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Prospectus

MAY 2016

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

SYNTONIC

PACIFIC ORE LIMITED, TO BE RENAMED "SYNTONIC LIMITED" ACN 123 867 765

PROSPECTUS

For an offer of 50,000,000 Shares at an issue price of $0.022 per Share to raise $1,100,000 with oversubscriptions being offered up to a further 50,000,000 Shares at an issue price of $0.022 per Share to raise up to a further $1,100,000 (**Public Offer**).

This Prospectus also contains the Cleansing Offer.

The Offers are scheduled to close at 5.00pm (WST) on the dates set out below:

- Public Offer – 30 May 2016; and
- Cleansing Offer – 16 June 2016,

unless extended or withdrawn. Applications must be received before that time to be valid.

Completion of the Offers is conditional upon satisfaction of the Condition, which is detailed further in Section 2.4 of the Prospectus. No Shares will be issued pursuant to this Prospectus until such time as the Conditions are satisfied.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus are subject to certain risks as set out in Section 8.**

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS OR IN ANY JURISTICTION WHERE THIS DOCUMENTATION DOES NOT COMPLY WITH THE RELEVANT REGULATIONS

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1. CORPORATE DIRECTORY

Existing Directors

Mr Ian Middlemas (Non-executive Chairman)

Mr Mark Pearce (Non-executive Director)

Mr David Parker (Non-executive Director)[1]

Incoming Directors[2]

Mr Gary Greenbaum (Executive Director)

Mr Rahul Agarwal (Executive Director)

Company Secretary

Mr Gregory Swan

ASX Code: PSF

Proposed ASX Code: SYT

Registered Office

Pacific:
Level 9, BGC Centre
28 The Esplanade
PERTH WA 6000

Telephone: +61 8 9322 6322
Facsimile: +61 8 9322 6558
Email: info@pacificore.com.au
Website: www.pacificore.com.au

Syntonic:
119 First Avenue, Suite 100
Seattle WA 98104
UNITED STATES

Telephone: +1 206 408 8072
Email: ir@syntonic.com
Website: www.syntonic.com

Share Registry[3]

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

Investigating Accountant

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Legal Advisers

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

[1] To resign on Settlement of the Acquisition.

[2] To be appointed at the Company's general meeting to be held on 23 May 2016.

[3] This entity has been included for information purposes only. It has not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTICE

2.1 General

This Prospectus is dated 13 May 2016 and was lodged with the ASIC on that date. The ASX, ASIC and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with the Offers, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Pacific Ore Limited (ACN 123 867 765) (the **Company**) in connection with this Prospectus. You should rely only on information in this Prospectus. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus are subject to certain risks as set out in Section 8.

2.2 Re-compliance Prospectus

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

2.3 Investment Advice

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

2.4 Conditional Offers

The Offers are conditional on the HOA (the terms of which are summarised in Section 12.1) becoming unconditional (other than the issue of Shares under the Public Offer). Accordingly, the Offers under this Prospectus are effectively inter-conditional on the successful completion of each other part of the Acquisition.

In the event that Shareholders do not approve all of the Essential Resolutions at the General Meeting, the Offers will not proceed and no Shares will be issued pursuant to this Prospectus. If this occurs, Applicants will be reimbursed their Application monies (without interest).

Shares issued under this Prospectus will be issued on the date of Settlement of the Acquisition of Syntonic. In this regard, if Settlement does not occur, no Shares will be issued pursuant to this Prospectus.

2.5 Expiry Date

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

2.6 Forward-looking Statements

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

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

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

Although the Company believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of the Company, its Directors or officers, or any person named in this Prospectus, can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will prove to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

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

The forward looking statements contained in this Prospectus are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in the Company are set out in Sections 5D and 8 of this Prospectus.

2.7 Privacy Statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offers, including processing your acceptance of the Offers and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the Application Form, the Company may not be able to accept or process your acceptance of the Offers.

If the Offers are successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your securities in the context of takeovers, Public Authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in Section 1 of this Prospectus. A fee may be charged for access.

2.8 Web Site – Electronic Prospectus

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

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

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

2.9 Defined Terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 15 of this Prospectus.

2.10 Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section 5D of the Investment Overview and Section 8 of this Prospectus for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

2.11 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers, please call the Company Secretary, Gregory Swan, on +61 8 9322 6322.

3. INDICATIVE TIMETABLE*

Dispatch of Notice of General Meeting	22 April 2016
Lodgement of Prospectus with the ASIC	13 May 2016
Opening Date of the Offers	13 May 2016
General Meeting held to approve the Acquisition	23 May 2016
Closing Date of Public Offer	30 May 2016
Issue of Shares under the Offers and Settlement of the Acquisition^	13 June 2016
Dispatch of holding statements	16 June 2016
Closing Date of the Cleansing Offer	16 June 2016
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	20 June 2016
Re-quotation of Shares (including Shares issued under the Offers) on ASX	27 June 2016

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

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

4. LETTER FROM INCOMING CHIEF EXECUTIVE OFFICER

Dear investor,

On behalf of the Board of Directors of Pacific Ore Limited (**Pacific** or the **Company**), proposed to be renamed "Syntonic Limited", I am pleased to present you with this Prospectus and invite you to become a Shareholder in the Company. Pacific is transitioning from a minerals exploration company to a mobile services technology company through its acquisition of Syntonic Wireless Inc. (**Syntonic**) (**Acquisition**).

Pacific is an Australian Securities Exchange (**ASX**) listed company. It has entered into the HOA with Syntonic and its major shareholders under which it has the conditional right to acquire all the shares of Syntonic (**Syntonic Shares**).

Syntonic was founded in Seattle, Washington in 2013 by myself and Rahul Agarwal after we recognized that the mobile data plan model was restricting business innovation and significantly limiting the business potential of the mobile Internet. Our 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 Syntonic transaction will result in a material change in the nature and scale of Pacific's activities, therefore the primary purpose of this Prospectus is to re-comply with Chapters 1 and 2 of the ASX Listing Rules and provide Syntonic with the required funding to implement the commercialisation of its mobile services technology. The Offers are subject to a condition which is summarised in Section 2.4. Of particular note, the Company will convene a general meeting of Shareholders on 23 May 2016, at which the Company will, among other things, seek the approval of Shareholders to the Acquisition.

Under the Prospectus, the Company is seeking to:

- Raise $1,100,000 by the issue of 50,000,000 Shares under the Public Offer at a price of $0.022 per Share.
- Raise up to an additional $1,100,000 by the issue of up to 50,000,000 Shares via oversubscriptions at a price of $0.022 per Share.
- Cleanse the issue of the Consideration Shares issued in consideration for 100% of the issued capital in Syntonic under the Cleansing Offer.

This Prospectus contains information about the Company, Syntonic, the Offers and the Acquisition. It also contains detailed information in Section 8 about the potential risks of investing in the Company. I encourage you to read this Prospectus carefully and completely, and consult with your professional advisers if required.

On behalf of Pacific and Syntonic, I am pleased to present this Prospectus to you and invite you to take part in this exciting investment opportunity. I look forward to welcoming you as a shareholder of the Company.

