenting to their nomination and signifying their candidature for the office, or a written notice from a Shareholder signifying their intention to nominate the Proposed Directors.

Pursuant to Resolutions 8 and 9, Messrs Gary Greenbaum and Rahul Agarwal seek election from Shareholders to be appointed upon Settlement occurring.

9.1 Qualifications

The qualifications and experience of the Proposed Directors is set out below:

Mr Gary Greenbaum

Gary Greenbaum, Ph.D is the Co-Founder and CEO of Syntonic. Mr Greenbaum has been a thought leader and technology pioneer in two of the most significant technology revolutions of the past 20 years: digital media and mobile computing. Mr Greenbaum's unique balance of business acumen and technical expertise has enabled him to make seminal contributions at every stage in his professional career from co-founding a highly successful Silicon Valley start-up to leading international teams at large multinational corporations.

Mr Greenbaum has previously held a number of executive positions at Microsoft and Hutchison Whampoa Ltd. Previously to these appointments, Mr Greenbaum founded an IP-based video conferencing company that was acquired by RealNetworks, where he led the development of the award winning and ubiquitously used RealVideo streaming technology. Mr Greenbaum is the author of 8 patents granted for Microsoft and RealNetworks, and several Syntonic pending patents. Mr Greenbaum received his Ph.D. in high energy particle

physics at the University of California and was a visiting scholar at the Stanford Linear Accelerator Centre.

Mr Rahul Agarwal

Rahul Agarwal is the Co-Founder, President and CTO of Syntonic. Mr Agarwal is a qualified computer engineer and tech entrepreneur with over 20 years in the sector and is an expert in architecting large-scale multi-platform client-server solutions, instituting development and quality processes and managing technical teams.

Mr Agarwal has previously held senior roles at RealNetworks including: Director of Engineering, where he was responsible for striking numerous technology partnerships with mobile operators and mobile handset manufacturers; and Chief Architect for RealNetworks' second-generation Helix media consumption platform. Mr Agarwal also founded Adroit Business Solutions, a technology solutions provider that developed numerous high-tech mobile and security solutions for several Fortune 100 companies, mid-sized and early stage companies. Mr Agarwal earned his Master's in Computer Science from West Virginia University.

9.2 Other Directorships and Relationships

Messrs Gary Greenbaum and Rahul Agarwal have not held any directorships of other publicly listed companies in the last three years, and have no interests, positions, associations or relationships that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

9.3 Board Recommendation

The Board supports the election of each of the Proposed Directors and recommends that Shareholders vote in favour of Resolutions 8 and 9.

Resolutions 8 and 9 are each Essential Resolutions and are subject to the passing of all other Essential Resolutions.

10. RESOLUTION 10 – APPROVAL OF EMPLOYEE INCENTIVE OPTION PLAN

Resolution 10 seeks Shareholder approval for the adoption of the employee incentive scheme titled Employee Incentive Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 4.2 above.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to issue performance Options under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period. The Company's Shareholders have not previously approved the Company's adoption of the Plan and, as such, no securities have been issued under the Plan to date.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of performance Options under the Plan will provide selected Directors (executive or non-executive), and permitted employees and contractors of the Company with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 3. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

GLOSSARY

\$ means Australian dollars.

Acquisition has the meaning given at Section 1.1.

Addressable Audience means those smartphones (Android or iOS) for which the Syntonic by Freeway service is an available service on the smartphone's mobile network.

Advisor Options means 25,000,000 Options to be issued to Advisors at Settlement on the terms and conditions set out in Schedule 2.

Advisor Securities means the Advisor Options and the Advisor Shares.

Advisor Shares means 60,000,000 Shares to be issued to Advisors at Settlement.

Advisors mean CPS Capital and Armada Capital.

Armada Capital means Armada Capital Pty Ltd (ACN 112 297 953.)

Armada Convertible Loans means the unsecured loans procured by Armada Capital to the value of US\$735,000 which are convertible into Syntonic Shares.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Capital Raising has the meaning given at Section 1.1.

Chair means the chair of the Meeting.

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

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

Company or **Pacific** means Pacific Ore Limited (ACN 123 867 765).

Consideration Securities has the meaning in Section 4.1.

Consideration Shares means 1,200,000,000 Shares to be issued to the Syntonic Shareholders at Settlement.

Constitution means the Company's constitution.

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

CPS Capital means CPS Capital Pty Ltd (ACN 130 948 579).

Directors mean the current directors of the Company.

Essential Resolutions means all Resolutions (except Resolution 10) set out in this Notice.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

HOA has the meaning given at Section 1.1.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Majority Shareholders means the current majority holders of current shares in Syntonic, being Messrs Gary Greenbaum and Rahul Agarwal.

Maximum Subscription means a raising of up to 100,000,000 Shares under the Prospectus.

Merger has the meaning given at Section 1.1.

Minimum Subscription means a raising of up to 50,000,000 Shares under the Prospectus.

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

Official List means the official list of ASX.

Option means an option to acquire a Share.

Performance Shares means 500,000,000 performance shares to be issued to the Majority Shareholders at Settlement.

Proposed Directors means Messrs Gary Greenbaum and Rahul Agarwal.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of this Notice of Meeting.

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

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

Shareholder means a registered holder of a Share.

Syntonic means Syntonic Wireless, Inc. (a US state of Delaware "C-Corporation").

Syntonic Option means an option to acquire a Syntonic Share.

Syntonic Optionholder means a holder of a Syntonic Option.

Syntonic Shareholder means a holder of a Syntonic Share.

Syntonic Shares means a fully paid ordinary share in the capital of the Syntonic.

Syntonic Technology has the meaning given at Section 1.1.

Trust Agreement has the meaning given at Section 1.6(b).

Trustee has the meaning given at Section 1.6(b).

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

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE SHARES

1. Terms of Performance Shares

- (a) **(Performance Shares)**: Each Performance Share is a share in the capital of Pacific.
- (b) **(General Meetings)**: The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of Pacific that are circulated to Pacific shareholders. Holders have the right to attend general meetings of Pacific.
- (c) **(No Voting Rights)**: The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of Pacific, subject to any voting rights under the Corporations Act 2001 (Cth) or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights)**: The Performance Shares do not entitle the Holder to any dividends.
- (e) **(No Rights on Winding Up)**: Upon winding up of Pacific, the Performance Shares may not participate in the surplus profits or assets of Pacific.
- (f) **(Transfer of Performance Shares)**: The Performance Shares are not transferable.
- (g) **(Reorganisation of Capital)**: In the event that the issued capital of Pacific is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (h) **(Application to ASX)**: The Performance Shares will not be quoted on ASX. If Pacific is listed on the ASX at the time, upon conversion of the Performance Shares into Pacific Shares in accordance with these terms, Pacific must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Pacific Shares arising from the conversion.
- (i) **(Participation in Entitlements and Bonus Issues)**: Subject always to the rights under item (g) (Reorganisation of Capital), holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of Pacific Shares such as bonus issues and entitlement issues.
- (j) **(Amendments required by ASX)**: The terms of the Performance Shares may be amended as necessary by the Pacific board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) **(No Other Rights)**: The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

2. Conversion of the Performance Shares

- (a) **(Milestones):** The Performance Shares will convert upon satisfaction of any one of the following milestones:
- (i) One third (1/3rd) of all Performance Shares held by the Holder as at the date of issue of the Performance Shares (**Issue Date**) shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an Addressable Audience of 100,000,000 mobile subscribers within a period of 12 months from Settlement;
 - (ii) One third (1/3rd) of all Performance Shares held by the Holder as at the Issue Date shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an Addressable Audience of 150,000,000 mobile subscribers within a period of 18 months from Settlement; and
 - (iii) One third (1/3rd) of all Performance Shares held by the Holder as at the Issue Date shall convert upon the Company entering into revenue generating agreements in respect of Syntonic DataFlex® (including the white-label version of the product sold by partners) with 50 businesses within a period of 24 months from Settlement,
- (each referred to as a **Milestone**).
- (b) **(Conversion of Performance Shares):** In the event a Milestone is satisfied, all of the Performance Shares held by the Holder will convert into an equal number of Pacific Shares.
- (c) **(No Conversion if Milestone not Achieved):** Any Performance Share not converted into a Pacific Share within 2 years from the Issue Date will lapse.
- (d) **(After Conversion):** The Pacific Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Pacific Shares then on issue and, if Pacific is listed on ASX at the time, application will be made by Pacific to ASX for official quotation of the Pacific Shares issued upon conversion.
- (e) **(Conversion Procedure)** Pacific will issue the Holder with a new holding statement for the Pacific Shares as soon as practicable following the conversion of the Performance Shares into Pacific Shares.
- (f) **(Ranking of Shares)** The Pacific Shares into which the Performance Shares will convert will rank *pari passu* in all respects with the Pacific Shares on issue at the date of conversion.

SCHEDULE 2 – TERMS AND CONDITIONS OF ADVISOR OPTIONS

The terms of the Advisor Options are as follows:

- (a) the Advisor Options will be exercisable on 10 business days' notice prior to 5.00pm WST on the date that is three years from the date of issue (**Advisor Option Expiry Date**). Advisor Options not exercised on or before the Advisor Option Expiry Date will automatically lapse;
- (b) the exercise price of each Advisor Option will be A\$0.02;
- (c) the Advisor Options may be exercised wholly or in part by completing an application form for Pacific Shares (**Notice of Exercise**) delivered to Pacific's share registry and received by it any time prior to the Advisor Option Expiry Date;
- (d) upon the exercise of an Advisor Option and receipt of all relevant documents and payment, the holder will be issued a Pacific Share ranking pari passu with the then issued Pacific Shares. Pacific will apply to ASX to have the Pacific Shares granted official quotation;
- (e) a summary of the terms and conditions of the Advisor Options, including the Notice of Exercise, will be sent to all holders of Advisor Options when the initial holding statement is sent;
- (f) subject to any trading restrictions imposed by the ASX, the Advisor Options are freely transferable provided that they are not to be transferred to another person within 12 months following their issue (other than to another exempt investor pursuant to section 708A of the Corporations Act);
- (g) any Notice of Exercise received by Pacific's share registry on or prior to the Advisor Option Expiry Date will be deemed to be a Notice of Exercise as at the last business day of the month in which such notice is received;
- (h) there will be no participating entitlements inherent in the Advisor Options to participate in new issues of capital which may be offered to Pacific shareholders during the currency of the Advisor Options. Prior to any new pro rata issue of securities to Pacific shareholders, holders of Advisor Options will be notified by Pacific and will be afforded 6 business days before the record date (to determine entitlements to the issue), to exercise the Advisor Options;
- (i) in the event Pacific proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Pacific Shares after the date of issue of the Advisor Options, the exercise price of the Advisor Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
- (j) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of Pacific prior to the Advisor Option Expiry Date, all rights of an option holder are to be changed in a manner consistent with the ASX Listing Rules;
- (k) Pacific Shares issued pursuant to the exercise of an Advisor Option will be issued not more than 14 days after the date of the Notice of Exercise; and
- (l) If required, Pacific must lodge with ASX a cleansing notice that complies with the requirements under section 708A(5)(e) of the Corporations Act within 5 business days following the conversion of the Advisor Options issued by Pacific to the option holder into Pacific Shares, or, if the Company is unable to lodge 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 Pacific Shares does not require disclosure to investors.

SCHEDULE 3 – SUMMARY OF EMPLOYEE OPTION PLAN

- (a) **(Eligibility and Grant of Plan Options)**: The board of Pacific (**Board**) may grant options to acquire Pacific Shares under the ESOP (**ESOP Options**) to any full or part time employee or director of Pacific or subject to, and in accordance with, any necessary ASIC relief being obtained, a casual employee or contractor of Pacific (**Eligible Participant**). ESOP Options may be granted by the Board at any time.
- (b) **(Consideration)**: Unless the ESOP Options are quoted on ASX, ESOP Options will be issued for no more than nominal cash consideration.
- (c) **(Conversion)**: Each ESOP Option is exercisable into one Pacific Share ranking equally in all respect with the existing issued Pacific Shares.
- (d) **(Exercise Price and Expiry Date)**: The exercise price and expiry date for ESOP Options granted under the ESOP will be determined by the Board prior to the grant of the ESOP Options.
- (e) **(Exercise Restrictions)**: The ESOP Options granted under the ESOP may be subject to conditions on exercise as may be fixed by the Board prior to grant of the ESOP Options (**Exercise Conditions**). Any restrictions imposed by the Board must be set out in the offer for the ESOP Options.
- (f) **(Renounceability)**: Eligible Participants may renounce their offer in favour of a nominee (the Eligible Participants and their nominees are each **Participants**).
- (g) **(Lapsing of ESOP Options)**: Subject to the terms of the offer made to a Participant, an unexercised ESOP Option will lapse:
- (i) on the Eligible Participant ceasing to be an Eligible Participant:
 - (A) any Exercise Conditions have not been met by the date the relevant person ceases to be an Eligible Participant (**Ceasing Date**); or
 - (B) where any Exercise Conditions have been met by the Ceasing Date or the ESOP Option is not subject to any Exercise Conditions, the Participant does not exercise the ESOP Option within a period of 6 months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);
 - (ii) if any Exercise Condition is unable to be met; or
 - (iii) the expiry date has passed.
- (h) **(Share Restriction Period)**: Pacific Shares issued on the exercise of ESOP Options may, at the discretion of the Board, be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the ESOP Options.
- (i) **(Disposal of Options)**: ESOP Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.

- (j) **(Trigger Events):** The Company may permit ESOP Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (k) **(Participation):** There are no participating rights or entitlements inherent in the ESOP Options and holders will not be entitled to participate in new issues of capital offered to shareholders of Pacific during the currency of the ESOP Options.
- (l) **(Change in exercise price):** An ESOP Option will not confer a right to a change in exercise price or a change in the number of underlying Pacific Shares over which the ESOP Option can be exercised.
- (m) **(Reorganisation):** If at any time the capital of Pacific is reorganised (including consolidation, subdivision, reduction or return), 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.
- (n) **(Limitations on Offers):** Pacific must have reasonable grounds to believe, when making an offer under the ESOP that the number of Pacific Shares to be received on exercise of ESOP Options, when aggregated with the number of Pacific Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by an ASIC Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Pacific Shares on issue at the date of the offer.