Yours sincerely,

Gary Greenbaum
(Incoming) Chief Executive Officer
13 May 2016

5. INVESTMENT OVERVIEW

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

Item	Summary	Further Information
A. Company		
Who is the issuer of this Prospectus?	Pacific Ore Limited (ACN 123 867 765) (ASX: PSF), to be renamed (subject to Shareholder approval) Syntonic Limited (ASX: SYT).	
Who is the Company?	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. 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 (**Vendors**). In consideration for the Vendors agreeing to the Acquisition, the Company will issue the Consideration Shares to Vendors and the Performance Shares to Messrs Gary Greenbaum and Rahul Agarwal (or their respective nominees).	Section 7.1
How will the Acquisition be implemented?	The Company has called the General Meeting, to be held on 23 May 2016, to seek the approval of its Shareholders to the change in focus from mineral exploration to a technology company. At the General Meeting, Shareholders will consider resolutions relating to the change in the nature and scale of the Company's activities, as well as resolutions required for Settlement of the Acquisition and undertaking the Offers. The Acquisition of Syntonic by the Company is being implemented by way of a reverse triangular merger (**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 to effect the Merger in accordance with Delaware law, the US Subsidiary will merge with and into Syntonic. It is the current intention of the Board and the Incoming	Sections 12.1, 13.2, 13.3

Item	Summary	Further Information
	Directors to divest the Company's interests in its mineral exploration interests following Settlement of the Acquisition and to focus on developing and commercialising the Syntonic Technology. As such, the mineral exploration interests are not considered material in the context of the Offers. The Company proposes to change its name to "Syntonic Limited" on Settlement of the Acquisition, which in the Incoming Directors' opinion will be better suited to the Company's new strategic direction.	
Who is Syntonic?	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 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.	Section 7.3
B. **Business Model**		
How will the Company generate income?	Syntonic's flagship mobile services supported by the Syntonic CSP are Freeway by Syntonic® and Syntonic DataFlex®. 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. CPI, by contrast, is the price a sponsor pays when the consumer installs the sponsored application. Freeway by Syntonic supports three go-to-market strategies:	Section 7.3

Item	Summary	Further Information
	(a) **Carrier-branded, white-labelled solution**: Syntonic licenses the CSP 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; (b) **Freeway by Syntonic as a cross-carrier sponsored data services**: 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; and (c) **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. Syntonic DataFlex comes in two versions, standard and premium. The standard edition is meant for rapid deployment and principally targets the small and midsized business (**SMB**) customer. The premium edition includes additional data analytics and security features, targeting the needs of larger enterprises. 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 Enterprise Mobility Management (**EMM**), expense management, and payroll system connectors. The Syntonic DataFlex market opportunity is primarily in geographies where Bring-Their-Own-Device (**BYOD**) is entrenched and growing. The sales model supports two channels for selling this service to business customers, direct and through partners:	

Item	Summary	Further Information
	(a) 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; and (b) The other 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. The partnership model will likely be responsible for the majority of the initial large enterprise sales.	
What are the key business strategies of the Company?	Syntonic intends to continue to actively grow its global business by capturing the demand from operator customers and content sponsors for Freeway by Syntonic in South East Asia and Latin America and Syntonic DataFlex in North America and Europe. Upon Settlement of the Acquisition, the Company intends to operate its mobile services from Syntonic's global business headquarters in Seattle, Washington and to add a satellite office in Australia within 12 months.	Sections 7.3, 7.4 and 7.5
What are the key dependencies of the Company's business model?	The key factors that Syntonic will depend on to meet its objectives are: (a) the successful completion of the Offers; (b) the successful Settlement of the Acquisition; (c) the continuing ability of the Company to attract customers to the Syntonic Technology and retain existing customers; and (d) the continuing ability to provide superior functionality and service to its customers.	Section 7.6
C. Key Investment Highlights		
What are the key investment highlights?	The Existing Directors and Incoming Directors are of the view that key highlights of an investment in the Company include:	Section 7.2

Item	Summary	Further Information
	(a) existing Syntonic Technology that is already fully operational and supporting customers around the globe; (b) a strong engineering team to facilitate development and enhancement to include functions and features valuable to its clients; (c) international expansion opportunities exist for the Company leveraging the technology in larger markets; and (d) a strong management team that can lead the Company through the next phase(s) of its growth.	
D. Key Risks		
What are the key risks of an investment in the Company?	The business, assets and operations of the Company, including after Settlement, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company. The Incoming Directors aim to manage these risks by carefully planning the Company's activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited. Based on the information available, the key risk factors affecting the Company include: (a) **Competition and new technologies:** While the Syntonic Technology is a relatively nascent technology, 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. 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. (b) **Sales and marketing success:** Following Settlement, the Company intends to focus on developing and marketing the CSP. By its nature,	Section 8

Item	Summary	Further Information
	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. (c) **Attracting customers to the Platform:** Syntonic's revenue will be affected by its ability to attract customers to the Syntonic Technology and retain its existing customers. Various factors can affect the level of customers using the Syntonic Technology, including marketing, promotion, brand damage and pricing. (d) **Customer concentration risk:** The Company will operate a business model that will have a moderate number of mid-large sized contracts. This will put a heavy revenue dependency on a relatively small number of contracts (including the contracts with Tata Communications and AT&T). Additionally, existing contracts may be terminated at will (with short notice) by either Syntonic or the counter-party. (e) **Contractual third party risk**: The Company relies on third parties for key deliverables in its business model. 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. (f) **Net neutrality:** Net neutrality is a telecom principle supported in some geographies 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	

Item	Summary	Further Information
	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. For additional specific risks associated with the contemplated Acquisition please refer to Sections 8.2 and 8.3. For other general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Section 8.4	
E. Directors and Key Management Personnel		
Who are the Existing Directors and Incoming Directors?	It is proposed that upon Settlement of the Acquisition: (a) Mr Gary Greenbaum and Mr Rahul Agarwal will be appointed to the Board; (b) Mr Ian Middlemas and Mr Mark Pearce will remain on the Board; and (c) Mr David Parker will retire on Settlement. The profiles of each of the Incoming Directors are set out in Section 9.1. Details of the personal interests of each of the above individuals are set out in Section 9.4.	Sections 9.1 to 9.4
F. Financial Information		
How has PSF been performing?	The historical financial information of the Company for the years ending 30 June 2013, 2014 and 2015 and half-year ended 31 December 2015 and of Syntonic for the years ended 31 December 2013 (as Syntonic was incorporated on 1 April 2013 the historical financial information for this year relates to a 9 month period), 2014 and 2015 are set out in the Investigating Accountant's Report in Section 10. The reviewed pro forma statement of financial position for the Company (assuming settlement of the Acquisition) as at 31 December 2015 is set out in the Investigating Accountant's Report in Section 10.	Sections 7.9 and 10
What is the key financial information for the Company?	Refer to the Investigating Accountant's Report in Section 10 for a discussion of the key financial information of the Company and Syntonic in connection with the Acquisition.	Section 10