SCHEDULE 4 – PRO FORMA BALANCE SHEETS

(a) Pro Forma Balance Sheet based on Maximum Subscription of A\$2,000,000:

	Pacific Ore Limited (Reviewed) 31-Dec-15 A\$	Syntonic Wireless, Inc. (Audited) 31-Dec-15 A\$	Adjustments 31-Dec-15 A\$	Pro-forma post Acquisition 31-Dec-15 A\$
Current Assets				
Cash and cash equivalents	2,316,869	148,819	2,562,342	5,028,030
Trade and other receivables	19,569	104,644	-	124,213
Prepayments	-	6,553	-	6,553
Total Current Assets	2,336,438	260,016	2,562,342	5,158,796
Non-Current Assets				
Non-current financial assets	468,582	6,553	(250,000)	225,135
Total Non-Current Assets	468,582	6,553	(250,000)	225,135
TOTAL ASSETS	2,805,020	266,569	2,312,342	5,383,931
Current Liabilities				
Trade and other payables	62,790	973,506	(200,130)	836,166
Interest-bearing loans	-	1,994,768	(1,994,768)	-
Deferred revenue	-	187,966	(187,966)	-
Total Current Liabilities	62,790	3,156,240	(2,382,864)	836,166
TOTAL LIABILITIES	62,790	3,156,240	(2,382,864)	836,166
NET ASSETS	2,742,230	(2,889,671)	4,695,206	4,547,765
EQUITY				
Issued capital	25,155,873	530	(5,832,095)	19,324,308
Reserves	63,069	8,314	10,228,617	10,300,000
Accumulated losses	(22,476,712)	(2,898,515)	298,684	(25,076,543)
TOTAL EQUITY	2,742,230	(2,889,671)	4,695,206	4,547,765

The pro-forma balance sheet presented above is based on the balance sheets of Pacific (unaudited) and Syntonic (audited) at 31 December 2015 and gives effect to pro forma adjustments relating to the Acquisition as if they had occurred on 31 December 2015. Unless specifically described, the pro-forma balance sheet does not include adjustments for the business of Pacific or Syntonic occurring after 31 December 2015 that does not relate to the Acquisition or the capital structure of the Company. The pro forma adjustments are as follows:

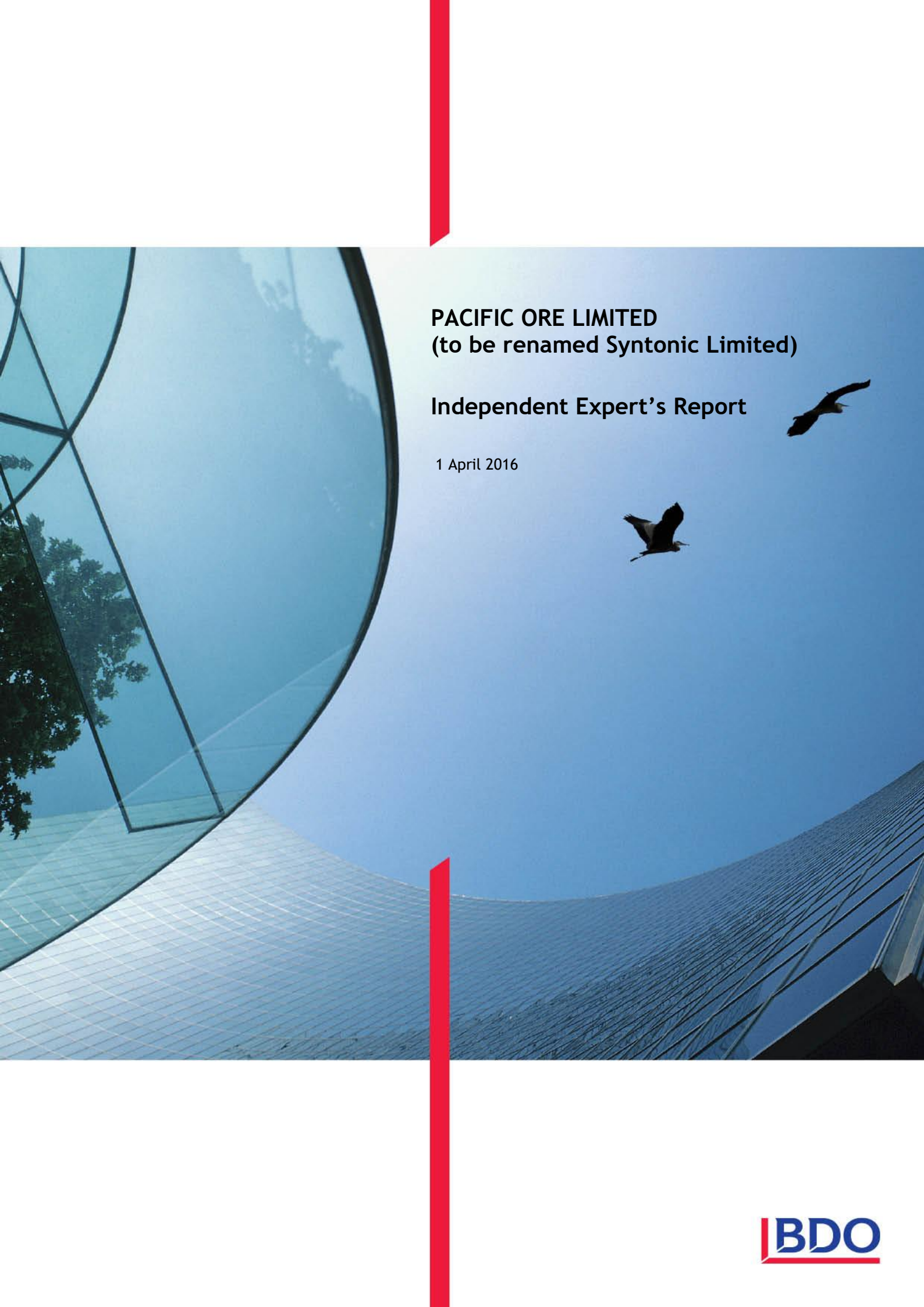
- (a) Issue by Pacific of 100,000,000 Shares at A\$0.02 each to raise gross proceeds of A\$2,000,000 under the Capital Raising;
- (b) Issue by Pacific of the Consideration Shares and Performance Shares as consideration for the acquisition of 100% of Syntonic's issued capital;
- (c) For accounting purposes, the acquirer has been identified as Syntonic and the Acquisition has been accounted for as a reverse acquisition. Accordingly, the excess of the estimated fair value of the equity instruments that Syntonic is deemed to have issued to acquire Pacific over the estimated fair value of Pacific's net assets has been recorded as a charge to profit or loss. For the purpose of the pro forma adjustment, the estimated fair value of the equity instruments deemed to be issued by Syntonic amounts to \$13,135,538, based on a Share price of A\$0.02 (being the minimum issue price of Shares under the Capital Raising) and the number of Shares on issue prior to the issue of the Consideration Securities;
- (d) Issue by Syntonic of the Armada Convertible Loans to raise gross proceeds of US\$735,000 (refer to section 1.6(g) of the Explanatory Memorandum above);
- (e) Conversion of the Syntonic Convertible Notes and Armada Convertible Loans into Syntonic Shares (refer to sections 1.6(f) and 1.6(g) of the Explanatory Memorandum above);
- (f) Cancellation of the Syntonic options;
- (b) Issue by Pacific of the Advisor Shares and Advisor Options; and
- (b) Transaction costs of A\$351,000 relating to the Acquisition and Capital Raising.

(b) Pro Forma Balance Sheet based on Minimum Subscription of A\$1,000,000:

	Pacific Ore Limited (Reviewed) 31-Dec-15 A\$	Syntonic Wireless, Inc. (Audited) 31-Dec-15 A\$	Adjustments 31-Dec-15 A\$	Pro-forma post Acquisition 31-Dec-15 A\$
Current Assets				
Cash and cash equivalents	2,316,869	148,819	1,623,342	4,089,030
Trade and other receivables	19,569	104,644	-	124,213
Prepayments	-	6,553	-	6,553
Total Current Assets	2,336,438	260,016	1,623,342	4,219,796
Non-Current Assets				
Non-current financial assets	468,582	6,553	(250,000)	225,135
Total Non-Current Assets	468,582	6,553	(250,000)	225,135
TOTAL ASSETS	2,805,020	266,569	1,373,342	4,444,931
Current Liabilities				
Trade and other payables	62,790	973,506	(200,130)	836,166
Interest-bearing loans	-	1,994,768	(1,994,768)	-
Deferred revenue	-	187,966	(187,966)	-
Total Current Liabilities	62,790	3,156,240	(2,382,864)	836,166
TOTAL LIABILITIES	62,790	3,156,240	(2,382,864)	836,166
NET ASSETS	2,742,230	(2,889,671)	3,756,206	3,608,765
EQUITY				
Issued capital	25,155,873	530	(6,772,095)	18,384,308
Reserves	63,069	8,314	10,228,617	10,300,000
Accumulated losses	(22,476,712)	(2,898,515)	299,684	(25,075,543)
TOTAL EQUITY	2,742,230	(2,889,671)	3,756,206	3,608,765

The pro-forma balance sheet presented above is based on the balance sheets of Pacific (unaudited) and Syntonic (audited) at 31 December 2015 and gives effect to pro forma adjustments relating to the Acquisition as if they had occurred on 31 December 2015. Unless specifically described, the pro-forma balance sheet does not include adjustments for the business of Pacific or Syntonic occurring after 31 December 2015 that does not relate to the Acquisition or the capital structure of the Company. The pro forma adjustments are as follows:

- (a) Issue by Pacific of 50,000,000 Shares at A\$0.02 each to raise gross proceeds of A\$1,000,000 under the Capital Raising;
- (b) Issue by Pacific of the Consideration Shares and Performance Shares as consideration for the acquisition of 100% of Syntonic's issued capital;
- (c) For accounting purposes, the acquirer has been identified as Syntonic and the Acquisition has been accounted for as a reverse acquisition. Accordingly, the excess of the estimated fair value of the equity instruments that Syntonic is deemed to have issued to acquire Pacific over the estimated fair value of Pacific's net assets has been recorded as a charge to profit or loss. For the purpose of the pro forma adjustment, the estimated fair value of the equity instruments deemed to be issued by Syntonic amounts to \$13,135,538, based on a Share price of A\$0.02 (being the minimum issue price of Shares under the Capital Raising) and the number of Shares on issue prior to the issue of the Consideration Securities;
- (d) Issue by Syntonic of the Armada Convertible Loans to raise gross proceeds of US\$735,000 (refer to section 1.6(g) of the Explanatory Memorandum above);
- (e) Conversion of the Syntonic Convertible Notes and Armada Convertible Loans into Syntonic Shares (refer to sections 1.6(f) and 1.6(g) of the Explanatory Memorandum above);
- (f) Cancellation of the Syntonic options;
- (b) Issue by Pacific of the Advisor Shares and Advisor Options; and
- (b) Transaction costs of A\$290,000 relating to the Acquisition and Capital Raising.



PACIFIC ORE LIMITED
(to be renamed Syntonic Limited)

Independent Expert's Report

1 April 2016



Financial Services Guide

1 April 2016

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Pacific Ore Limited ('Pacific Ore') to provide an independent expert's report on the proposal for Pacific Ore to acquire 100% of the share capital of Syntonic Wireless, Inc. ('Syntonic'). You will be provided with a copy of our report as a retail client because you are a shareholder of Pacific Ore.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$22,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Pacific Ore for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

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1 April 2016

The Directors
Pacific Ore Limited
Level 9, BGC Centre
28 The Esplanade
PERTH WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 10 December 2015, Pacific Ore Limited ('**Pacific Ore**' or '**the Company**') announced that it had entered into a binding heads of agreement ('**HOA**') with Syntonic Wireless, Inc. ('**Syntonic**') which sets out the terms on which Pacific will acquire 100% of the issued capital in Syntonic from the holders of shares in Syntonic ('**the Vendors**'). The HOA was subsequently varied by agreement between the Company and Syntonic on 28 January 2016 and 5 March 2016.

The Company paid Syntonic an option fee of A\$250,000 in December 2015 for an exclusive option to acquire 100% of the issued capital in Syntonic.

In consideration for the Company acquiring 100% of the issued capital in Syntonic, the Company will issue the following:

- 1,200 million ordinary shares to the Vendors in proportion to their existing holdings in Syntonic ('**Consideration Shares**');
- Up to 500 million performance shares to the major shareholders of Syntonic, Mr Gary Greenbaum and Mr Rahul Agarwal ('**Major Shareholders**') which shall convert into an equal number of ordinary shares upon satisfaction of the following milestones ('**Performance Shares**):
 - i. One-third shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an addressable audience of 100 million mobile subscribers within twelve months from the date of completion of the transaction;
 - ii. One-third shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an addressable audience of 150 million mobile subscribers within 18 months from the date of completion of the transaction; and
 - iii. One-third shall convert upon the Company entering into revenue generating agreements in respect of Syntonic DataFlex® (including the white-label version of the product sold by partners) with 50 businesses within 24 months from the date of completion of the transaction.

As a result of the issue of the Consideration Shares and Performance Shares as consideration for the Company acquiring 100% of the issued capital in Syntonic (**'the Transaction'**), the Majority Shareholders may each obtain an interest in the share capital of Syntonic up to a maximum of 24.54%. Therefore, the issue of the Consideration Shares and Performance Shares is subject to the approval by the non-associated shareholders of Pacific Ore, which is to be sought under Section 611 of the Corporations Act 2001 Cth (**'Corporations Act'** or **'the Act'**).

The Consideration Shares and Performance Shares to which the Majority Shareholders are entitled will be issued to Lindfield Nominee Services Pty Ltd (**'the Trustee'**) resulting in the Trustee obtaining an interest in the share capital of up to a maximum of 50.06% (being the combined interests of the Majority Shareholders). The issue to the Trustee is also subject to the approval by the non-associated shareholders of Pacific Ore.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Pacific Ore have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion as to whether or not the Transaction is fair and reasonable to the non-associated shareholders of Pacific Ore (**'Shareholders'**).

Our Report is prepared pursuant to section 611 of the Act and is to be included in the Notice of Meeting (**'NOM'**) for Pacific Ore in order to assist the Shareholders in their decision whether to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**'ASIC'**) Regulatory Guide 74 'Acquisitions Approved by Members' (**'RG 74'**), Regulatory Guide 111 'Content of Expert's Reports' (**'RG 111'**) and Regulatory Guide 112 'Independence of Experts' (**'RG 112'**).

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of a Pacific Ore share prior to the Transaction on a control basis compares to the value of a Pacific Ore share following the Transaction on a minority basis;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- The position of Shareholders should the Transaction not proceed.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Transaction is fair and reasonable to Shareholders.

In our opinion, the Transaction is fair as the range of values of a Pacific Ore share following the Transaction on a minority basis is greater than the range of values of a Pacific Ore share prior to the Transaction on a control basis. We consider the Transaction to be reasonable due to significant advantages that the Transaction will bring to the Company. In particular, we consider the Transaction provides Shareholders with exposure to an operating company with a potential to provide a return.

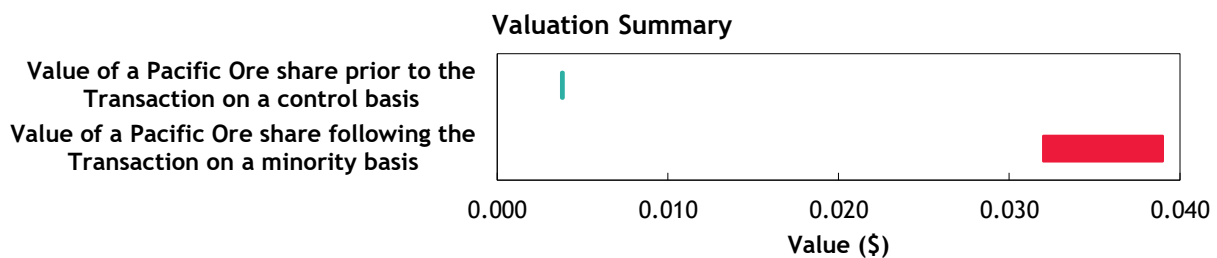
2.4 Fairness

In Section 12 we determined how the value of a Pacific Ore share prior to the Transaction on a control basis compares to the value of a Pacific Ore share following the Transaction on a minority basis, as detailed below.

	Low \$	High \$
Value of a Pacific Ore share prior to the Transaction on a control basis	0.0038	0.0038
Value of a Pacific Ore share following the Transaction on a minority basis	0.0320	0.0390

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO Analysis

The above pricing indicates that the low and high values of a Pacific Ore share following the Transaction on a minority basis are greater than the low and high values of a Pacific Ore share prior to the Transaction on a control basis. In the absence of any other relevant information, the Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- advantages and disadvantages of the Transaction ; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.1.1	The Transaction is fair	13.2.1	Syntonic has limited financial history and absence of significant revenues
13.1.2	Exposure to potential upside of Syntonic and Shareholders of Pacific Ore will own shares in an operating company with greater potential to generate a return for shareholders	13.2.2	Dilution of existing Shareholders' interests
13.1.3	The Transaction provides the Company with a cash injection	13.2.3	The change in operations as a result of the Transaction may not suit the risk profile of Shareholders
13.1.4	The Nominee directors of Syntonic bring additional experience and knowledge to the Board		
13.1.5	The Company is acquiring the business for no initial cash outlay		
13.1.6	The issue of Performance Shares ensures that the Vendors' interests are aligned to Shareholders' interests		

Other key matters we have considered include:

Section	Description
13.3.1	Alternative proposals
13.3.2	Practical level of control
13.3.3	Movement in the Company's share price following the announcement of the Transaction

3. Scope of the Report

3.1 Purpose of the Report

Section 606 of the Corporations Act expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Pacific Ore, by either:

- undertaking a detailed examination of the Transaction themselves, if they consider that they have sufficient expertise; or
- by commissioning an Independent Expert's Report.

The directors of Pacific Ore have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of a Pacific Ore share prior to the Transaction on a control basis and the value of a Pacific Ore share following the Transaction on a minority basis (fairness - see Section 12 'Is the Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Transaction, after reference to the value derived above (reasonableness - see Section 13 'Is the Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

On 10 December 2015, Pacific Ore announced that it had entered into a binding HOA with Syntonic which sets out the terms on which Pacific will acquire 100% of the issued capital in Syntonic from the Vendors. The HOA was subsequently varied by agreement between the Company and Syntonic on 28 January 2016 and 5 March 2016.

The Company paid Syntonic an exclusivity fee of A \$250,000 in December 2015 for an exclusive option to acquire 100% of the issued capital in Syntonic.

In consideration for the Company acquiring 100% of the issued capital in Syntonic, the Company will issue the following:

- 1,200 million ordinary shares to the Vendors in proportion to their existing holdings in Syntonic;
- Up to 500 million performance shares to the Majority Shareholders which shall convert into an equal number of ordinary shares upon satisfaction of the following milestones:
 - i. One-third shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an addressable audience of 100 million mobile subscribers within twelve months from the date of completion of the transaction;
 - ii. One-third shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an addressable audience of 150 million mobile subscribers within 18 months from the date of completion of the transaction; and
 - iii. One-third shall convert upon Syntonic DataFlex® (including the white-label version of the product sold by partners) agreements with 50 businesses within 24 months from the date of completion of the transaction.

Under the terms of the Transaction, Pacific Ore has provided an unsecured loan of A\$250,000 to Syntonic ('**Pacific Ore Loan**'). The Pacific Ore Loan is repayable by 31 December 2016 and will incur interest from 1 July 2016 to 31 December 2016 at a rate of 6%.

Syntonic has loans from investors comprising of convertible promissory notes ('**the Promissory Notes**') totalling US\$1,525,000 (excluding accrued interest). The Promissory Notes have a required interest rate of 6.00% per annum with the principal amounts along with the accrued interest under the Promissory Notes convertible into Pacific Ore shares. The Promissory Notes will convert into Syntonic shares at Settlement and holders of the Promissory Notes will receive 281,816,826 shares in Pacific Ore as part of the Consideration Shares following the completion of the Transaction.

Syntonic also has loans from investors procured by Armada Capital comprising of unsecured loans convertible into Syntonic Shares ('**the Armada Loans**') totalling US\$735,000. The Armada Loans will convert into directly into shares in Pacific Ore at Settlement and holders of the Armada Loans will receive 128,188,358 shares in Pacific Ore as part of the Consideration Shares.

Armada Capital will also be issued 25 million options with an exercise price of \$0.02 per option and expiry date of three years from the issue date as consideration for the advisory services provided in relation to the capital raising ('**Advisor Options**').

For the purposes of the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, the Company intends to undertake a capital raising through the issue of up to 100,000,000 ordinary shares at an issue price of not less than \$0.02 per share to raise at least \$1 million, with provision to raise an additional \$1,000,000 as oversubscriptions ('**Capital Raising**').

In addition to the shares issued to the Vendors of Syntonic, Pacific Ore will issue 60 million shares to CPS Capital Pty Ltd ('**CPS Capital**') in consideration for introduction, facilitation and advisory services provided to the Company by CPS Capital ('**Advisor Shares**').

As a result of the Transaction, the Majority Shareholders (Mr Gary Greenbaum and Mr Rahul Agarwal) will each receive 373.7 million Consideration Shares and 250.0 million Performance Shares.

As part of the structuring of the Transaction, it is proposed that the Majority Shareholders will direct Pacific Ore to issue the Consideration Shares and Performance Shares to the Trustee as their nominee to hold the legal title to these securities on behalf of each of the Majority Shareholders as beneficiaries.

The Majority Shareholders and the Trustee will enter into a trust agreement to document the terms of the trust arrangement ('**Trust Agreement**'). Further detail around the terms of the Trust Agreement can be found in the NOM.

The effect of this trust arrangement is that the Trustee will have a relevant interest in 747.5 million Consideration Shares and 500.0 million Performance Shares, and accordingly it is necessary to include this in the approval of Resolution 4 in the NOM.

Conditions Precedent to the Transaction

Completion of the Transaction is subject to, amongst other things, the satisfaction or waiver of the following conditions precedent:

- I. Pacific Ore obtaining all necessary regulatory and shareholder approvals pursuant to the ASX Listing Rules, the Corporations Act 2001, and the constitution of Pacific Ore to effect the Transaction and satisfying all other requirements of ASX for the reinstatement to official quotation of Pacific Ore's shares on the ASX;

- II. The Company undertaking the Capital Raising and receiving valid applications for the minimum subscription of \$1 million required to satisfy the requirements of ASX for the purpose of Chapters 1 and Chapters 2 of the ASX Listing Rules;
- III. Pacific Ore and all Syntonic shareholders executing binding documentation pursuant to which the Syntonic shareholders agree to sell their Syntonic shares to Pacific Ore in consideration of Pacific Ore issuing it (or its nominee) with its respective proportion of the Consideration Shares;
- IV. The Company being satisfied in its sole discretion that it will acquire all Syntonic shares and that all convertible securities in Syntonic will convert to or at settlement, such that at settlement, the Company shall acquire all Syntonic shares then on issue and Syntonic shall otherwise have no securities on issue;
- V. The execution of executive service agreements with Mr Gary Greenbaum and Mr Rahul Agarwal; and
- VI. The Company incorporating a Delaware corporation, which will become a wholly owned subsidiary of Pacific Ore.

Shareholding following the Transaction

The following table shows the maximum number of shares that may be issued to the Majority Shareholders following the approval of the Transaction.

Under the scenario where the minimum capital raising of \$1 million is achieved, the Majority Shareholders may reach a maximum shareholding of 50.06% ('Maximum Scenario').

Maximum Scenario			Remaining		
Pacific Ore share structure following the Transaction	Mr Gary Greenbaum	Mr Rahul Agarwal	Syntonic shareholders	Other Shareholders	Total
Prior to the Transaction					
Issued shares as at the date of this Report	-	-	-	656,776,880	656,776,880
% holdings as at the date of this Report	0.00%	0.00%	0.00%	100.00%	100.00%
Following the Transaction					
<u>Consideration Shares</u>					
Shares issued as consideration to Syntonic security holders	373,740,895	373,740,895	452,518,210	-	1,200,000,000
<u>Capital Raising</u>					
Shares issued under Capital Raising of \$1 million	-	-	-	50,000,000	50,000,000
Advisor options issued to Armada Capital	-	-	-	25,000,000	25,000,000
<u>Advisor Shares</u>					
Shares issued to CPS Capital	-	-	-	60,000,000	60,000,000
Total shares to be issued following the Transaction	373,740,895	373,740,895	452,518,210	791,776,880	1,991,776,880
% holdings following the Transaction	18.76%	18.76%	22.72%	39.75%	100.00%
<u>Conversion of Performance Shares</u>					
Shares issued assuming all milestones achieved	250,000,000	250,000,000	-	-	500,000,000
Total shares issued following the conversion of Performance Shares	623,740,895	623,740,895	452,518,210	791,776,880	2,491,776,880
% holdings following the Transaction	25.03%	25.03%	18.16%	31.78%	100.00%

Source: BDO analysis

Under the scenario where the maximum capital raising of \$2 million is achieved, the Majority Shareholders may reach a maximum shareholding of 49.1% ('Minimum Scenario').

Minimum Scenario					
Pacific Ore share structure following the Transaction	Mr Gary Greenbaum	Mr Rahul Agarwal	Remaining Syntonic shareholders	Other Shareholders	Total
Prior to the Transaction					
Issued shares as at the date of this Report	-	-	-	656,776,880	656,776,880
% holdings as at the date of this Report	0.00%	0.00%	0.00%	100.00%	100.00%
Following the Transaction					
<u>Consideration Shares</u>					
Shares issued as consideration to Syntonic security holders	373,740,895	373,740,895	452,518,210	-	1,200,000,000
<u>Capital Raising</u>					
Shares issued under Capital Raising of \$2 million	-	-	-	100,000,000	100,000,000
Advisor options issued to Armada Capital	-	-	-	25,000,000	25,000,000
<u>Advisor Shares</u>					
Shares issued to CPS Capital	-	-	-	60,000,000	60,000,000
Total shares to be issued following the Transaction	373,740,895	373,740,895	452,518,210	841,776,880	2,041,776,880
% holdings following the Transaction	18.30%	18.30%	22.16%	41.23%	100.00%
<u>Conversion of Performance Shares</u>					
Shares issued assuming all milestones achieved	250,000,000	250,000,000	-	-	500,000,000
Total shares issued following the conversion of Performance Shares	623,740,895	623,740,895	452,518,210	841,776,880	2,541,776,880
% holdings following the Transaction	24.5%	24.5%	17.80%	33.12%	100.00%

Source: BDO analysis

The above tables show the dilution to existing Shareholders following the issue of the Consideration Shares, Performance Shares, Capital Raising (based on an issue price of not less than \$0.02 per share), the Advisor Options and the Advisor Shares.

We note that the 25 million Advisor Options issued to Armada Capital as consideration for the provision of advisory services in relation to the Capital Raising have an exercise price of not less than \$0.02 per option with an expiry date of three years from the date of issue. Given the issue price of not less than \$0.02 per share under the Capital Raising, the Advisor Options are at-the-money and we have therefore included the exercise of the Advisor Options in the above analysis.

At the date of this Report, Syntonic has loans from investors comprising the Promissory Notes and the Armada Loans which will either:

- I. in respect of the Promissory Notes, all convert into Syntonic Shares at Settlement and holders of the Promissory Notes will receive 281,816,826 shares as part of the Consideration Shares to be issued at Settlement; and
- II. in respect of the Armada Loans, all convert directly into 128,188,358 shares in Pacific Ore as part of the Consideration Shares to be issued at Settlement.

At the date of this Report, Syntonic also has 177,500 options on issue. These options will be cancelled at Settlement and the Syntonic optionholders will be issued 33,169,504 shares in Pacific Ore as part of the Consideration Shares at Settlement.

Following completion of the Transaction, Mr Gary Greenbaum and Mr Rahul Agarwal may each have a relevant interest in up to 373,740,895 fully paid ordinary shares in the Company, representing a combined 37.53% of the Company's issued capital under the Maximum Scenario. This is prior to the issue of any Performance Shares. If the performance hurdles are achieved and all 500 million Performance Shares convert to ordinary shares, the Majority Shareholders may each have a relevant interest in up to 623,740,895 shares in the Company, representing a combined 50.06% of the Company's issued capital under the Maximum Scenario.

As a result, the Trustee will hold up to 747,481,790 fully paid ordinary shares in the Company following completion of the Transaction, representing 37.53% of the Company's issued capital under the Maximum Scenario. If the performance hurdles are achieved and all 500 million Performance Shares convert to ordinary shares, the Trustee may hold up to 1,247,481,790 shares in the Company, representing 50.06% of the Company's issued capital under the Minimum Scenario.

5. Profile of Pacific Ore

5.1 History

Pacific Ore was incorporated on 9 February 2007 and officially listed on the ASX on 7 June 2007. The Company's primary operation has been mineral exploration. During the last twelve months, Pacific Ore has focussed on the identification and acquisition of business opportunities. The current board members and company secretary of Pacific Ore are:

- Mr Ian Middlemas, Chairman;
- Mr David Parker, Non-executive Director;
- Mr Mark Pearce, Non-executive Director; and
- Mr Gregory Swan, Company Secretary.

In November 2015, the Company completed a share placement of 110 million shares at \$0.007 each to sophisticated investors which raised gross proceeds of \$770,000.

During the half year to 31 December 2015, the Company continued to focus on the identification and acquisition of business opportunities.

BioHeap Royalty

In consideration for the sale of the Company's BioHeap technology business and associated entities to Western Areas Limited ('Western Areas') in 2009, the Company is entitled to a 2% net royalty on revenues (net of costs) attributable to ore processed using the BioHeap bacterial leaching technology. Western Areas has completed a feasibility study for its Forrestania Mill Recovery Enhancement Project which is expected to recover an additional 1,200 nickel tonnes in concentrate per annum and will employ the BioHeap bacterial leaching technology.

Perinvale North Tenement

The Perinvale North Tenement consists of exploration license E57/818 covering an area of 120km² and is located approximately 550km northeast of Perth, Western Australia in the Southern Cross Domain of the Yilgarn Craton. The tenement is considered prospective for iron and other minerals including gold.

Following the review of exploration results to-date on the Perinvale North Tenement, the Company have since decided to not renew the exploration license.

Other Mineral Tenements

During the quarter ended March 2015, the Company applied for an exploration tenement in Western Australia targeting zinc-copper-gold. The tenement is located in the Gullewa Greenstone belt, approximately 270km northeast of Perth. Once the tenement is granted, the Company will review available data to determine the initial exploration activities to be undertaken.

5.2 Historical Balance Sheet

Statement of Financial Position	Reviewed as at 31-Dec-15 \$	Audited as at 30-Jun-15 \$	Audited as at 30-Jun-14 \$
CURRENT ASSETS			
Cash and cash equivalents	2,316,869	2,083,036	2,470,228
Trade and other receivables	19,569	14,797	21,688
TOTAL CURRENT ASSETS	2,336,438	2,097,833	2,491,916
NON-CURRENT ASSETS			
Financial assets	468,582	100,000	-
TOTAL NON-CURRENT ASSETS	468,582	100,000	-
TOTAL ASSETS	2,805,020	2,197,833	2,491,916
CURRENT LIABILITIES			
Trade and other payables	62,790	31,756	114,946
TOTAL CURRENT LIABILITIES	62,790	31,756	114,946
TOTAL LIABILITIES	62,790	31,756	114,946
NET ASSETS	2,742,230	2,166,077	2,376,970
EQUITY			
Contributed equity	25,155,873	24,439,650	24,439,650
Reserves	63,069	44,482	78,530
Accumulated losses	(22,476,712)	(22,318,055)	(22,141,210)
TOTAL EQUITY	2,742,230	2,166,077	2,376,970

Source: Pacific Ore's audited financial statements for the year ended 30 June 2014 and 30 June 2015 along with interim financial report for half year ended 31 December 2015.

We note the Company's auditor outlined an unmodified conclusion in the Company's interim financial report for the half year ended 31 December 2015.