Item	Summary	Further Information
	Investors should note that past performance is not a guide to future performance.	
How will the Company fund its activities?	Following Settlement of the Acquisition, the funding for the Company's short to medium term activities will be generated from a combination of its operating cash flows, the money raised under the Public Offer and existing cash reserves of the Company post-Acquisition.	Section 7.8
G. Offers		
What is the purpose of the Offers?	The primary purposes of the Offers are to: (a) assist the Company to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (see Section 13.1 for further details); (b) provide the Company with additional funding for development of the Syntonic Technology and provide the Company with further working capital; and (c) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Public Offer by retail investors or the sale of any Consideration Shares issued in consideration for 100% of the issued capital in Syntonic. The Company intends to apply funds raised from the Public Offer, together with existing cash reserves of the Company post-Acquisition, in the manner set out in the table in Section 7.8.	Sections 6.1, 6.3, 7.8 and 13.1
What is being offered and who is entitled to participate?	The Public Offer is for up to 50,000,000 Shares at an issue price of $0.022 per Share to raise up to $1,100,000 with oversubscriptions being offered up to a further $1,100,000. The Public Offer is open to retail and sophisticated investors in Australia, Hong Kong and Singapore. This Prospectus also includes an offer of up to 1,000 Shares at an issue price of $0.022 per Share to raise approximately $22 (before expenses) (**Cleansing Offer**). The Company does not currently intend to issue Shares under the Cleansing Offer and will therefore not provide an Application Form for the Cleansing Offer. If this position changes, the Cleansing Offer will only be extended to specific parties on invitation from the	Section 6

<table>
<tr><th>Item</th><th>Summary</th><th>Further Information</th></tr>
<tr><td></td><td>Company and Application Forms for the Cleansing Offer will only be provided by the Company to these parties.</td><td></td></tr>
<tr><td>What will the Company's capital structure look like after completion of the Offers and the Acquisition?</td><td>
<table>
<tr><th></th><th>Shares</th><th>Options</th><th>Performance Shares</th></tr>
<tr><td>Current capital structure</td><td>656,776,880</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Consideration Securities</td><td>1,200,000,000</td><td>Nil</td><td>500,000,000[1]</td></tr>
<tr><td>Public Offer</td><td>100,000,000[2]</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Advisor Securities</td><td>60,000,000</td><td>25,000,000[3]</td><td>Nil</td></tr>
<tr><td>Capital structure post Acquisition</td><td>2,016,776,880</td><td>25,000,000</td><td>500,000,000</td></tr>
</table>
</td><td>Section 7.11</td></tr>
<tr><td>What are the terms of the Shares offered under the Offers and to be issued at Settlement of the Acquisition?</td><td>A summary of the material rights and liabilities attaching to:
(a) the Shares offered under the Offers are set out in Section 13.5;
(b) the Performance Shares are set out in Section 13.6; and
(c) the Advisor Options are set out in Section 13.7.</td><td>Sections 13.5 to 13.7</td></tr>
<tr><td>Will any Securities be subject to escrow?</td><td>Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, certain Securities (including some of those issued to shareholders of Syntonic as consideration for the Acquisition) to be issued may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</td><td>Section 0</td></tr>
<tr><td>Will the Securities be quoted?</td><td>Application for quotation of all Shares to be issued under the Offers (other than those subject to escrow) will be made to ASX no later than 7 days after the date of this Prospectus.

The Performance Shares and the Advisor Options will not be quoted. However, the Shares issued upon conversion of those Securities will be quoted (subject to any ASX imposed escrow).</td><td>Section 6.8</td></tr>
<tr><td>What are the key dates of the Offer?</td><td>The key dates of the Offers are set out in the indicative timetable in Section 3.</td><td>Section 3</td></tr>
</table>

Item	Summary	Further Information
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of $2,000 worth of Shares (90,910 Shares) and thereafter, in multiples of $200 worth of Shares (9,091 Shares).	Section 6.1(b)
Are there any conditions to the Offers?	The Offers are conditional on the HOA becoming unconditional (other than the issue of Shares under the Public Offer). If this Condition is not satisfied, the Acquisition and the Offers will not proceed. Shares issued under this Prospectus will be issued on the date of Settlement of the Acquisition of Syntonic. In this regard, if Settlement does not occur, no Shares will be issued pursuant to this Prospectus.	Section 2.4
H. Use of Proceeds		
How will the proceeds of the Public Offer be used?	Together with existing cash reserves of the Company, the Public Offer proceeds will be used to fund: (a) expenses of the Offers and Acquisition; (b) engineering and development; (c) program costs; (d) hosting and infrastructure; (e) marketing; (f) business development and sales; and (g) working capital needs of the Company.	Sections 7.8
I. Additional Information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Securities under the Offers.	
What are the tax implications of investing in Securities?	Holders of Securities may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Securities issued under this Prospectus. The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.	Section 6.4

Item	Summary	Further Information
Where can I find more information?	• By speaking to your stockbroker, solicitor, accountant or other independent professional adviser; • By reviewing the Company's public announcements, which are accessible from ASX's website at http://www.asx.com.au under the ASX code "PSF"; • By visiting Pacific Ore Limited's website at www.pacificore.com.au; • By visiting Syntonic's website at www.syntonic.com; • By contacting the Company Secretary on +61 (8) 9322 6322; or • By contacting the Share Registry on +61 (3) 9415 4000.	

6. DETAILS OF THE OFFERS

6.1 Public Offer

The Public Offer is for up to 50,000,000 Shares at an issue price of $0.022 per Share to raise up to $1,100,000 with oversubscriptions being offered up to a further $1,100,000.

All Shares issued under this Prospectus will be fully paid and will rank equally with all other Shares then currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 13.5.

(a) **Minimum Subscription**

The Public Offer is subject to a minimum subscription of 50,000,000 Shares to raise at least $1,100,000 (**Minimum Subscription**).

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

The Public Offer is not underwritten.

(b) **Minimum Application Amount**

Applications under the Public Offer must be for a minimum of $2,000 worth of Shares (90,910 Shares) and thereafter, in multiples of $200 worth of Shares (9,091 Shares).

(c) **Eligible Participants**

To participate in the Public Offer, you must be a resident of Australia, Hong Kong or Singapore.

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

(d) **Quotation and Trading**

Application for quotation of all Shares issued under the Public Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 6.8 for further details.

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

6.2 Cleansing Offer

This Prospectus also includes an offer of up to 1,000 Shares at an issue price of $0.022 per Share to raise approximately $22 (before expenses) (**Cleansing Offer**):

The Company does not currently intend to issue Shares under the Cleansing Offer and will therefore not provide an Application Form for the Cleansing Offer. If this position changes, the Cleansing Offer will only be extended to specific parties on invitation from the Company and Application Forms for the Cleansing Offer will only be provided by the Company to these parties

All of the Shares offered under the Cleansing Offer will rank equally with Shares on issue at the date of this Prospectus.

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Cleansing Offer Closing Date, including the Consideration Shares and any Shares issued upon exercise of Options issued without disclosure prior to the date of the Prospectus.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

(a) the relevant securities are in a class of securities that are quoted securities of the body; and

(b) either:

 (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

 (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

(c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

6.3 Purpose of the Offers

The primary purposes of the Offers are to:

(a) assist the Company to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (see Section 13.1 for further details);

(b) provide the Company with additional funding for development of the Syntonic Technology and provide the Company with further working capital; and

(c) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Public Offer by retail investors or the sale of any Consideration Shares issued in consideration for 100% of the issued capital in Syntonic.

The Company intends on applying the funds raised under the Public Offer along with its current cash reserves post-Acquisition in the manner detailed in Section 7.8.

6.4 Taxation

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

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

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

6.5 Applications

Applications for Shares under the Offers must be made using the relevant Application Form.