Commentary on statement of financial position

We note the following in relation to Pacific Ore's Historical Statement of Financial Position:

- Cash and cash equivalents have increased from \$2,083,036 at 30 June 2015 to \$2,316,869 at 31 December 2015. The increase is predominantly a result of proceeds from the issue of shares net of share issue costs offset by the purchase of available for sale financial assets and the payment of an option fee to acquire 100% of the issued capital in Syntonic.
- Trade and other receivables comprise of interest receivable and goods and services tax and other receivables.
- Financial assets of \$468,582 at 31 December 2015 comprise of the following:

Financial assets	Reviewed as at 31-Dec-15 \$	Audited as at 30-Jun-15 \$
Available for sale financial assets		
Unquoted equity shares	218,582	100,000
Other financial assets		
Option over unquoted equity shares	250,000	-
Total financial assets	468,582	100,000

Source: Pacific Ore's interim financial report for half year ended 31 December 2015.

- Unquoted equity shares of \$218,582 at 31 December 2015 relates to 40,842 unlisted shares in Jayride Technology Pty Ltd ('Jayride'), a private unlisted Australian start-up company

that owns proprietary technology for an e-commerce platform to book passenger transport.

- Option over unquoted equity shares of \$250,000 at 31 December 2015 relates to the option fee paid to secure an exclusive option to purchase 100% of the issued capital in Syntonic.
- Contributed equity increased from \$24,439,650 at 30 June 2014 to \$25,155,873 at 31 December 2015. The increase is a result of the Company issuing 110,000,000 shares at \$0.007 per share during the six months to 31 December 2015.

5.3 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the six months to 30-Dec-15	Audited for the year ended 30-Jun-15	Audited for the year ended 30-Jun-14
		\$	\$
Revenue			
Revenue	26,222	67,358	39,237
Other income	-	66,119	-
Expenses			
Exploration expenses	(5,444)	(11,043)	(91,754)
Business development expenses	(34,120)	(62,400)	(153,363)
Corporate expenses	(81,042)	(124,432)	(183,522)
Administrative expenses	(64,273)	(146,448)	(221,398)
Loss from continuing operations before income tax	(158,657)	(210,846)	(610,800)
Income tax expense	-	-	-
Loss from continuing operations after income tax	(158,657)	(210,846)	(610,800)
Net fair value gain on available for sale financial assets	18,582	-	-
Exchange difference on translation of foreign operations	5	(47)	27,723
Total comprehensive loss for the period	(140,070)	(210,893)	(583,077)

Source: Pacific Ore's audited financial statements for the year ended 30 June 2014 and 30 June 2015 along with interim financial report for half year ended 31 December 2015.

Commentary on of financial performance

We note the following in relation to Pacific Ore's Historical Statement of Financial Performance:

- Revenue for the three periods primarily comprise of interest revenue.
- Other income of \$66,119 for the year ended 30 June 2015 relates to a write-off trade and other payables.
- Exploration expenses primarily relate to the Perivale North tenement.
- Business development expenses relate to expenses associated with the Company's assessment of various new business opportunities in the resources and technology sectors.
- Net fair value gain on available for sale financial assets of \$18,582 for the six months to 31 December 2015 relate to the Company's investment in Jayride.

5.4 Capital Structure

The share structure of Pacific Ore as at 23 March 2016 is outlined below:

	Number
Total ordinary shares on issue	656,776,880
Top 20 shareholders	247,379,957
Top 20 shareholders - % of shares on issue	37.67%

Source: Share registry information

The range of shares held in Pacific Ore as at 23 March 2016 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	91	16,181	0.00%
1,001 - 5,000	40	134,031	0.02%
5,001 - 10,000	75	622,920	0.09%
10,001 - 100,000	693	34,940,719	5.32%
100,001 - and over	683	621,063,029	94.56%
TOTAL	1,582	656,776,880	100.00%

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 23 March 2016 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Arredo Pty Ltd	40,000,000	6.09%
Mr Jason Peterson + Mrs Lisa Peterson	39,378,768	6.00%
Comsec Nominees Pty Ltd	27,540,275	4.19%
Mr John Charles Vassallo + Mr Sean James Vassallo	13,285,900	2.20%
Subtotal	120,204,943	18.48%
Others	536,571,937	81.52%
Total ordinary shares on Issue	656,776,880	100.00%

Source: Share registry information

6. Profile of Syntonic

6.1 History

Syntonic was incorporated in April 2013 and is based in Seattle, Washington, in the United States of America ('USA'). Syntonic is focused on the provision of mobile connected services for sponsored application access on smartphones, tablets, wearables, personal computers and internet of things ('IOT') devices.

The current board of directors and senior management are listed below:

- Mr Gary Greenbaum, Co-Founder, Chief Executive Officer;
- Mr Rahul Agarwal, Co-Founder, Chief Technology Officer;
- Mr Ben Rotholtz, Chief Marketing Officer;
- Mr Steve Elfman, Advisory Board Member;
- Mr Rudy Gadre, Advisory Board Member;
- Mr Bill Richler, Advisory Board Member; and
- Mr John Landau, Advisory Board Member.

On 10 February 2016, Syntonic announced that it had signed a distribution and license agreement with Tata Communications, Inc. ('Tata Communications') a global telecommunications provider. The agreement provides Tata Communications a worldwide license to Syntonic's cloud-based Connected Services Platform ('CSP').

On 18 February 2016, Syntonic announced that an updated version of its Freeway by Syntonic® application which is currently available to AT&T Inc. ('AT&T') customers in the USA will be made available in the first quarter of 2016 in Southeast Asia.

6.2 Key Management

Set out below is a brief description of the key management of Syntonic:

Mr Gary Greenbaum is a Co-Founder and the current Chief Executive Officer of Syntonic. Mr Gary Greenbaum has been involved in information technology start-ups in the Silicon Valley and leading international teams in big corporations over the past 20 years. Previously, Mr Gary Greenbaum has been involved in a number of executive roles at Microsoft Corporation and Hutchison Whampoa Ltd.

Mr Rahul Agarwal is a Co-Founder and Chief Technology Officer of Syntonic. Mr Rahul Agarwal is a qualified computer engineer with more than 20 years of experience in the information technology sector. Mr Rahul Agarwal has experience across many areas including architecting largescale multi-platform client-server solutions, instituting development and quality processes. Mr Rahul Agarwal founded Adroit Business Solutions ('Adroit') and has held senior roles at RealNetworks, Inc.

Mr Ben Rotholtz is currently the Chief Marketing Officer with over 20 years of product and corporate marketing experience. Mr Ben Rotholtz was previously head of corporate marketing at PopCap Games, a subsidiary of Electronic Arts, Inc. and general manager at RealNetworks, Inc. Mr Ben Rotholtz also held senior marketing positions at Adobe Systems Incorporated and Aldus Corporation.

6.3 Products and Services

Syntonic is focused on the provision of mobile connected services for sponsored application access on smartphones, tablets, wearables, personal computers and IOT devices. Syntonic's main products include Syntonic DataFlex® and Freeway by Syntonic®. A brief description of each product is set out below.

Syntonic DataFlex®

Syntonic DataFlex® is an operator independent, mobile split billing service which provides businesses a solution to cost efficiently deploy, manage, and support a mobile Bring-Your-Own-Device ('BYOD') program. Businesses obtain accurate, substantiated data costing information, app usage analytics, and risk alert notifications of potential security breaches. Syntonic DataFlex® allows companies to confidentially deploy and expand their BYOD programs.

Syntonic DataFlex® comes in two versions, standard and premium. The standard edition is meant for rapid deployment and principally targets the small and mid-sized business customer. The premium edition includes additional data analytics and security features, targeting the needs of larger enterprises.

Revenue Model - Syntonic DataFlex®

The revenue model is based on a per-employee annual license. Additional fees for the Enterprise version are derived from maintenance and support and premium add-ons such as Enterprise Mobility Management ('EMM'), expense management, and payroll system connectors. The Syntonic DataFlex® market opportunity is primarily in geographies where BYOD is entrenched and growing.

The sales model supports two channels for selling this service to business customers, direct and through partners.

The direct sell-in model is based on driving business customers to the Syntonic DataFlex® self-service, on-line portal. The portal acts as the online console for employee enrolment, application provisioning, billing, and usage analytics. Most of the initial sales process will be transactional; however, over time as awareness of the Syntonic DataFlex® solution grows, the customer acquisition model will transition to be a more efficient on-line, self-service.

The other channel model for Syntonic DataFlex® sales is through partnership. Syntonic DataFlex® is sold as a managed service option bundled in the partner's enterprise solution. Examples of possible Syntonic DataFlex® sales partners include mobile operators, enterprise solution providers, and network solution providers. The partnership model will likely be responsible for the majority of the initial large Enterprise sales.

Freeway by Syntonic®

Freeway by Syntonic® gives consumers the ability to connect to the mobile Internet free of charge on their mobile phone by having advertisers pay for the data. Brands, application developers, content providers, and advertisers are motivated to pay a consumer's mobile data usage to increase consumer awareness, acquire new users, deepen engagement and monetise their products. Freeway by Syntonic® is the only multi-carrier solution in market today that supports cross-geography campaign management and is available on iOS and Android smartphones.

Freeway is targeted at developing markets where consumers either would not be able to afford access this data or closely ration their data usage.

Revenue Model - Freeway by Syntonic®

The Freeway by Syntonic® business model is multi-sided, whereby Syntonic receives revenue from both the mobile operator and from the content provider. Syntonic generates revenue from the mobile operator through an annual platform license, a sponsored data traffic tariff, service hosting fees, and a content-based revenue share. On the content side, Syntonic generates revenue from standard advertising based modes: Cost-per-Action ('CPA') and Cost-per-Install ('CPI'). CPA ensures sponsors that their investments results in a quantifiable consumer engagement. Freeway by Syntonic® supports three go-to-market strategies:

1. Carrier-branded, white-labelled solution: Syntonic licenses Syntonic's Connected Services Platform and a carrier-branded version of the Freeway by Syntonic® service to the mobile operator. As a carrier branded solution, unique content offers can be provided to the operator's subscribers, generating a new revenue stream and providing competitive differentiation. The mobile operator is responsible for driving customer awareness and adoption of the service.
2. Freeway by Syntonic® as a cross-carrier sponsored data service: Large premium content providers require a solution that works across mobile operators and geographies. In this approach, Syntonic's customers are the content providers and sponsors. An additional revenue stream is generated by reselling wholesale data to these customers.
3. Freeway by Syntonic® as an over-the-top solution: Most mobile operators that offer pre-paid data plans support a mechanism so that subscribers can add data back to their plans, commonly known in the industry as a "top-off". Freeway by Syntonic® can use these top-off mechanisms to 'reimburse' the consumer for their claimed sponsored data offers and promotional rewards. This benefits mobile operators that have not yet invested in a sponsored data technology since they can now have a straightforward path to provide sponsored data and rewards to their subscribers.

6.4 Historical Balance Sheet

Statement of Financial Position	Audited as at 31-Dec-15 \$USD	Audited as at 31-Dec-14 \$USD	Audited as at 31-Dec-13 \$USD
CURRENT ASSETS			
Cash and cash equivalents	113,772	516,472	1,037,432
Unbilled revenue	80,000	-	-
Prepayments	5,010	-	-
TOTAL CURRENT ASSETS	198,782	516,472	1,037,432
NON-CURRENT ASSETS			
Security deposit	5,010	5,010	1,010
TOTAL NON-CURRENT ASSETS	5,010	5,010	1,010
TOTAL ASSETS	203,792	521,482	1,038,442
CURRENT LIABILITIES			
Loans from investors	1,525,000	1,525,000	1,025,000
Trade and other payables	67,578	39,278	-
Other payables - related parties	458,879	144,006	124,389
Accrued salaries and payroll taxes	64,789	25,366	32,971
Accrued interest	153,000	61,500	-
Deferred revenue	143,700	-	-
TOTAL CURRENT LIABILITIES	2,412,946	1,795,150	1,182,360
TOTAL LIABILITIES	2,412,946	1,795,150	1,182,360
NET ASSETS	(2,209,154)	(1,273,668)	(143,918)
EQUITY			
Issued capital	405	405	405
Share premium	6,356	4,217	3,645
Retained losses	(2,215,915)	(1,278,290)	(147,968)
TOTAL EQUITY	(2,209,154)	(1,273,668)	(143,918)

Source: Syntonic's audited financial statements for the period 1 April 2014 to 31 December 2014 and for the years ended 31 December 2014 and 31 December 2015.

We note that Syntonic has a net asset deficiency and has expressed that the ability of their company to continue as a going concern is dependent on its ability to expand its customer base and/or continue to obtain financing from investors.

Commentary on statement of financial position

We note the following in relation to Syntonic's historical statement of financial position:

- Cash and cash equivalents decreased from \$1,037,432 as at 31 December 2013 to \$516,472 as at 31 December 2014. This decrease was primarily attributed to other payables to related parties.
- Unbilled revenue as at 31 December 2015 of \$80,000 relates to billings which have been rendered subsequent to year-end for services prior to year-end.
- Loans from investors at 31 December 2015 comprise of the Promissory Notes and represent two rounds of financing. All loans have a required interest rate of 6.00% per annum with the principal amounts along with the accrued interest under the Promissory Notes convertible into Pacific Ore shares.

The two rounds are summarised below:

- The first round of financing represents fifteen loans ranging from \$25,000 to \$200,000 totalling \$1,025,000. These loans were originally due on 30 June 2015, however have been extended to 30 June 2016.
- The second round of financing represents nine loans ranging from \$50,000 to \$100,000 totalling \$500,000. These loans are due on 30 June 2016.
- Other payables to related parties increased from \$144,006 as at 31 December 2014 to \$458,879 as at 31 December 2015. This increase can be primarily attributed to an increase in product development provided by Adroit which is owned by one of the shareholders of Syntonic. Other payables to related parties also include advances and reimbursements due to shareholders.
- Deferred revenue of \$143,700 as at 31 December 2015 relates to an option fee for Pacific Ore to acquire 100% of the issued capital in Syntonic.

6.5 Historical Statement of Profit and Loss

Statement of Profit or Loss	Audited for the year ended 31-Dec-15 \$USD	Audited for the year ended 31-Dec-14 \$USD	Audited for the 9 months ended 31-Dec-13 \$USD
Revenue			
Revenues	435,000	-	-
Cost of Sales			
Direct costs	(42,174)	(20,818)	-
Total gross profit (loss)	392,826	(20,818)	-
Operating expenses			
Selling, travel and marketing	(170,421)	(181,533)	(25,102)
Research and development expenses	(599,694)	(518,389)	(63,500)
Salaries, payroll taxes and benefits	(274,960)	(145,121)	(33,560)
General and administrative	(228,002)	(203,511)	(25,808)
Operating loss	(880,251)	(1,069,372)	(147,970)
<i>Other income (expense)</i>			
Option fee, non-refundable portion	35,925	-	-
Interest income	1	550	2
Interest expense	(93,300)	(61,500)	-
Loss before income tax	(937,625)	(1,130,322)	(147,968)
Income tax expense (benefit)	-	-	-
Total loss for the period	(937,625)	(1,130,322)	(147,968)

Source: Syntonic's audited financial statements for the period 1 April 2014 (date of inception) to 31 December 2014 and for the years ended 31 December 2014 and 31 December 2015.

Commentary on statement of profit or loss and

We note the following in relation to Syntonic's historical statement of profit or loss:

- Revenue received for the year ended 31 December 2015 of \$435,000 came from one customer.