By completing an Application Form, each Applicant under the Offers will be taken to have represented, warranted, agreed and acknowledged as follows:

(a) that all details and statements made by them are complete and accurate;

(b) that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus;

(c) they agree to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offers;

(d) they understand that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any State of the United States and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and applicable US State securities laws;

(e) they are not in the US;

(f) they have not sent and will not send the Prospectus or any other material relating to the Offers to any person in the US; and

(g) they will not offer or sell the Shares in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

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

(a) in respect of the Public Offer – 30 May 2016; and

(b) in respect of the Cleansing Offer – 16 June 2016.

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

The Company will also accept payment on a delivery versus payment (**DvP**) basis, provided that Shares under the Public Offer will be issued at the same time as all other Securities are issued upon Settlement of the Acquisition. Please contact your broker if you wish to pay for Shares under the Public Offer on a DvP basis.

The Offers are conditional on certain matters, as discussed in Section 2.4. Where no issue is made under the Public Offer, Application monies will be refunded (without interest) to the Applicants as soon as practicable after the Closing Date.

The Company reserves the right to close the Offers early.

If you require assistance in completing an Application Form, please contact the Share Registry on +61 (3) 9415 4000.

6.6 Issue of Shares and Allocation Policy

(a) **General**

Subject to the Minimum Subscription being achieved and the satisfaction of each of the Conditions (see Section 2.4), the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date and in accordance with the timetable set out in Section 3.

(b) **Public Offer**

The allocation of Shares under the Public Offer will be determined by the Board in consultation with the Incoming Directors and their respective advisers. There is no guaranteed allocation of Shares under the Public Offer.

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

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

(c) **Acceptance of Applications**

A completed Application Form is an offer by you to the Company to apply for the amount of Shares specified in the Application Form on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants.

(d) **Defects in Applications**

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

(e) **Interest**

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

(f) **Discretion regarding the Offers**

The Company reserves the right to close the Offers or any part of them early, extend the Offers or any part of them, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the amount applied or bid for. Applications received under the Offers are irrevocable and may not be varied or withdrawn except as required by law.

6.7 Commissions payable

The Company reserves the right to pay a commission of up to 5% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

6.8 Quotation of Shares

The Company will apply for Official Quotation of all Shares issued under this Prospectus within 7 days after the date of this Prospectus. However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List (see Section 13.1). As such, the Shares may not be able to be traded for some time after the close of the Offers.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, or if ASX otherwise rejects the Company's application for re-admission to the Official List (see Section 13.1), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest. In those circumstances the Company will not proceed with the Acquisition.

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

6.9 Clearing House Electronic Sub-Register System and Issuer Sponsorship

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

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

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

6.10 General

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

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

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

Hong Kong

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

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

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

Singapore

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

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

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

6.11 Enquiries

If you have any queries in relation to the Offers, please contact Gregory Swan, the Company Secretary on +61 8 9322 6322.

7. COMPANY OVERVIEW

7.1 Business Overview

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.

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 (**Vendors**). Syntonic is a mobile services technology company focused on developing sponsored data services and cost effective mobile split billing solutions (**Syntonic Technology**).

In consideration for the Vendors agreeing to the Acquisition, the Company will issue the Consideration Shares to the Vendors and the Performance Shares to Messrs Gary Greenbaum and Rahul Agarwal (or their respective nominees).

A summary of the material terms of the HOA is set out in Section 12.1.

Upon successful Settlement of the Acquisition, the Company will focus on developing the Syntonic Technology. The Board is of the opinion that the opportunity presented under the Acquisition represents an opportunity that is in the best interests of current Shareholders of the Company.

7.2 Key Investment Highlights

The Existing Directors and Incoming Directors are of the view that key highlights of an investment in the Company include:

(a) existing Syntonic Technology that is already fully operational and supporting customers around the globe;

(b) a strong engineering team to facilitate development and enhancement to include functions and features valuable to its clients;

(c) international expansion opportunities exist for the Company leveraging the technology in larger markets; and

(d) a strong management team that can lead the Company through the next phase(s) of its growth.

7.3 Syntonic

(a) Industry Overview and Background

Syntonic was founded in Seattle, Washington in 2013 by Messrs Gary Greenbaum, Ph.D. and Rahul Agarwal who recognised 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 user (**ARPU**) despite exponential growth in mobile usage. Moreover, it is reported that 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 has been designed to give 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. The Incoming Directors' believe that Freeway by Syntonic is the only multi-carrier solution in the market today that supports sponsored data and rewards 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. The Incoming Directors' believe that Syntonic DataFlex is the only world-wide mobile split billing solution currently available which addresses 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 commercialising transformational industry products.

Syntonic'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 successful 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.

Syntonic'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$750 million) 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 can be considered to be 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 has been designed to allow consumers access to mobile content, web sites, and applications without incurring any mobile data charges. Brands, application developers, content providers, and advertisers can be 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 could provide access to their application for free to grow market share in a competitive geography; a mobile game of chance application could 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 1.0 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 has been designed to support most web sites and most applications using the Freeway 1.0 Software Development (**SDK**) toolkit.

It is the intention of the Incoming Directors' to deploy Freeway by Syntonic 2.0 in the coming months. Freeway by Syntonic 2.0 has been designed to extend sponsored data functionality to include action-based data rewards. The Incoming Directors' believe that 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 potentially significant technical and competitive advantages principally focused on reducing 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 reducing 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 validated 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. As an example, 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 contrast, is the price a sponsor pays when the consumer installs the sponsored application. The average CPI for Android apps is US$2.84 in the U.S. and US$1.07 in Indonesia, but vary greatly on the application category.

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, can 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 with significant cost savings compared to 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 enrolment, 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 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 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.

Certain early-stage competitors are pursuing solutions around data rewards, which require little or no carrier integration. These solutions are typically monetised 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 Incoming 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 inaccurately 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 application data analytics about how mobile content and applications are being used in the enterprise.

Mobile carriers that are participating in sponsored data programs are recognising 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. 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 continue to actively grow its global business by capturing the demand from operator customers and content sponsors for Freeway by Syntonic in South East Asia and Latin America and Syntonic DataFlex in North America and Europe.

Syntonic intends to maintain its global business headquarters in Seattle, Washington and to add a satellite office in Australia in the next 12 months. 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-zones with dedicated engineering and sales support. 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-quotation, Syntonic will continue to pursue further international protections on its core technology and business model innovations.

7.4 Direction of the Company

Upon Settlement of the Acquisition, the Company's focus will shift from mineral exploration in Australia to the technology industry, specifically the development and commercialisation of the Syntonic Technology.

Section 12.1(e) describes the proposed consideration payable by the Company at Settlement, being the Consideration Shares and the Performance Shares, which was agreed following robust negotiations between the Company and representatives of Syntonic. The Consideration Shares will be issued to those persons who hold Syntonic Shares or Syntonic Options at Settlement and the Performance Shares will be issued to Messrs Gary Greenbaum and Rahul Agarwal (or their respective nominees).

The Board considers that the quantum of the Consideration Shares and Performance Shares to be issued for the Acquisition reflects reasonable fair value of Syntonic in view of the key investment highlights set out in Section 7.2 of the Prospectus and the Company having conducted arm's length negotiations with representatives of Syntonic to arrive at the commercial terms of the Acquisition.

In determining the consideration for the Acquisition, the Company also took into account the following considerations:

(a) internal revenue and profit forecasts of Syntonic. However, those forecasts cannot be stated publicly as they do not comply with ASIC guidelines (in particular, ASIC Regulatory Guide 170 which requires directors to have a reasonable basis for disclosing forecast financial information);

(b) third party transactions in the technology market;

(c) the fact that the telecommunications industry is an established industry with a number of established and growing competitors;

(d) the Board's assessment of the future prospects of Syntonic based on the status of its technology and interest from third parties; and

(e) the fact that Syntonic has applied for patents, which potentially provides Syntonic's intellectual property with a defensible position in relation to third party infringement.