- Research and development expenses increased from \$63,500 for the year ended 31 December 2013 to \$518,389 for the year ended 31 December 2014. This substantial increase primarily stems from an increase in product development provided by Adroit for Syntonic.
- The non-refundable portion of the option fee relates to the option where Pacific Ore has the option to acquire 100% of the issued capital in Syntonic.
- Interest expense of \$93,300 for the year ended 31 December 2015 relates to the 6% interest payable on the total investor loans for the year ended 31 December 2015 of \$1,525,000.

6.6 Capital Structure

The ordinary shares held by the shareholders of Syntonic as at the date of this report and at Settlement at which the allocation of the number of shares that are to be issued to the Vendors and the remaining shareholders of Syntonic in relation to the Transaction is based on are detailed in the table below. An additional 1,533,240 Syntonic shares are to be issued to various parties between the date of this report and at Settlement in relation to the conversion of the Promissory Notes.

Name	As the date of our Report		At Settlement	
	Number of Ordinary Shares Held	Percentage of Issued Shares (%)	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Mr Gary Greenbaum	2,000,000	49.38%	2,000,000	31.90%
Mr Rahul Agarwal	2,000,000	49.38%	2,000,000	31.90%
WS Investment Company, LLC	50,000	1.23%	75,154	1.20%
Other holders of the Promissory Notes	-	-	1,508,086	24.06%
Holders of the Armada Loans	-	-	685,972	10.94%
Total ordinary shares on issue	4,050,000	100%	6,269,212	100%

Source: Pacific Ore Management

As the Armada Loans convert directly into shares in Pacific Ore, no Syntonic shares will be issued to the lenders under the Armada Loans. However, given that the shares in Pacific Ore will reduce the number of Consideration Shares, the number of Syntonic shares deemed to have been issued to the lenders under the Armada Loans have been included for clarity.

The options currently on issue by Syntonic are set out below. At the date of this Report, Syntonic also has 177,500 options on issue. These options will be cancelled at Settlement and the Syntonic optionholders will be issued 33,169,504 shares in Pacific Ore as part of the Consideration Shares at Settlement.

Current Options on Issue	Number
<i>Options exercisable at US\$0.10 per option</i>	127,500
<i>Options exercisable at US\$1.00 per option</i>	50,000

Source: Syntonic Management

7. Economic analysis

7.1 Global

Growth of global economic activity remains moderate. In the euro area, factors such as strengthening private consumption supported by lower oil prices and accommodative financial conditions are outweighing weak net exports, leading to a steady outlook for economic growth. In the USA, the economy is resilient due to factors such as strengthening housing and labour markets. However, the economic outlook for the USA remains tilted to the downside due to the gradual exit from their accommodative monetary policy.

In China, economic activity has been slowing down and rebalancing, with the focus trending towards consumption and services rather than investment and manufacturing. Overall, growth has been steady however recent data suggests a faster-than-expected slowdown in both imports and exports. This, amongst other global factors such as low commodity prices, has therefore raised market concerns regarding the future performance of the Chinese economy.

The Japanese economy remains fragile despite policy stimulus, however monetary easing is expected to be a significant contributor to Japan's stable growth throughout 2016. Reasons behind this positive projection include fiscal support, lower oil prices, sustained accommodative financial conditions and record low unemployment.

Advanced economies are expected to exhibit strengthening import demand for 2016-17, however the overall outlook for growth is weak. The slowdown and rebalancing of the Chinese economy, amongst other factors such as the appreciation of the US dollar, are expected to hinge upon the growth prospects for advanced economies. Although growth forecasts for 2016 have been shaded down, there should still be some improvement compared to 2015.

Source: International Monetary Fund, *World Economic Outlook, January 2016* and WorldBank *Global Economic Prospects, January 2016*

7.2 Australia

Commodity prices

Commodity prices have declined further over the past few years, especially oil prices which are much lower than what they were a year ago. This decline can be primarily attributed to slower growth in demand, and in some cases, substantial increase in supply. Australia's terms of trade have continued to decline over the past four years, with prices for key Australian exports falling.

Domestic growth

In Australia, the available information suggests that non-mining sectors of the economy strengthened throughout 2015 despite the contraction in mining investment expenditure. As a result, business conditions moved to above average levels and labour market conditions improved. It appears that inflation is likely to remain low over the next few years.

Credit growth

Credit is recording a continued moderate growth overall, albeit with a changed composition between investors and owner-occupiers. Melbourne and Sydney have seen a moderation in their pace of growth in dwelling prices over the past few months, with other cities remaining quite subdued.

Financial conditions remain very accommodative globally, with funding costs for creditworthy borrowers remarkably low. Low interest rates also continue to provide support for demand, while regulatory measures are working to reinforce prudent lending standards and manage risks within the housing market.

Foreign Exchange

The Australian dollar has continued to adjust to the evolving economic outlook; however it has declined noticeable against a rising US dollar over the past year. Uncertainty surrounding commodity prices is likely to cause further depreciation, however a resilient domestic economy may limit further falls.

Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision 1 March 2016

7.3 United States of America

Recent economic data indicates that domestic financial conditions within the USA have become relatively less supportive of economic growth since mid-2015. More recently, USA's financial markets have been experiencing periods of turbulence which can be attributed to global economic outlook concerns and developments within the oil markets. Labour market conditions have been continuing to improve since the second half of 2015 as evidenced by solid job gains and declining unemployment.

Inflation has remained below the Federal Open Market Committee's ('FOMC') longer-run objective, partly reflecting the substantial decrease in energy prices and declines in the prices of non-oil imported goods. Market-based measures of inflation compensation remain low and survey-based measures of longer-run inflation are positioned around the lower ends of their historical ranges.

Current expectations indicate that economic activity is expected to expand at a moderate pace, with economic indicators also signalling a strengthening labour market. Inflation is expected to remain low in the short term, but rising towards the FOMC's target of 2 percent over the medium term as the labour market improves further and the transitory effects of earlier declines in energy and import prices dissipate.

Source: www.federalreserve.gov Statement by Federal Open Market Committee, 10 February 2016

7.4 Impact on Pacific Ore

The heightened volatility currently exhibited within financial markets in Australia may impact upon the proposed transaction, with participants seeming increasingly uncertain about future prospects. Risk appetite has also diminished, and funding conditions for lesser-rated corporations have tightened.

Growth within the non-mining sector is continuing to increase, which is likely to positively affect the entity if the Transaction is successful. Further, increasing specialisation and diffusion of various technologies is providing scope for productivity gains globally. This has the potential to positively impact Pacific Ore's new technology related operations.

8. Industry analysis

8.1 Overview of the smartphone application developers industry

The mobile application development industry provides users with applications for smart phones and other mobile devices to provide a variety of functions dependent on user needs. Globally, this industry is experiencing rapid growth predominantly due to the low barriers to entry and the increasing market penetration of smart phone users. Given the ease of entering the industry, the mobile application development industry has a low level of market concentration and high levels of competition.

The primary activities of this industry revolve around providing users with mobile based applications for any specific purpose, with the key groupings being for gaming, entertainment, productivity and lifestyle.

8.1 Products and markets

Products

The main groupings of products offered by this industry include:

- **Gaming applications** - widely popular as a convenient and low-cost alternative to traditional gaming consoles.
- **Entertainment applications** - providing playback, editing and dedicated sharing capabilities across photos, videos and music.
- **Tool and productivity applications** - particularly popular with smart phone users enabling them to access emails, calendars, note-taking, and cloud file sharing and organisation software.
- **Lifestyle and social networking applications** - these include online shopping and other consumer focused applications as well as social networks applications.
- **Other applications** - broadly includes all other applications, of which there has been increasing popularity of applications created to provide digital store fronts for traditionally brick and mortar stores.

Major markets

The main markets that demand mobile platform application developers are:

Individuals - The key market for mobile application developers are the general users of smart mobile devices.

Government agencies - Federal and state governments form another key market who commonly commission application developers to design and develop applications which generate conversation and awareness on matters of public interest which fall within their specific care and jurisdiction.

Online businesses - Online businesses commonly commission application developers to ensure their customers can access their business across all potential mediums.

Other businesses - Even where a business does not have an existing online presence, mobile applications can still be utilised by either their customers or employees. For example, it is not uncommon for large enterprises to utilise mobile applications to increase productivity and efficiency within its business.

8.2 Demand determinants

Demand for mobile platform applications is primarily derived from the adoption of such technologies by the community at large, as a result, the key demand determinants include:

Smart device usage - as adoption of smart mobile devices grows and cellular infrastructure improves and becomes most cost effective for consumers, users of smart devices will inevitably be able to enjoy the new functionalities and features which mobile applications can provide. As a result, this forms a key demand determinant.

Market saturation of an application - the more people using a particular mobile application the more beneficial that application can be to those users. In effect, the demand for mobile applications can be swayed by popularity as opposed to functionality. As a result, ensuring mobile applications have sufficient market exposure and consumer loyalty can have significant influence on demand.

Pricing - Mobile applications are predominantly consumer products and therefore affordability remains a significant determinant. Applications can generally fall into one of three categories namely, free to download with advertisements, free to download with in-app purchases and once-off payment for download.

8.3 Cost structure

Cost structure benchmarks faced by industry participants can vary depending on the size and structure of the business, however in comparison to cost structure benchmarks of all industries within the sector, there are some notable differences.

- **Profits** - industry profits margins have been increasing, and are generally greater than the sector average, this is due to the nature of the industry and the increasing market penetration of smart phones.
- **Wages** - are commonly the most significant portion of the industry cost structure given that application development involves highly skilled and specialised labour. This generally includes software engineers, IT specialists and other technical support personnel.
- **Royalties** - form another significant cost given that the majority of applications are sold via an application store host such as those provided by Apple and Google.
- **Purchases** - generally includes the acquisition of development kits to enable developers to establish their product on a particular mobile operating system. As a result, although this cost has historically been comparatively smaller against the sector, the increasing number of different mobile operating systems has necessitated the requirement for application developers to purchase more development kits to ensure their products have coverage across all types of mobile operating systems. As a result, this cost is expected to increase.
- **Other** - commonly includes insurance, utilities, advertising, and repairs and maintenance of computer equipment. In aggregate these expenses generally form a substantial portion of the cost structure but are expected to remain stable over the near future.

8.4 Sponsored data

With the demand for mobile data usage growing and increasing pressure on internet service providers to provide competitive pricing, sponsored data programs represent a new revenue source for operators to expand their network capacity and to provide high-margin differentiated services.

Sponsored data enables mobile subscribers to view, stream and benefit from sponsored content and use applications over the mobile service provider's network without the data usage being deducted from the users' monthly plan.

The sponsored data is often paid by brands, application developers, content providers and advertisers in exchange for the following:

- Increase consumer reach and awareness;
- Opportunity to acquire new users;
- Deepen engagement and loyalty; and
- Monetising and expanding their product offering.

The demand for smartphone applications and sponsored data is largely impacted by the demand for smart devices along with data usage.

8.5 Industry performance

The relative ease of entering the industry has resulted in an increase in participation and employment within the industry. Since the global financial crisis, although both consumer and business spending has reduced and affected the global software sector, mobile application development has continued to grow given the low costs associated with developing these comparatively simple programs. These influences have led to increases in the supply of mobile application developers.

On the demand side, the increasing penetration of smart phone devices which is presently at 29% of all mobile devices connected globally, and the continuing development of cellular network advances for mobile devices, has resulted in increased demand for mobile applications and as such the developers.

The key driver for this growth is expected to be the increased usage of smart devices, and the continuing development and expansion of higher-generation cellular networks such as 4G or Long-Term Evolution ('LTE').

Globally, it is expected that by 2019 more than half of all devices connected to mobile networks will be smart devices. This represents a compound annual rate of 9% over the four years to 2019. It is also expected that by 2019, a greater portion of mobile devices will be connected to a higher-generation cellular network such as 4G or LTE. It is however recognised that the growth rate itself will decrease over time as the market for developers' beings to saturate.

Source: IBIS World

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

9.1 Valuation of a Pacific Ore share prior to the Transaction

In our assessment of the value of a Pacific Ore share prior to the Transaction we have chosen to employ the following methodologies:

- NAV on a going concern basis as our primary valuation methodology; and
- QMP as our secondary valuation methodology.

We have chosen these methodologies for the following reasons:

- The NAV methodology is the most appropriate to consider given the Company is essentially a listed exploration company with limited active operations;
- The QMP basis is a relevant methodology to consider because Pacific Ore's shares are listed on the ASX. This means there is a regulated and observable market where Pacific Ore's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the Company's shares should be liquid and the market should be fully informed as to its activities. We have considered these factors in Section 10.2 of our Report;
- Pacific Ore does not generate regular trading income. Therefore there are no historic profits that could be used to represent future earnings. This means that the FME valuation approach is not considered appropriate; and
- In its current form, Pacific Ore has no foreseeable future net cash inflows and therefore the application of the DCF valuation approach is not considered appropriate.

9.2 Valuation of a Pacific Ore share following the Transaction

In our assessment of the value of a Pacific Ore share following the Transaction we have chosen to adopt the following methodologies:

- Sum-of-Parts methodology; and
- QMP methodology.

Sum of parts

The sum-of parts methodology comprises:

- The value of Pacific Ore prior to the Transaction based on the NAV methodology;
- The value of Syntonic, as discussed in further detail below;

- The cash raised under the Capital Raising (net of capital raising costs) which is to be undertaken by the Company in conjunction with the Transaction;
- The payment of any costs or fees as a result of the Transaction;
- The number of shares on issue following the Transaction will include the issue of shares to the Vendors as consideration for the Transaction, the issue of shares pursuant to the Capital Raising, the issue of the Advisor Shares and the exercise of the Advisor Options; and
- A minority discount is applied to the final value to arrive at the value of a Pacific Ore share following the Transaction on a minority interest basis.

In our assessment of the value of Syntonic, we have taken into consideration the following items when assessing the appropriate valuation methodology:

- Syntonic's shares are not listed on the ASX (or any other exchange) and hence, there is no regulated and observable market where Syntonic's shares are traded. Accordingly, we cannot value the shares of Syntonic based on the QMP methodology;
- The FME approach is most commonly applicable to profitable businesses with relatively steady growth histories and forecasts. However, we have been unable to use this approach with regard to the valuation of Syntonic, given that it has been operating at a normalised loss historically. This means that we do not have a reasonable basis to assess future maintainable earnings of Syntonic at this point in time;
- The DCF approach is particularly applicable to businesses with limited lives, experiencing growth and that are in the start-up phase, with irregular cash flows. The DCF approach has not been considered, given that sufficient information for a DCF valuation to be undertaken is not available at this point in time and even if they had been available we do not consider that we have reasonable grounds, under RG 111, based on Syntonic's historical performance to consider the DCF approach; and
- The NAV methodology has therefore been considered as the only appropriate valuation methodology to undertake. However, it should be noted that asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets at the valuation date as they do not recognise the potential value of intangible assets such as management, intellectual property and goodwill. This is particularly important in the case of Syntonic given its early stage of development and growth potential.

Based on the above, we consider the most appropriate methodology to value Syntonic is the NAV methodology. In assessing the value of the combined group we have considered post announcement QMP.

We note that our assessment of Pacific Ore following the Transaction is immediately after the Transaction but before the issue of the Performance Shares. We do not consider that we have reasonable grounds to make assumptions with respect to the vesting of 500 million Performance Shares given there is insufficient information available about the certainty surrounding the future performance of Pacific Ore to achieve the respective performance milestones.