As with the acquisition of any business or asset that does not have a meaningful track record of revenue and profitability, there is not always an appropriate formal valuation methodology (e.g. discounted cash flow) available when determining the purchase price and the Company was required to take into account qualitative factors such as those set out above in coming to a decision on price.

The Company has structured the consideration through the issue of the Performance Shares such that part of the benefit to be received by the Majority Shareholders is linked to the growth of Syntonic's business. In this regard, the Performance Shares to be issued to the Majority Shareholders will convert into Shares upon the satisfaction of milestones connected with Syntonic's business activities. In particular, the milestones relate to Syntonic meeting specified customer engagement targets with a view to increasing Syntonic's revenues and therefore potential benefits to Shareholders.

The Board is of the opinion that the opportunity presented under the Acquisition represents an opportunity that is in the best interest of current Shareholders of the Company and was involved in a lengthy negotiation process prior to executing the HOA.

The opportunity structured and presented under the proposed Acquisition presents Shareholders with the opportunity to hold a position in a unique business with the ability to generate revenue in an existing market with an opportunity for significant growth.

7.5 Group Structure

If the Acquisition reaches Settlement, Syntonic will become a wholly owned subsidiary of the Company.

7.6 Key Dependencies of the Business Model

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

(a) the successful completion of the Offers;

(b) the successful Settlement of the Acquisition;

(c) the continuing ability of the Company to attract customers to the Syntonic Technology and retain existing customers; and

(d) the continuing ability to provide superior functionality and service to its customers.

7.7 Funding

The funding for the Company for the two years following re-admission to the Official List of ASX will be met by the offer of Shares pursuant to the Public Offer under this Prospectus and by the Company's existing cash reserves (see Section 7.8 for further details). As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of securities and/or from debt funding.

7.8 Use of Funds

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

FUNDS AVAILABLE[1]	Minimum Subscription (A$1,100,000) A$	Percentage of Funds %	Maximum Subscription (A$2,200,000) A$	Percentage of Funds %
Cash reserves of the Company (post Acquisition)[2]	$3,379,000	76.4%	$3,379,000	60.6%
Funds raised from the Public Offer[3]	$1,100,000	24.6%	$2,200,000	39.4%
TOTAL	**$4,479,000**	**100%**	**$5,579,000**	**100%**
ALLOCATION OF FUNDS	**Minimum Subscription (A$1,100,000) A$**	**Percentage of Funds %**	**Maximum Subscription (A$2,200,000) A$**	**Percentage of Funds %**
Engineering & Development[4]	$1,230,000	27.5%	$1,470,000	26.3%
Program Costs[5]	$80,000	1.8%	$80,000	1.4%
Hosting & Infrastructure[6]	$210,000	4.7%	$210,000	3.8%
Marketing[7]	$510,000	11.4%	$750,000	13.4%
Business Development & Sales[8]	$950,000	21.2%	$1,250,000	22.4%
Working Capital and Corporate Administration[9]	$1,183,000	26.3%	$1,436,000	25.8%
Expenses associated with the Acquisition and Offers[10]	$316,000	7.1%	$383,000	6.9%
TOTAL	**$4,479,000**	**100%**	**$5,579,000**	**100%**

Notes

1. 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.

2. 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.

3. Under the Minimum Subscription scenario above, it is assumed that 50,000,000 Shares are issued at an issue price of A$0.022 each to raise A$1,100,000. Under the Maximum Subscription scenario above, it is assumed that 100,000,000 Shares are issued at an issue price of A$0.022 each to raise A$2,200,000.

4. Engineering and development costs include:

   (a) payroll & payroll taxes;

   (b) contractors; and

   (c) employee benefits.

5. Program costs include:

   (a) travel; and

(b) training expenses.

6. Hosting and infrastructure costs refer to the costs of the equipment and server time required to deliver the service.

7. 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 Section 13.11 for the itemised costs of the expenses associated with the Acquisition and the Offers.

In the event Syntonic raises more than the minimum subscription amount of $1,100,000, the additional funds raised will be first applied towards expenses associated with the Offers and Acquisition and then approximately as follows:

(a) to expand the Company's sales and marketing efforts to target additional customers and partners;

(b) to expand the Company's engineering and development efforts to support additional features and functionality; and

(c) for general working capital purposes.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events (including the risk factors outlined in Section 8) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

On completion of the minimum raising of $1,100,000 under the Public Offer, the Board believes the Company will have sufficient working capital to achieve the objectives set out in this Prospectus.

7.9 Historical Financial Information

The Investigating Accountant's Report set out in Section 10 contains a pro forma balance sheet of the Company following its acquisition of Syntonic together with an Investigating Accountant's Report. Investors should note the scope limitations of the Investigating Accountant's Report (refer to Section 10 for further information).

The Financial Information set out in the Investigating Accountant's Report also includes the following historical financial information:

(a) the audited financial statements of the Company for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 and audit reviewed financial statements of the Company for the half-year ended 31 December 2015; and

(b) the audited financial statements for Syntonic for the years ended 31 December 2013 (as Syntonic was incorporated on 1 April 2013 the historical financial information for this year relates to a 9 month period), 2014 and 2015.

Investors are urged to read the Investigating Accountant's Report in Section 10 in full.

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

7.10 Dividend Policy

It is anticipated that, following Settlement of the Acquisition, the Company will focus on the development of the Syntonic Technology, growth of the business and future expansion opportunities. Accordingly, the Company does not expect to declare any dividends during this period or in the short to medium term.

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

7.11 Capital Structure

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

	Shares	Options	Performance Shares
Current capital structure	656,776,880	Nil	Nil
Consideration Securities	1,200,000,000	Nil	500,000,000[1]
Public Offer	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 13.6.
2. The Minimum Subscription under the Public Offer is $1,100,000. In the event that the Minimum Subscription is raised under the Public Offer, 50,000,000 less Shares will be issued (assuming an issue price of $0.022 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.

7.12 Substantial Shareholders

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

Shareholder	Shares	%
Arredo Pty Ltd	40,000,000	6.0%

On completion of the Offers (assuming the Maximum Subscription is raised under the Public Offer, no Options are exercised, and exclusive of any Performance Shares converting), the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Lindfield Nominee Services Pty Ltd[1]	747,481,776	38.0%
Mr Gary Greenbaum	385,861,395	19.1%
Mr Rahul Agarwal	385,861,395	19.1%

1 Lindfield Nominee Services Pty Ltd will hold 747,481,776 Consideration Shares and 500,000,000 Performance Shares on trust for Messrs Greenbaum and Agarwal pursuant to the Trust Agreement.

7.13 Restricted Securities

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

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

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

7.14 Top 20 Shareholders

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

8. RISK FACTORS

8.1 Introduction

An investment in the Company is not risk free and the Board strongly recommends that potential investors consider the key risk factors detailed in the Investment Overview in Section 5 of this Prospectus, as well as the risk factors described below, together with information contained elsewhere in this Prospectus before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

This Section 8 identifies circumstances that the Board regards as the major risks associated with an investment in the Company and which may have a material adverse impact on the financial performance of the Company and the market price of the Shares if they were to arise.

There are risks associated with the contemplated Acquisition, specifically in relation to the success of the Company which may adversely impact the value of an investment in the Shares of the Company (Section 8.2 and 8.3).

In addition, there are other general investment risks, many of which are largely beyond the control of the Company and its Directors (Section 8.4).

The Incoming Directors aim, and will aim, to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which they can effectively manage them.

The following risk factors are not intended to be an exhaustive list of the risk factors to which the Company is exposed. In addition, this Section 8 has been prepared without taking into account offerees' individual financial objectives, financial situation and particular needs. Offerees should seek professional investment advice if they have any queries in relation to making an investment in the Company.

8.2 Specific Risks Associated with the Change in Nature and Scale of Activities

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

(b) **Dilution Risk**

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

(i) the Consideration Shares;

(ii) the Performance Shares;

(iii) the Shares to be issued to subscribers under the Public Offer;

(iv) the Advisor Shares; and

(v) the Advisor Options.

On issue of the Consideration Shares, the Shares to investors under the Public Offer, and the Advisor Shares (assuming the Maximum Subscription is raised and provided no Options are exercised):

(i) the existing Shareholders will retain approximately 32.6% of the Company's issued Share capital;

(ii) the Vendors will hold approximately 59.5% of the Company's issued Share capital;

(iii) the Advisors will hold approximately 3.0% of the Company's issued Share capital; and

(iv) the investors under the Public Offer 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.

(c) **Liquidity Risk**

On Settlement, the Company proposes to issue the Consideration Shares, the Performance Shares, Shares under the Public Offer, 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 no further Shares are issued or Options exercised), the Consideration Shares will equate to approximately 59.5% 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.

(d) **Contractual Risk**

Pursuant to the HOA, the Company was granted the Acquisition 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.

8.3 Risks in Respect of Syntonic's Current Operations

(a) **Competition and New Technologies**

While the Syntonic Technology is a relatively nascent technology, 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 Technology 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.

(b) **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.

(c) **Customer concentration risk**

Over-reliance upon key customers may, in the event of termination or non-renewal of such arrangements, create revenue volatility. In this regard, existing contracts (including those with Tata Communications and AT&T) may be terminated at short notice by either Syntonic or the counter-party. 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.

(d) **Attracting Customers to the Platform**

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

(i) Marketing and promotions: If the Company's marketing and promotion efforts are not effective this may result in fewer customers using the Syntonic Technology;

(ii) Brand damage: If the Company or Syntonic suffers from reputational damage, customer numbers could be affected; and

(iii) 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.

(e) **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.

(f) **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.

(g) **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 that 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.

(h) **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.

(i) **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.

(j) **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.

(k) **Staff risk**

There is a risk that, where there is a turnover of development staff who have knowledge of the technology and business, 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.

(l) **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.

(m) **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 principle supported in some geographies 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.

(n) **Currency risk**

Syntonic expects to derive a majority of its revenue in US dollars. Accordingly, changes in the exchange rate between the United States dollar and the Australian dollar would be expected to have a direct effect on the performance of Syntonic.

8.4 General Risks Relating to the Company

(a) **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.

(b) **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.

(c) **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 Public Offer 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 Public Offer.

(d) **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.

(e) **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 Public Offer. 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.

(f) **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.

(g) **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:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

(h) **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.

(i) **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.

(j) **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.

9. BOARD, MANAGEMENT AND INTERESTS

9.1 Directors

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

(a) Mr Ian Middlemas (Non-Executive Chairman);

(b) Mr Mark Pearce (Non-Executive Director); and

(c) Mr David Parker (Non-Executive Director),

(together, the "**Existing Directors**").

It is proposed that upon Settlement of the Acquisition:

(a) Mr Gary Greenbaum and Mr Rahul Agarwal will be appointed to the Board of the Company (together, "**Incoming Directors**");

(b) Mr Ian Middlemas and Mr Mark Pearce will remain on the Board as interim Directors until appropriate replacement Directors are identified;

(c) Mr David Parker will retire on Settlement; and

(d) Mr Gregory Swan will remain on as interim Company Secretary until an appropriate replacement Company Secretary is identified.

The profiles of each of the Incoming Directors, the continuing Director and Senior Management are set out below. Those directors who are independent directors are specified as such below.

Mr Gary Greenbaum (Incoming Director)

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 (Incoming Director)

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.

Ian Middlemas (Continuing Director)

Ian Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce Degree. He worked for a large international Chartered Accounting firm before joining Normandy Mining Group where he worked as a senior executive for approximately ten years. He has extensive corporate and management experience and is currently a director of a number of publically listed companies in the resource sector.

Mr Middlemas was appointed a Director of the Company on 19 April 2010. Mr Middlemas also holds directorships in Paringa Resources Limited, Berkeley Energia Limited, Prairie Mining Limited, Salt Lake Potash Limited, Equatorial Resources Limited, WCP Resources Limited, Sovereign Metals Limited, Odyssey Energy Limited and Cradle Resources Limited.

Mark Pearce (Continuing Director)

Mark Pearce is a Chartered Accountant and is currently a director of several ASX listed companies that operate in the resources sector. Mr Pearce has had considerable experience in the formation and development of listed resource companies and has worked for several large international Chartered Accounting firms. Mr Pearce is also a Fellow of the Governance Institute of Australia and a Fellow of the Financial Services Institute of Australia.

Mr Pearce was appointed a Director of the Company on 19 April 2010. Mr Pearce also holds directorships in Prairie Mining Limited, Equatorial Resources Limited, WCP Resources Limited, Sovereign Metals Limited, Odyssey Energy Limited and Sale Lake Potash Limited.

9.2 Key Management

Mr Gary Greenbaum (Proposed Chief Executive Officer)

Refer to Mr Greenbaum's profile above in Section 9.1.

Mr Rahul Agarwal (Proposed Chief Technology Officer)

Refer to Mr Agarwal's profile above in Section 9.1.

Mr Ben Rotholtz (Proposed Chief Marketing Officer)

Mr Ben Rotholtz is Syntonic's Chief Marketing Officer (**CMO**). Mr 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.

9.3 Remuneration of Existing Directors and Incoming Directors

Details of the Existing Directors' and Incoming Directors' remuneration are set out in the table below:

Director	Remuneration for year ended 30 June 2014	Remuneration for year ended 30 June 2015	Proposed remuneration for year ended 30 June 2016[1]
Remuneration			
Existing Directors			
I Middlemas	A$39,330	A$24,000	A$36,000
M Pearce	A$21,850	A$21,900	A$20,000
D Parker	A$21,850	A$21,900	A$20,000[2]
Incoming Directors			
G Greenbaum[3]	Nil	Nil	US$250,000[4]
R Agarwal[3]	Nil	Nil	US$250,000[4]

Notes:

1. Amounts are base salary and fees and are exclusive of superannuation and share based payments.
2. It is intended that Mr Parker will retire on Settlement, so his proposed remuneration for the year ended 30 June 2016 will be prorated up to his date of retirement.
3. Messrs Greenbaum and Agarwal (or their nominees) are receiving 250,000,000 Performance Shares each in connection with the Acquisition.
4. It is intended that Messrs Greenbaum and Agarwal will be appointed at Settlement, so their proposed remuneration for the year ended 30 June 2016 will be prorated starting from their date of appointment.