Quoted market price

We have analysed the movement in Pacific Ore's share price following the release of the Initial Announcement and Revised Announcements where the market became fully informed about the terms of the Transaction. Following the release of the Initial and Revised Announcements, the Company exercised

its option to acquire 100% of the issued share capital in Syntonic on 17 March 2016. Since then, there has been no other price sensitive information released to the market following the announcements. Further consideration of this methodology is discussed in section 11.2

10. Valuation of Pacific Ore prior to the Transaction

10.1 Net Asset Valuation of Pacific Ore

The value of Pacific Ore assets on a going concern basis is reflected in our valuation below:

	Notes	Reviewed as at 31-Dec-15 \$	Adjustment	Adjusted value \$
CURRENT ASSETS				
Cash and cash equivalents	1	2,316,869	(250,000)	2,066,869
Trade and other receivables	2	19,569	250,000	269,569
TOTAL CURRENT ASSETS		2,336,438	-	2,336,438
NON-CURRENT ASSETS				
Financial assets	3	468,582	(250,000)	218,582
TOTAL NON-CURRENT ASSETS		468,582	(250,000)	218,582
TOTAL ASSETS		2,805,020	(250,000)	2,555,020
CURRENT LIABILITIES				
Trade and other payables		62,790	-	62,790
TOTAL CURRENT LIABILITIES		62,790	-	62,790
TOTAL LIABILITIES		62,790	-	62,790
NET ASSETS		2,742,230	(250,000)	2,492,230
Shares on issue				656,776,880
Value per share (\$)				0.0038

Source: BDO analysis

We have been advised that there has not been a significant change in the net assets of Pacific Ore since 31 December 2015. The table above indicates the net asset value of a Pacific Ore share is \$0.0038.

We note that as consideration for the sale of the Company's BioHeap technology business and associated entities to Western Areas in 2009, the Company is entitled to a 2% net royalty on revenues (net of costs) attributable to ore processed using the BioHeap bacterial leaching technology. As at the date of our Report, there are no future net cash inflows forecast and therefore we do not consider it appropriate to assign a value to the BioHeap royalty.

The following adjustments were made to the net assets of Pacific Ore as at 31 December 2015 in arriving at our valuation.

Note 1) Cash and cash equivalents

We have adjusted the cash and cash equivalents to reflect an unsecured loan of A\$250,000 made to Syntonic by Pacific Ore in March 2016. The loan is repayable by 31 December 2016 and will incur interest from 1 July 2016 to 31 December 2016 at a rate of 6%.

Note 2) Trade and other receivables

We have adjusted trade and other receivables to reflect the unsecured loan of \$250,000 to Syntonic by Pacific Ore.

Note 3) Financial assets

Financial assets of US\$468,582 at 31 December 2015 comprise of the following:

Financial assets	Reviewed as at 31-Dec-15 US\$
Available for sale financial assets	
Unquoted equity shares	218,582
Other financial assets	
Option over unquoted equity shares	250,000
Total financial assets	468,582

Option over unquoted equity shares of \$250,000 relates to Pacific Ore entering into an option agreement to acquire 100% of the issued capital in Syntonic. Payment of the option was made on 16 December 2015, and we have therefore removed the entire balance of the option fee, as it will be expensed by the Company.

10.2 Quoted Market Prices for Pacific Ore Securities

To provide a comparison to the valuation of Pacific Ore in Section 10.1, we have also assessed the quoted market price for a Pacific Ore share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

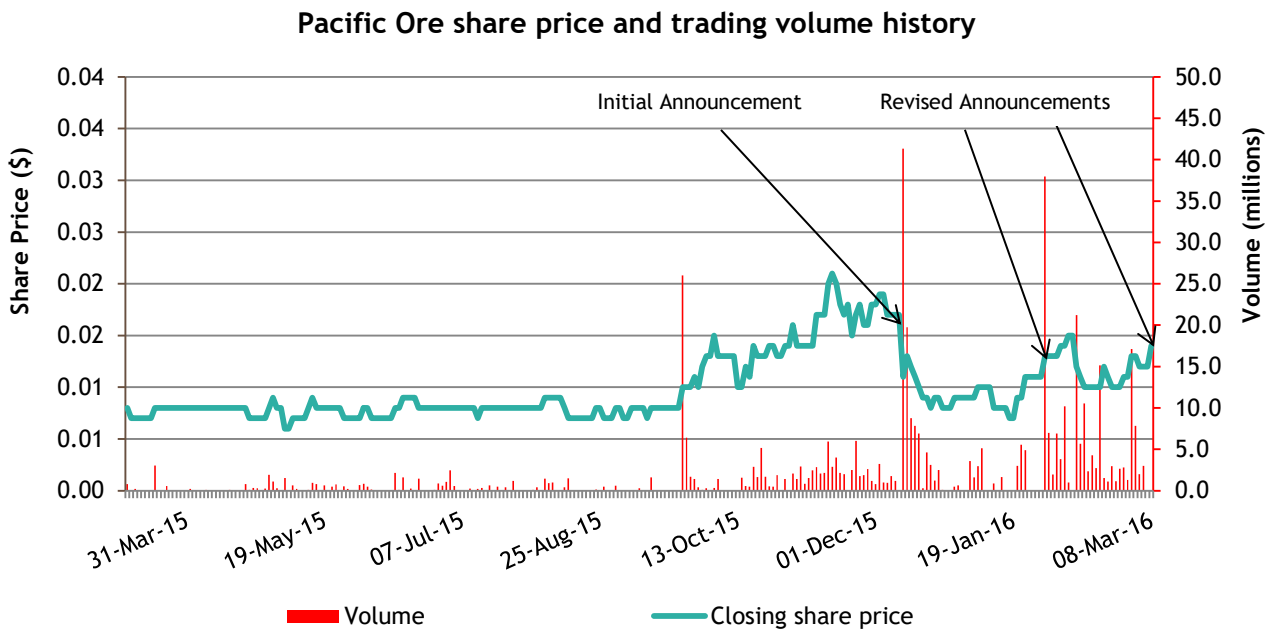
Whilst Syntonic will not be obtaining 100% of Pacific Ore, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.13 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

Therefore, our calculation of the quoted market price of a Pacific Ore share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Pacific Ore share is based on the pricing prior to the announcement of the Transaction. This is because the value of a Pacific Ore share after the announcement may include the affects of any change in value as a result of the Transaction. However, we have considered the value of a Pacific Ore share following the announcement when we have considered reasonableness in Section 13.

Information on the Transaction was first announced to the market on 10 December 2015 ('**Initial Announcement**'). On 29 January 2016 and 8 March 2016, the Company made further announcements regarding revisions to the key acquisition terms ('**Revised Announcements**'). The graph below shows Pacific Ore's historical closing share price and volumes traded including the dates where these key announcements regarding the Transaction were made.



Source: Bloomberg

Information on the Transaction was first announced to the market on 10 December 2015. Therefore, our analysis of the quoted market price of a Pacific Ore share prior to the Transaction has been done for the twelve months to 9 December 2015, which was the last full trading day prior to the initial announcement of the Transaction.

The daily price of Pacific Ore shares from 9 December 2014 to 9 December 2015 has ranged from a low of \$0.007 on 17 December 2014 to a high of \$0.21 on 16 November 2015. During the period from December 2014 to September 2015, the Company's share price remained relatively stable. From October 2015, the Company's share price displayed an upward trend. The most significant trading volumes were experienced during the three months to November 2015, with the most significant trading volume, prior to the announcement of the Transaction, experienced on 23 September 2015 where 26,004,377 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$ (movement)		\$ (movement)	
17/11/2015	Completion of Placement	0.020	▼ 4.8%	0.018	▼ 10.0%
27/10/2015	September 2015 Quarterly Report	0.013	▼ 7.1%	0.014	▲ 7.7%
14/10/2015	Annual Report to shareholders	0.010	▶ 0.0%	0.014	▲ 40.0%
09/10/2015	Placement Update	0.013	▶ 0.0%	0.010	▼ 23.1%
23/09/2015	Share Placement	0.010	▲ 25.0%	0.011	▲ 10.0%
18/09/2015	Full Year Statutory Accounts	0.008	▶ 0.0%	0.010	▲ 25.0%

Source: ASX and BDO Analysis

On 23 September 2015, the Company announced that it will undertake a share placement of up to 110 million shares at \$0.007 per share to sophisticated investors to raise gross proceeds of \$770,000. Funds raised from the placement will be used for working capital purposes and to enable the Company to continue its efforts on the identification and acquisition of new business opportunities, both domestically and overseas. On the day of the announcement, Pacific Ore's share price increased by 25% to \$0.010 and continued to increase by 10% to \$0.011 in the three days subsequent.

On 14 October 2015, Pacific Ore released its annual report for the year ended 30 June 2015. On the day of the release, the Company's share price remained unchanged however in the three days subsequent increased by 40% to \$0.014.

On 17 November 2015, Pacific Ore announced that it had now completed the share placement of 110 million shares at \$0.007 per share to sophisticated investors to raise gross proceeds of \$770,000. On the day of the announcement, the Company's share price decreased by 4.8% to \$0.020 and continued to decrease by 10.0% in the following three days.

To provide further analysis of the market prices for an Pacific Ore share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 10 December 2015.

Share Price per unit	09-Dec-15	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.017				
Volume weighted average price (VWAP)		\$0.017	\$0.017	\$0.014	\$0.014

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Transaction, to avoid the influence of any increase in price of Pacific Ore shares that has occurred since the Transaction was announced.

An analysis of the volume of trading in Pacific Ore shares for the twelve months to 9 December 2015 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.017	\$0.017	-	0.00%
10 Days	\$0.015	\$0.019	14,560,537	2.22%
30 Days	\$0.013	\$0.024	61,642,942	9.39%
60 Days	\$0.008	\$0.024	116,753,038	17.78%
90 Days	\$0.007	\$0.024	123,875,066	18.86%
180 Days	\$0.006	\$0.024	155,391,134	23.66%
1 Year	\$0.006	\$0.024	175,546,358	26.73%

Source: Bloomberg, BDO analysis

This table indicates that Pacific Ore's shares display a moderate level of liquidity, with 26.73% of the Company's current issued capital being traded in a twelve month period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Pacific Ore, we do not consider there to be a deep market for the Company's shares as a result of 26.73% of the Company's issued capital being traded over the twelve months prior to the announcement of the Transaction.

Despite there not being a deep market for the Company's shares, we still consider the trading price of the Company's shares to be relevant in our assessment of the value of a Pacific Ore share.

Our assessment is that a range of values for Pacific Ore shares based on market pricing, after disregarding post announcement pricing, is between \$0.015 and \$0.017.

Control Premium

We have reviewed the control premiums paid by acquirers of companies listed on the ASX. Our findings are summarised below:

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2015	33	702.29	27.16
2014	43	463.35	31.16
2013	43	177.79	43.36
2012	55	322.52	37.03
2011	67	766.18	48.45
2010	69	741.25	37.60
2009	64	328.15	46.22
2008	42	743.72	39.04
2007	84	1008.24	21.79
	Mean	583.72	36.87
	Median	702.29	37.60

Source: Bloomberg and BDO analysis

The mean and median figures above are calculated based on the average deal value and control premium for each respective year. To ensure our data is not skewed we have also calculated the mean and median of the entire data set comprising control transactions between 2007 and 2015, as set out below.

Entire Data Set Metrics	Average Deal Value (AU\$m)	Average Control Premium (%)
Mean	616.46	36.81
Median	80.81	30.83

Source: Bloomberg and BDO analysis

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- nature and magnitude of non-operating assets;
- nature and magnitude of discretionary expenses;
- perceived quality of existing management;
- nature and magnitude of business opportunities not currently being exploited;
- ability to integrate the acquiree into the acquirer's business;
- level of pre-announcement speculation of the transaction; and
- level of liquidity in the trade of the acquiree's securities.

The table above indicates that the long term average control premium paid by acquirers of all companies on the ASX is 36.81%.

In assessing the sample of transactions that were included in the table, we noted transactions within the list that appear to be extreme outliers. These outliers include 29 transactions where the announced control premium was in excess of 100% and 49 transactions where the acquirer obtained a controlling interest at a discount (i.e. less than 0%). In a sample where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the review period was 30.83%.

In the case of Pacific Ore, we have taken the following considerations into account:

- the primary asset of Pacific Ore is cash - an acquirer would not be expected to pay a control premium for cash. Due to the high proportion of cash a lower or nil control premium would be appropriate; and
- Pacific Ore currently does not have any revenue generating operations.

In determining the premium for control to be paid by Syntonic we have taken into account the above analysis and believe an appropriate control premium to apply to our valuation is between 20% and 30%.

Quoted market price including control premium

Applying a control premium to Pacific Ore's quoted market share price results in the following quoted market price value including a premium for control:

	Low	Midpoint	High
	\$	\$	\$
Quoted market price value	0.0150	0.0160	0.0170
Control premium	20%	0.25	30%
Quoted market price valuation including a premium for control	0.0180	0.0200	0.0221

Source: BDO analysis

Therefore, our valuation of a Pacific Ore share based on the quoted market price method and including a premium for control is between \$0.0180 and \$0.0221, with a midpoint value of \$0.0200.

10.3 Assessment of Pacific Ore Value

The results of the valuations performed are summarised in the table below:

	Low	Preferred	High
	\$	\$	\$
Net assets value (Section 10.1)	0.0038	0.0038	0.0038
ASX market prices (Section 10.2)	0.0180	0.0200	0.0221

Source: BDO analysis

Our valuation of a Pacific Ore share under the QMP methodology (including a premium for control) is higher than our valuation under the NAV methodology. In our assessment of the value of a Pacific Ore share prior to the Transaction we have taken into consideration the following items:

- Under RG111.69 (d), the QMP methodology is considered appropriate when a liquid and active market exists for the securities. From our analysis of the QMP of a Pacific Ore share in section 10.2, we note that 26.73% per cent of the Company's weighted average issued capital had been traded in the twelve months up to the date of the announcement of the Transaction, which represents a moderate level of liquidity over the twelve month period;
- Pacific Ore's share price has exhibited unexplained movements and ranged significantly over the twelve month period prior to the Transaction, from a low of \$0.0060 on 5 May 2015 to a high of \$0.0210 on 16 November 2015.
- Pacific Ore's operations over the past twelve months have been very limited, with the Company incurring minimal exploration costs on its tenements. Furthermore, Pacific Ore has been

evaluating alternative opportunities and therefore the QMP value reflects investors' optimistic perception of the future prospects of the Company; and

- We conclude that there is no apparent reason why the quoted market price of a Pacific Ore share should materially exceed its net asset value.

For the reasons described above, we consider the value obtained under the NAV approach to be more reflective of the value of a Pacific Ore share prior to the Transaction. Therefore, we consider the value of a Pacific Ore share to be \$0.0038.

11. Valuation of Pacific Ore following the Transaction

11.1 Sum-of-Parts Valuation of Pacific Ore

We have employed the sum-of-parts valuation method in estimating the fair market value of Pacific Ore following the Transaction as shown below.

	Section / Notes	Low value \$	High value \$
NAV of Pacific Ore prior to the Transaction	10.1	2,492,230	2,492,230
NAV of Syntonic*	1	471,377	471,377
Capital Raising	2	1,000,000	2,000,000
Costs associated with Transaction and Capital Raising	2	(290,000)	(351,000)
Cash raised from the exercise of the Advisor Options	3	500,000	500,000
NAV of Pacific Ore following the Transaction (control basis)		4,137,607	5,112,607
Discount for minority interest	4	23%	17%
NAV of Pacific Ore following the Transaction (minority basis)		3,213,677	4,243,464
Number of shares on issue following the Transaction	5	1,991,776,880	2,041,776,880
Value of Pacific Ore following the Transaction (minority basis)		0.0016	0.0021

*These values have been converted at an exchange rate of A\$1: US\$0.7373

Source: BDO Analysis

Based on the above, we consider the value of a share in Pacific Ore based on the sum-of-parts methodology following the Transaction on a minority interest basis to be between \$0.0016 and \$0.0021.