The Company's Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Constitution provides that the aggregate remuneration for Non-Executive Directors may be varied by ordinary resolution of the Shareholders in general meeting. Post-Settlement, it is the intention of the Company to compensate Directors in share based payments only through the issue of Performance Shares (subject to any necessary Shareholder and regulatory approvals).

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board.

9.4 Existing Director and Incoming Director Interests in Securities

Directors are not required under the Company's current constitution or the new Constitution (to be approved by Shareholders at the General Meeting) to hold any Shares to be eligible to act as a director.

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

Director	Shares	Options	Performance Shares[1]
I Middlemas	40,000,000	-	-
M Pearce	12,000,000	-	-
D Parker	2,000,000	-	-
G Greenbaum	385,861,395[2]	-	250,000,000[2]
R Agarwal	385,861,395[2]	-	250,000,000[2]

Notes:

1. Terms of the Performance Shares are set out in Section 13.6.
2. Consideration Shares and Performance Shares to be issued upon completion of the Acquisition.

9.5 Agreements with Existing Directors and Incoming Directors

The agreements the Company has entered into with Existing Directors and Incoming Directors are listed in Sections 9.6 and 12.10.

9.6 Other interests of Existing Directors and Incoming Directors

Apollo Group Pty Ltd, a company controlled by Mr Mark Pearce, currently receives a monthly retainer of approximately $15,000 for providing administration and company secretarial services and serviced office facilities to the Company. Apollo Group Pty Ltd was paid or is payable $208,000 for the year ended 30 June 2015 (2014: $158,400). In addition, Apollo Group Pty Ltd, will be paid up to $40,000 for services provided in relation to the Acquisition and this Prospectus.

Adroit Business Solutions, Inc., a company controlled by Mr Rahul Agarwal, currently receives a monthly retainer of approximately US$50,500 for providing software engineering services to Syntonic. Adroit Business Solutions, Inc. was paid or is payable US$594,250 for the year ended 31 December 2015 (2014: US$479,000).

Messrs Greenbaum and Agarwal have each made cash advances to Syntonic totalling US$51,500 each to fund the start-up activities of Syntonic. The loans are unsecured and interest free and are intended to be repaid to Messrs Greenbaum and Agarwal at or around Settlement.

10. INVESTIGATING ACCOUNTANT'S REPORT

12 May 2016

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

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

Introduction

This Investigating Accountant's Report ("Report") has been prepared for inclusion in a Prospectus to be dated on or about 12 May 2016 for the issue by Pacific Ore Limited ("Pacific Ore" or the "Company"), subject to shareholder approval on 23 May 2016 to be renamed Syntonic Limited, of up to 100,000,000 ordinary shares at an issue price of 2.2 cents each to raise up to $2,200,000 before the expenses of the issue ("Offer"). The minimum subscription under the Offer is $1,100,000.

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of Pacific Ore.

All amounts are expressed in Australian dollars unless otherwise stated and expressions defined in the Prospectus have the same meaning in this report.

This Report does not address the risks associated with accepting the Offer. HLB Mann Judd has not been requested to consider the prospects for the Company, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so.

HLB Mann Judd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this report.

Further declarations are set out in Section 6 of this Report.

Structure of Report

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Financial information;
4. Subsequent events;
5. Statements; and
6. Declaration.

1. Background Information

Pacific Ore was registered on 9 February 2007 and was admitted to the Official List of 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 at the date of this Report, the issued share capital of the Company is 656,776,880 ordinary fully paid shares.

On 5 March 2016, the company entered into a revised heads of agreement ("HOA') to acquire Syntonic Wireless, Inc. ("Syntonic") a mobile service technology company.

At a general meeting of shareholders of the Company to be held on 23 May 2016 ("General Meeting"), resolutions giving effect to the following will be put to shareholders:

1. A change in nature and scale of activities via the acquisition of 100% of the issued shares in Syntonic. Syntonic is a mobile service technology company focused in developing sponsored data services and cost effective mobile split billing solutions. Full details of Syntonic and its business are contained in the Notice of General Meeting relating to the General Meeting. Further details of Syntonic are also outlined in Section 7.3 of the Prospectus.

2. The creation of a new class of securities being performance shares. The performance shares are proposed to be issued in three classes with each class having a separate milestone event triggering their conversion in ordinary shares.

3. The issue of shares to Syntonic shareholders and Syntonic option holders in consideration for the acquisition of 100% of the issued shares in Syntonic, as follows:

   - 1,200,000,000 ordinary shares.

   - 500,000,000 performance shares to Messrs Gary Greenbaum and Rauhul Agar (or their nominess), the majority shareholders. These performance shares will convert into fully paid ordinary shares in Pacific Ore (on a one for one basis) upon Syntonic achieving any one of the following milestones:

     - Milestone 1 – One third of all performance shares held by the holders 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;

     - Milestone 2 – One third of all performance shares held by the holders 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

- Milestone 3 – One third of all performance shares held by the holders shall convert upon the company entering into revenue generating agreements with respect to Freeway Syntonic DataFlex® (including the white-label version of the product sold by partners) with 50 businesses within a period of 24 months from settlement.

The performance share will lapse if the milestones are not achieved with 3 years.

4. A capital raising, being the Offer.

5. The issue of 60,000,000 ordinary shares to CPS Capital Pty Ltd ("CPS") or its nominees in consideration for the introduction to the transaction, facilitation of the agreement and advisory services.

6. The issue of 25,000,000 options to Armada Capital Pty Ltd ("Armada") or its nominees as consideration for assisting to raise funds under the Offer.

7. A change in the Company's name to Syntonic Limited.

8. The appointment of Mr Gary Greenbaum, as a director of the Company.

9. The appointment of Mr Rahul Agarwal, as a director of the Company.

10. Adoption of an employee incentive option plan.

The Company's use of funds on completion of the Offer is set out in Section 7.8 of the Prospectus.

2. *Scope of Report*

You have requested HLB Mann Judd ("HLB") to prepare this Report presenting the following information:

a) the historical reviewed financial information of the Company, comprising the historical Statement of Financial Position as at 31 December 2015 and the historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity for the half-year then ended as set out in Appendix 1 to this Report;

b) the historical audited financial information of Syntonic, comprising the historical Statement of Financial Position as at 31 December 2015 and the historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity for the year then ended as set out in Appendix 1 to this Report; and

c) the proforma financial information of the Company, comprising the proforma Statement of Financial Position as at 31 December 2015 and the proforma Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity for the year then ended. This information is presented under the following two scenarios:

   - $1,100,000 capital raising (minimum), and

   - $2,200,000 capital raising (maximum).

For accounting purposes, the acquisition of Syntonic by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "*Business Combinations*", notwithstanding that

Pacific Ore is the legal parent of the group. At acquisition date the net assets of Syntonic are recorded at their book value and the net assets of the Company are recorded at fair value.

Consequently the historical financial information presented in this Report is the historical financial information of Syntonic as at 31 December 2015 which has been subject to audit.

The proforma financial information presented in this Report is the historical financial information of Syntonic for the year ended 31 December 2015, assuming that the acquisition of Syntonic by the Company and the other proposed transactions set out in Section 3(c) of this Report had been completed as at that date.

For completeness, extracts of historical financial information of Pacific Ore for the years ended 30 June 2015, 30 June 2014 and 30 June 2013 and Syntonic for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 have also been set out in Appendix 2 and Appendix 3 respectively. An extract of the reviewed historic financial information of Pacific Ore for the half-year ended 31 December 2015 has also been included in Appendix 2.