We note the following in relation to the sum-of-parts valuation above:

Note 1) NAV of Syntonic

The net asset balance of Syntonic is shown below:

	Notes	Audited as at 31-Dec-15 US\$	Adjustment US\$	Adjusted value US\$
CURRENT ASSETS				
Cash and cash equivalents	a	113,772	919,325	1,033,097
Other		85,010	-	85,010
TOTAL CURRENT ASSETS		198,782	919,325	1,118,107
NON-CURRENT ASSETS				
Security deposit		5,010	-	5,010
TOTAL NON-CURRENT ASSETS		5,010	-	5,010
TOTAL ASSETS		203,792	919,325	1,123,117

	Notes	Audited as at 31-Dec-15 US\$	Adjustment US\$	Adjusted value US\$
CURRENT LIABILITIES				
Loans from investors	b	1,525,000	(1,525,000)	-
Trade and other payables	c	67,578	184,325	251,903
Other payables - related parties		458,879	-	458,879
Accrued salaries and payroll taxes		64,789	-	64,789
Accrued interest	d	153,000	(153,000)	-
Deferred revenue	e	143,700	(143,700)	-
TOTAL CURRENT LIABILITIES		2,412,946	(1,637,375)	775,571
TOTAL LIABILITIES		2,412,946	(1,637,375)	775,571
NET ASSETS (\$US)		(2,209,154)		347,546
NET ASSETS (\$A) (A\$1:US\$0.7373)		(2,996,276)		471,377

Source: BDO Analysis

We have been advised that there has not been a significant change in the net assets of Syntonic since 31 December 2015, apart from those adjustments discussed below. We have assumed that the fair market value of the assets and liabilities as at 31 December 2015 are equal to the carrying values.

Note a: Cash and cash equivalents

The cash and cash equivalents balance has been adjusted for funds received from the Armada Loan and the Pacific Ore Loan, as set out below:

Cash and cash equivalents	\$US
Current cash balance as at 31 December 2015	113,772
Add: Funds received from the Armada Loan	735,000
Add: Funds received from the Pacific Ore Loan	184,325
Adjusted value of cash and cash equivalents	1,033,097

Source: BDO Analysis

Note b: Loan from investors

Loan from investors at 31 December 2015 comprise of the Promissory Notes. We note under the Promissory Note agreements, the principal amounts are to be converted into Pacific Ore shares, and we have therefore removed US\$1,525,000 from the loans from investors balance.

Note c: Trade and other payables

The trade and other payables balance have been increased by \$250,000 (US\$184,325) to reflect the Pacific Ore Loan whereby Pacific Ore has provided an unsecured loan of \$250,000 (US\$184,325) to Syntonic to fund the interim activities of Syntonic.

Note d: Accrued interest

Accrued interest of US\$153,000 relates to the Promissory Notes. Under the Promissory Note agreements, the accrued interests are to be converted into Pacific Ore shares, and we have therefore removed US\$153,000 from the accrued interest balance.

Note e: Deferred revenue

Deferred revenue of US\$143,700 at 31 December 2015 relates to the refundable portion of an option fee for Pacific Ore to acquire 100% of the issued capital in Syntonic. On 17 March 2016, Pacific Ore announced

that it had exercised the option and we have therefore removed US\$143,700 from the deferred revenue balance.

Note 2) Capital Raising

As set out in section 4, Pacific Ore intends to undertake a Capital Raising through the issue of up to 100 million shares at an issue price of not less than \$0.02 per share to raise a minimum of \$1 million and up to \$2 million. Management has advised the Company will incur the following costs:

Capital Raising and Transaction Costs	Low \$	High \$
Capital Raising Costs	60,000	120,000
Transaction costs	230,000	231,000
Total capital raising and transaction costs	290,000	351,000

Note 3) Cash raised from the exercise of the Advisor Options

We note that the 25 million Advisor Options issued to Armada Capital as consideration for the provision of advisory services in relation to the Capital Raising have an exercise price of \$0.02 per option and are at-the-money at the Capital Raising issue price of not less than \$0.02 per share. We have therefore included the exercise of the Advisor Options in the above analysis.

Note 4) Minority Discount

The net asset value of a Pacific Ore share following the Transaction is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of the company. Therefore, if the Transaction is approved, Shareholders may become minority interest shareholders in Pacific Ore as the Vendors could hold a controlling interest, meaning that Shareholders' individual holding will not be considered significant enough to have an individual influence in the operations and value of the Company.

Therefore, we have adjusted our valuation of a Pacific Ore share following the Transaction to reflect a minority interest holding. A minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - [1 / (1 + \text{control premium})]$. As discussed in Section 10.2, we consider an appropriate control premium for Pacific Ore to be in the range of 20% to 30%, giving rise to a minority interest discount in the range of approximately 17% to 23%.

Note 5) Number of Shares

The number of shares in issue following the Transaction is shown below:

Number of shares on issue following the Transaction	Low	High
Number of shares on issue prior to the Transaction	656,776,880	656,776,880
Consideration Shares issued under the Transaction	1,200,000,000	1,200,000,000
Shares issued pursuant to the Capital Raising	50,000,000	100,000,000
Shares issued to CPS Capital	60,000,000	60,000,000
Shares issued from the exercise of the Advisor Options	25,000,000	25,000,000
Number of shares on issue following the Transaction	1,991,776,880	2,041,776,880

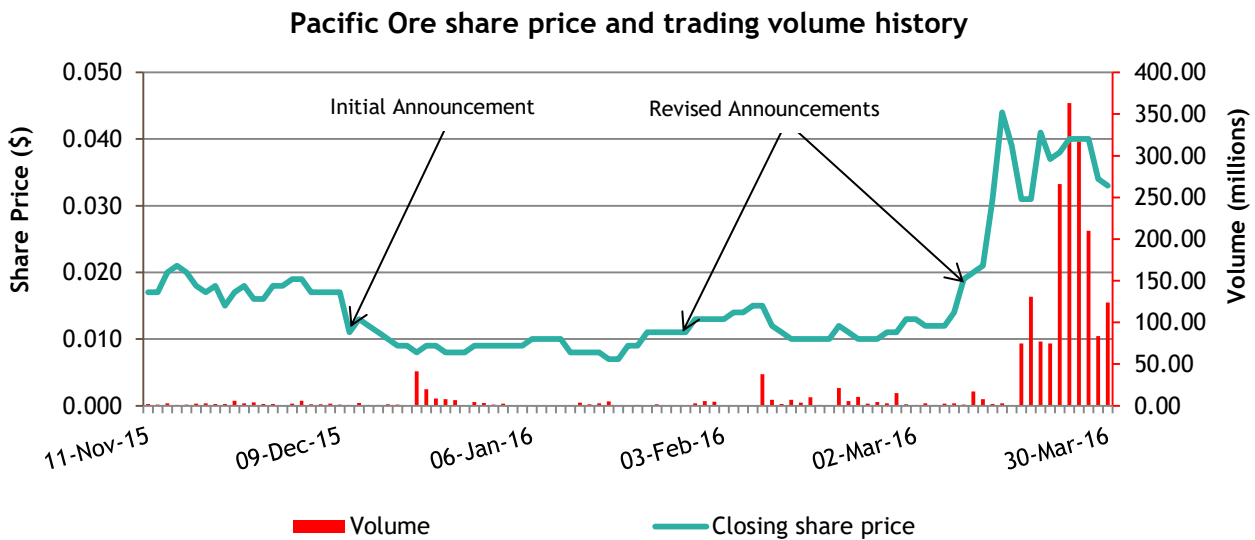
We do not consider that we have reasonable grounds to make assumptions with respect to the vesting of 500 million Performance Shares given there is insufficient information available about the certainty surrounding the future performance of Pacific Ore to achieve the respective performance milestones, we

note these performance milestones relate to events that would be likely to add to shareholder value should they be achieved.

The Advisor Options issued to Armada Capital as consideration for the advisory services provided in relation to the Capital Raising are at-the-money at the Capital Raising issue price of not less than \$0.02 per share and therefore we have included the exercise of these Options into Pacific Ore shares.

11.2 Quoted Market Prices for Pacific Ore Securities

We have assessed the quoted market price for a Pacific Ore share following release of the Initial Announcement and the Revised Announcements on 29 January 2016 and 8 March 2016. There has been no other price sensitive information released to the market following the announcement. A graph of Pacific Ore's share price since the announcements is set out below.



Source: Bloomberg and BDO Analysis

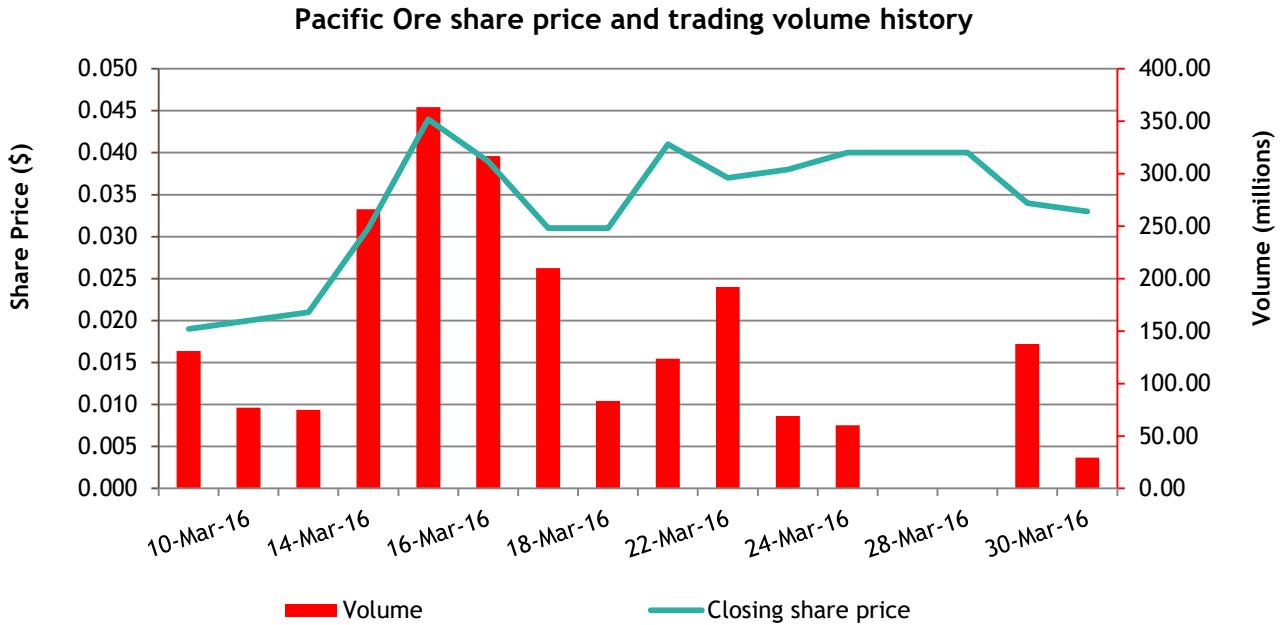
The Initial Announcement was announced to the market on 10 December 2015. On that day, 41,309,547 shares were traded and Pacific Ore's share price closed at \$0.0110, a decline of 35.29% on the last full trading day prior to the Initial Announcement. Pacific Ore's share price continued on a downward trend and reached a low of \$0.0070 on 18 January 2016.

On 29 January 2016, the Company announced the Revised Announcement. Pacific Ore's share price fluctuated between \$0.0130 and \$0.0150 over the six days subsequent to the Revised Announcement before declining to \$0.0100 on 12 February 2016.

On 8 March 2016, the Company announced that Syntonic had received accelerated revenue and generated additional business opportunities, which together, resulted in reduced capital raising requirements. On that day, the share price increased from \$0.0120 to \$0.0140 with 74,536,368 shares traded on that day.

Following the release of the Initial Announcement and the Revised Announcements, Pacific Ore's share price has increased from \$0.019 on 9 March 2016 to \$0.033 on 30 March 2016, representing an increase of

174%. A graph of Pacific Ore’s share price since the release of the revised announcement on 8 March 2016 is set out below:



Source: Bloomberg and BDO Analysis

The daily price of Pacific Ore’s shares from 9 March 2016 to 30 March 2016 (**‘Post- Announcements Trading Period’**) has ranged from a low of \$0.019 on 9 March 2016 to a high of \$0.44 on 15 March 2016. During the Post-Announcement Trading Period, the most significant trading volumes were experienced on 15 March 2016 where 363,344,658 shares were traded.

On 17 March 2016, the Company announced that it has exercised its option to acquire 100% of the issued share capital of Syntonic. On the day of the announcement, Pacific Ore’s share price fell from \$0.037 to \$0.031, however increased to \$0.041 in the three days’ subsequent.

Over the past 15 trading days, 2,003,628,000 shares were trading, equating to 305.07% of the total issued capital.

To provide further analysis of the market prices for a Pacific Ore share, we have also considered the weighted average market price for 5 and 10 day periods to 30 March 2016.

Share Price per unit	30-Mar-16	5 Days	10 Days	15 Days
Closing price	\$0.033			
Volume weighted average price (VWAP)		\$0.039	\$0.037	\$0.036

Source: Bloomberg and BDO Analysis

An analysis of the volume of trading in Pacific Ore over the Post-Announcements Trading Period is set out below:

Trading days prior to 30-Mar-16	VWAP	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.033	\$0.032	\$0.037	29,364,422	4.47%
5 Days	\$0.039	\$0.032	\$0.043	227,475,902	34.64%
7 Days	\$0.036	\$0.032	\$0.045	488,394,725	74.36%
10 Days	\$0.037	\$0.028	\$0.045	905,480,294	137.87%
15 Days	\$0.036	\$0.015	\$0.049	2,003,628,000	305.07%

Source: Bloomberg and BDO Analysis

RG 111.32 suggest that when considering the value of a company's quoted market price of securities the expert must consider and comment on the following:

- (a) the depth of the market for those securities;
- (b) the volatility of the market price; and
- (c) whether or not the market value is likely to represent the value if the Transaction is successful.

During the Post-Announcements Trading Period the Company's shares has displayed a high level of liquidity with over 305% of the Company's current issued capital being traded over the Post-Announcement Trading Period. We note that during this period, the Company's share close price has ranged from a low of \$0.019 to a high of \$0.041. This range has since narrowed to a range between \$0.031 and \$0.040 following Pacific Ore's announcement that it is has exercised its option to acquire 100% of the issued share capital in Syntonic. Since the announcement of Pacific Ore exercising its option to acquire 100% of the issued share capital in Syntonic, 905,480,294 shares have traded, representing 138% of the total issued capital.

Following the announcement on 8 March 2016 outlining that the Capital Raising has been reduced from the proposed \$7 million to \$1 million as a result of earlier than expected revenues from its distribution and license agreement with Tata, Pacific Ore's share price significantly increased. This increase is likely a result of the market's perception of the potential benefit the acquisition of Syntonic will bring to Pacific Ore along with the reduced dilution of the Company's current share capital under the Capital Raising.

Since the Initial and Revised Announcements along with the exercise of the option, Pacific Ore's share price has been experiencing significant trading volumes despite there being no other price sensitive information released to the market pertaining to the current operations of Pacific Ore. Under RG111.33 the exercise of the option is likely to reflect the market's confidence that the Transaction will proceed along with the perceived benefit of the combined business going forward, in particular, the exercise of the option will see Pacific Ore shift from a company with limited current operations to a revenue generating company.

RG 111.34 suggests that for a non-cash consideration in control transactions, if the target is likely to become a controlled entity of the acquirer, the acquirer's securities can also be valued assuming a notionally combined entity. Given that there has no other price sensitive announcements relating to the current operations of Pacific Ore since the exercise of the option, we consider that the trading share price of Pacific Ore reflects the market's confidence that the Transaction will proceed and therefore reflects the value of the combined entity.

Our assessment of Pacific Ore’s shares based on the quoted market price methodology following the Transaction is between \$0.0320 per share and \$0.0390 on a minority basis.

11.3 Assessment of Pacific Ore following the Transaction

The results of the valuations performed are summarised below:

	Low \$	High \$
Sum of Parts (section 11.1) (minority basis)	0.0016	0.0021
Quoted Market Price (section 11.2) (minority basis)	0.0320	0.0390

Our valuation of a Pacific Ore share following the Transaction under the QMP methodology (minority basis) is higher than our valuation under the Sum-of-Parts methodology (minority basis). In our assessment of the value of a Pacific Ore share on a minority basis following the Transaction we have taken into consideration the following items:

- Under RG111.34, the QMP methodology is considered appropriate when the target is likely to become a controlled entity of the acquirer, the acquirer’s securities can also be valued assuming a notionally combined entity. Given that there has no other price sensitive announcements relating to the current operations of Pacific Ore since the exercise of the option, we consider the share price of Pacific Ore to be the market’s perception of the combined entity;
- We consider RG111.32 and RG 111.33 to be satisfied given that Pacific Ore currently have limited operations and the market is well informed of the Transaction, the QMP value represents the market’s perception of the benefit the combined entity as the Company shifts towards a revenue generating company;
- The variance between the sum-of-parts and QMP ranges reflects that the market price incorporates a view on the potential of Syntonic. The sum-of-parts value comprises primarily cash and does not reflect the potential upside of the expansion of the combined entity, particularly with announcements relating to revenue being made recently. We are not aware of the Vendors of Syntonic participating in the Post-Announcements Trading Period; and
- Under the sum-of-parts methodology, the NAV methodology has been adopted to value Syntonic and therefore it ignores the possibility that the entity’s value could exceed the realisable value of its assets at the valuation date as they do not recognise the potential value of intangible assets such as management, intellectual property and goodwill. This is particularly relevant in the case of Syntonic given its early stage of development and growth potential.

In determining that value of a Pacific Ore share following the Transaction on a minority basis, we have considered the QMP methodology (minority basis) and have adopted a value range of \$0.0320 and \$0.0390.

12. Is the Transaction fair?

The value of a Pacific Ore share prior to the Transaction on a control basis compares to the value of a Pacific Ore share following the Transaction on a minority basis, as detailed below.

	Low \$	High \$
Value of a Pacific Ore share prior to the Transaction on a control basis	0.0038	0.0038
Value of a Pacific Ore share following the Transaction on a minority basis	0.0320	0.0390

The above pricing indicates that high values of a Pacific Ore share following the Transaction on a minority basis are greater than the low and high values of a Pacific Ore share prior to the Transaction on a control basis. In the absence of any other relevant information, the Transaction is fair for Shareholders.

13. Is the Transaction reasonable?

13.1 Advantages of approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

13.1.1. The Transaction is fair

As set out in section 12, the Transaction is fair. RG 111 states that a Transaction is reasonable if it is fair.

13.1.2. Shareholders of Pacific Ore will own shares in an operating company with greater potential to generate a return for Shareholders

In addition to its exploration activities, the Company has been seeking to identify and evaluate new opportunities in industries that may increase shareholder value. Prior to the announcement of this Transaction, the Company's exploration activities at its Perinvale North Tenement had been limited, and following a review of exploration results to-date, the Company have since decided not to renew its exploration license.

If the Transaction is approved by Shareholders, Pacific Ore will acquire a business which owns and operates mobile connected services applications. Syntonic currently has distribution and license agreement with Tata to license Freeway by Syntonic® and Syntonic DataFlex® services for deployment across their worldwide network of mobile operator partners.

If the business plan can be successfully implemented by the Company there will be the potential for the Company to grow and derive revenues. This in turn, has the potential to generate a return for Shareholders.

13.1.3. The Transaction provides the Company with a cash injection

As a condition of the Transaction, Pacific Ore will undertake the Capital Raising to raise at least \$1 million and up to \$2 million at an issue price of not less than \$0.02 each. The Company will utilise these funds for its business expansion in Europe, Southeast Asia and Latin America.

13.1.4. The nominee directors of Syntonic bring additional experience and knowledge to the Board

As part of the Transaction and subject to Shareholder approval, Pacific Ore will appoint Mr Gary Greenbaum as Managing Director and Chief Executive Officer and Mr Rahul Agarwal as Executive Director, President and Chief Technology Officer.

The company's Chief Executive Officer and co-founder, Mr Gary Greenbaum, has been involved in the technology revolution for the past 20 years spanning digital media and mobile computing. His experience ranges from co-founding a Silicon Valley start-up to leading large international team's as an executive at Hutchison Whampoa Limited and at Microsoft Corporation.

The company's Chief Technology Officer and co-founder, Mr Rahul Agarwal, has been a technology entrepreneur for the past 20 years with expertise in architecting large scale multi-platform client-server solutions, instituting development and quality processes and managing technical teams. For the past decade, Mr. Agarwal was founder of a technology solutions provider, Adroit Business Solutions, that developed mobile and security solutions for Fortune 100 companies.

Complementing Syntonic's diverse executive team is Syntonic's Board of Advisors:

- Steve Elfman: Former President, Sprint, Network Operations and Wholesale. Mr Elfman brings an extensive background of infrastructure and mobile applications expertise.
- John Landau: Former Senior VP of Technology and Services Evolution for Tata Communications, a member of the \$100 billion Tata Group.
- Rudy Gadre: Former VP and General Counsel at Facebook during its formative years. Prior to his time at Facebook, Mr Gadre served as VP and Associate General Counsel for business development, intellectual property, and new technologies at Amazon.
- Bill Richter: Former President of EMC, Isilon Storage Division. Prior to his time at EMC, Mr Richter served as Isilon's CFO when it was an independent publicly traded company on the NASDAQ.

13.1.5. The Company is acquiring the business for no initial cash outlay

As at 31 December 2015, Pacific Ore has a cash balance of \$2.32 million. Under the Transaction, the consideration is made up of the issue of the Consideration Shares and Performance Shares. As such we consider the nature of the consideration payable in exchange for the acquisition of Syntonic enables Pacific Ore to retain its existing cash balance for working capital and business development purposes.

13.1.6. The issue of Performance Shares ensures that the Majority Shareholders interest are aligned to Shareholders' interest

The 500 million Performance Shares issued to the Majority Shareholders have the following vesting conditions:

- One-third shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an addressable audience of 100 million mobile subscribers within 12 months from the date of completion of the Transaction;
- One-third shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an addressable audience of 150 million mobile subscribers within 18 months from the date of completion of the Transaction; and

- One-third shall convert upon Syntonic DataFlex® (including the white-label version of the product sold by partners) agreements with 50 businesses within 24 months from the date of completion of the Transaction.

In our view, although the vesting of the Performance Shares will result in further dilution for Shareholders, the vesting conditions ensure that this will only occur once milestones which are likely to be value accretive to Shareholders have been met. On this basis, we consider this ensures that the interests of the Majority Shareholders and the Shareholders are aligned.

13.2 Disadvantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed below:

13.2.1. Syntonic has a limited financial history and absence of significant revenues

Syntonic formed in 2013 and therefore has a limited operating history. The company first recorded revenue in 2015 in which 100% of Syntonic's revenue.

Therefore, if Shareholders approve the Transaction, there is a higher degree of uncertainty in relation to the future prospects of Syntonic.

13.2.2. Dilution of existing Shareholders' interests

As set out in section 4, if the Transaction is approved, Shareholders' interests in Pacific Ore may be diluted from 100% to 30.77% under the scenario where all the Performance Shares are paid. This dilution will reduce Shareholders' capacity to influence the operations of the Company.

13.2.3. The change in operations as a result of the Transaction may not suit the risk profile of Shareholders

Shareholders invested in Pacific Ore assuming that it was a mineral exploration company. Therefore the change in operations of the Company following the Transaction to primarily be a mobile technology company may not suit the risk profile of investors.

13.3 Other considerations

13.3.1. Alternative offers

We are unaware of any alternative proposal that might offer the Shareholders of Pacific Ore a premium over the value ascribed to, resulting from the Transaction.

13.3.2. Practical Level of Control

If the Transaction is approved then the Vendors may hold a maximum relevant interest in Pacific Ore up to 50.06% under the Maximum Scenario. In addition to this, Mr Gary Greenbaum and Mr Rahul Agarwal will join the Pacific Ore Board of Directors.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Transaction is approved, then on an undiluted basis and

prior to the conversion of any Performance Shares, the Vendors will be able to block and pass general resolutions and block special resolutions.

The Vendors control of Pacific Ore following the Transaction will be significant when compared to all existing Shareholders.

13.3.3. Movement in the Company's share price following the announcement of the Transaction

We have analysed movements in Pacific Ore's share price since the Transaction in section 11.2. Following the release of the Initial Announcement and the Revised Announcements, Pacific Ore's share price has increased from \$0.019 on 9 March 2016 to \$0.033 on 30 March 2016, representing an increase of 174%.

If the Transaction is not approved, it is likely that Pacific Ore's share price will decline to levels exhibited prior to the Initial Announcement.

14. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of Pacific Ore. In our opinion, the Transaction is fair as the range of values of a Pacific Ore share following the Transaction on a minority basis is greater than the range of values of a Pacific Ore share prior to the Transaction on a control basis. We consider the Transaction to be reasonable due to significant advantages that the Transaction will bring to the Company. In particular, we consider the Transaction provides Shareholders with exposure to an operating company with a potential to provide a return.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Head of Agreement among Pacific Ore, Syntonic, Mr Gary Greenbaum and Mr Rahul Agarwal;
- Audited financial statements of Pacific Ore for the years ended 30 June 2014 and 30 June 2015;
- Reviewed interim financial report for the half year ended 31 December 2015;
- Audited financial statement of Syntonic for the nine months ended 31 December 2013 and the years ended 31 December 2014 and 31 December 2015;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Pacific Ore.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$22,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Pacific Ore in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Pacific Ore, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Pacific Ore and Syntonic and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Syntonic and Pacific Ore and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Pacific Ore, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Pacific Ore and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Adam Myers and Sherif Andrawes of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 18 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 250 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

18. Disclaimers and consents

This report has been prepared at the request of Pacific Ore for inclusion in the Explanatory Memorandum which will be sent to all Pacific Ore Shareholders. Pacific Ore engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal for Pacific Ore to acquire 100% of the share capital of Syntonic.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Pacific Ore. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Pacific Ore, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Adam Myers
Director



Sherif Andrawes
Director

Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
Adroit	Adroit Business Solutions
Advisor Options	Up to 25 million options with an exercise price of \$0.02 per option and expiry date of three years from the issue date issued to Armada Capital as consideration for the advisory services provided in relation to the Capital Raising.
Advisor Shares	The issue of 60 million shares to CPS Capital in consideration for introduction, facilitation and advisory services provided to the Company by CPS Capital.
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
Armada Capital	Armada Capital Pty Ltd
Armada Loan	The convertible loan agreement entered into with Armada Capital pursuant to which Syntonic has borrowed a total of \$US735,000.
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AT&T	AT&T Inc.
BDO	BDO Corporate Finance (WA) Pty Ltd
BYOD	Bring your own device
Capital Raising	The issue of up to 100,000,000 ordinary shares at an issue price of \$0.02 per share to raise at least \$1 million and up to a maximum of \$2 million
The Company	Pacific Ore Limited
Consideration Shares	Up to 1,200 million ordinary shares proposed to be issued to Syntonic in proportion to their existing holding in Syntonic
Corporations Act	The Corporations Act 2001 Cth
CPA	Cost-per-Action
CPI	Cost-per-Install

Reference	Definition
CPS Capital Pty Ltd	CPS Capital
CSP	Connected Services Platform
DCF	Discounted Future Cash Flows
FSG	Financial Services Guide
FOS	Financial Ombudsman Service
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EMM	Enterprise Mobility Management
FME	Future Maintainable Earnings
FOMC	Federal Open Market Committee
FSG	Financial Services Guide
HOA	Heads of Agreement
Initial Announcement	The first announcement Of the Transaction to the market on 10 December 2015
IOT	Internet of Things
Jayride	Jayride Technology Pty Ltd
LTE	Long-Term Evolution
Majority Shareholders	Mr Gary Greenbaum and Mr Rahul Agarwal
Maximum Scenario	Under the scenario where the minimum capital raising of \$1 million is achieved, the Majority Shareholders may reach a maximum shareholding of 50.06%
Minimum Scenario	Under the scenario where the maximum capital raising of \$2 million is achieved, the Majority Shareholders may reach a maximum shareholding of 49.1%
NAV	Net Asset Value
Pacific Ore	Pacific Ore Limited
Pacific Ore Loan	Pacific Ore will provide an unsecured loan of \$250,000 to Syntonic to fund the interim activities of Syntonic prior to the date of the completion of the Transaction.

Reference	Definition
Performance Shares	Up to 500 million performance shares to the Vendors which shall convert into an equal number of ordinary shares upon satisfaction of certain milestones
Post-Announcements Trading Period	The daily price of Pacific Ore's shares from 9 March 2016 to 30 March 2016
The Promissory Notes	Convertible promissory notes from investors to Syntonic at an interest rate of 6% per annum with the principal amounts along with the accrued interest convertible into Pacific Ore shares.
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
Revised Announcements	The announcement outlining the revised key acquisition terms of the Transaction on 29 January 2016 and 8 March 2016
RG 74	Acquisitions approved by Members (December 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Section 611	Section 611 of the Corporations Act
Settlement	Date of the completion of the Transaction
Shareholders	Shareholders of Pacific Ore not associated with Syntonic
Syntonic Wireless, Inc.	Syntonic
Tata Communications	Tata Communications, Inc.
The Transaction	The proposal to acquire 100% of the issued capital in Syntonic.
Trust Agreement	Trust agreement to document the terms of the trust arrangement between the Major Shareholders and the Trustee
Trustee	Lindfield Nominee Services Pty Ltd
USA	United States of America
Valmin Code	The Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and

Reference	Definition
	Securities for Independent Expert Reports
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
Vendors	the holders of shares in Syntonic
VWAP	Volume Weighted Average Price
Western Areas	Western Areas Limited

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For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO, WA 6008
Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a 'deep' market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

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APPOINTMENT OF PROXY FORM

PACIFIC ORE LIMITED
ACN 123 867 765

ANNUAL GENERAL MEETING

I/We

of:

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

Name:

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

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am (WST), on 23 May 2016 at Plaza Level, BGC Centre, 28 The Esplanade, Perth WA 6000, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on 3 and 10 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 10 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Change to nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Creation of a new class of securities – Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Consideration Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Advisor Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Advisor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Election of Director – Gary Greenbaum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Election of Director – Rahul Agarwal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Adoption of Employee Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail:

YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to the Company at Level 9, BGC Centre, 28 The Esplanade, Perth WA 6000; or
 - (b) facsimile to the Company on facsimile number +61 8 9322 6558; or
 - (c) email to the Company at info@pacificore.com.au,

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

Proxy Forms received later than this time will be invalid.