The Directors have prepared and are responsible for the historical and proforma financial information. We disclaim any responsibility for any reliance on this Report or on the financial information to which it relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus.

We performed a review of the historical and proforma financial information of the Company as at and for the period ended 31 December 2015, in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

The historical financial information and the proforma financial information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.

Our review of the historical financial information and the proforma financial information of the Company was carried out in accordance with Standard on Assurance Engagements ASAE 3450 "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information" and included such enquiries and procedures which we considered necessary for the purposes of this Report.

The review procedures undertaken by HLB in our role as Investigating Accountants were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the historical financial information and the proforma information, analytical review procedures and discussions with senior management. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical financial information and proforma financial information included in this Report or elsewhere in the Prospectus.

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

In relation to the information presented in this Report:

a) support by another person, corporation or an unrelated entity has not been assumed;

b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and

c) the going concern basis of accounting has been adopted.

3. Financial Information

Set out in Appendix 1 (attached) are:

a) The Statement of Financial Position of the Company as at 31 December 2015, and the Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity for the half-year then ended (reviewed).

b) The Statement of Financial Position of Syntonic as at 31 December 2015, and the Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity for the year ended (audited).

c) The proforma Statement of Financial Position of the Company as at 31 December 2015, and the proforma Statement of Profit or Loss and Other Comprehensive Income and proforma Statement of Changes in Equity for the period then ended as they would appear after incorporating the following actual or proposed significant events and transactions by the Company subsequent to 31 December 2015:

(i) the issue by the Company pursuant to the Prospectus of a minimum of 50,000,000 ordinary shares issued at a price of 2.2 cents each, raising $1,100,000; and a maximum of 100,000,000 ordinary shares issued at 2.2 cents each, raising $2,200,000;

(ii) the write off to the issued capital account of the estimated costs of the Offer not yet paid at 31 December 2015 being an estimated $172,836 (based on the minimum amount raised); and $239,836 if the maximum amount is raised;

(iii) the acquisition of 100% of the issued capital of Syntonic for the following consideration:
- 1,200,000,000 ordinary shares.
- 500,000,000 performance shares to the majority shareholders, Messrs Gary Greenbaum and Rauhul Agar in equal proportion. These performance shares will convert into fully paid ordinary shares in Pacific Ore (on a one for one basis) upon Syntonic achieving any one of the milestones outlined in Section 1 of this Report.

(iv) Cash expenses of the acquisition being $143,164.

(v) The issue of 60,000,000 ordinary shares to CPS Capital Pty Ltd ("CPS") or its nominees in consideration for the introduction to the transaction, facilitation of the agreement and advisory services.

(vi) the issue of 25,000,000 options to Armada Capital Pty Ltd (or its nominees) ("Armada") in consideration for assisting to raise funds under the Offer.

(vii) Subsequent to year end, Syntonic received unsecured loans of US$735,000 which are convertible to Syntonic shares. The unsecured loans convert directly into shares in Pacific Ore at settlement and holders of the unsecured loans will receive 128,188,358 shares in Pacific Ore as part of the consideration shares noted in part 3(c)(iii) above.

(viii) Promissory notes of $US1,525,000 plus interest convert to Syntonic shares immediately prior to settlement of the heads of agreement. The promissory note holders will receive 256,197,119 shares in Pacific Ore as part of the consideration shares noted in part 3(c) (iii) above, following completion of the transaction.

(ix) The cancellation of Syntonic options. The Syntonic option holders will receive 34,245,197 shares in Pacific Ore as part of the consideration shares noted in part 3(c) (iii) above, following completion of the transaction.

(x) Elimination of the capitalised option fee paid by Pacific Ore to Syntonic, recognised as deferred revenue by Syntonic.

d) Notes to the historical financial information and proforma financial information.

4. Subsequent Events

In our opinion, there have been no material items, transactions or events subsequent to 31 December 2015 not otherwise disclosed in the Prospectus that have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

5. Statements

Based on our review, which was not an audit, we have not become aware of any matter that causes us to believe that:

a) the historical financial information of Pacific Ore as at 31 December 2015 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia and its performance as represented by its results of its operations for the period then ended;

b) the historical financial information of Syntonic as at 31 December 2015 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia and its performance as represented by its results of its operations for the year then ended; and

c) the proforma financial information of Pacific Ore as at 31 December 2015 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia and its performance as represented by its results of its operations for the year then ended. As noted in Section 2 of this Report, the proforma financial information presented in this Report is the historical financial information of Syntonic for the year ended 31 December 2015, assuming that the acquisition of Syntonic by the Company and the other proposed transactions set out in Section 3(c) of this Report had been completed as at that date.

d) the assumptions and applicable criteria used in the preparation of the proforma consolidated financial information do not provide a reasonable basis for presenting the significant effects directly attributable to the acquisition and do not reflect proper application of those adjustments to the unadjusted financial information.

6. Declaration

a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the financial information, at our normal professional rates (expected to be $12,500).

b) Apart from the aforementioned fees, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.

c) Neither HLB, nor any of its employees or associated persons has any interest in Pacific Ore Limited or the promotion of the Company. HLB is the appointed auditor of the Company.

d) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.

e) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears. The inclusion of this Report should not be taken as an endorsement of the Company or a recommendation by HLB of any participation in the Company by an intending subscriber.

Yours faithfully
HLB MANN JUDD

Buckley

D I BUCKLEY
Partner

APPENDIX 1

PACIFIC ORE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Syntonic Audited 12 months ended 31/12/15[(i)] $	Proforma Adjustments $1.10M raising[(ii)]	Proforma Adjustments $2.20M raising[(ii)]	Proforma $1.10M raising[(ii)] $	Proforma $2.20M raising[(ii)] $
Revenue	568,999	-	-	568,999	568,999
Cost of sales	(55,165)	-	-	(55,165)	(55,165)
Gross profit	513,834	-	-	513,834	513,834
Other income	46,993	(46,991)	(46,991)	2	2
Selling, travel and marketing	(222,918)	-	-	(222,918)	(222,918)
Research and development expenses	(784,426)	-	-	(784,426)	(784,426)
Salaries, payroll taxes and benefits	(359,660)	3,546	3,546	(356,114)	(356,114)
General and administrative	(298,237)	(15,043)	(15,043)	(313,280)	(313,280)
Interest expense	(122,041)	-	-	(122,041)	(122,041)
Share-based payment expense	-	(12,320,000)	(12,320,000)	(12,320,000)	(12,320,000)
Listing premium expense	-	(8,422,977)	(8,422,977)	(8,422,977)	(8,422,977)
Costs of acquisition	-	(143,164)	(143,164)	(143,164)	(143,164)
Loss before income tax	(1,226,455)	(20,944,629)	(20,944,629)	(22,171,084)	(22,171,084)
Income tax expense	-	-	-	-	-
Loss for the period	(1,226,455)	(20,944,629)	(20,944,629)	(22,171,084)	(22,171,084)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period, net of tax	**(1,226,455)**	**(20,944,629)**	**(20,944,629)**	**(22,171,084)**	**(22,171,084)**

(i) This represents the audited Statement of Profit or Loss and Other Comprehensive Income of Syntonic for the year ended 31 December 2015.

(ii) The proforma financial information is based on a continuation of the Syntonic Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2015, together with the proforma adjustments noted in Section 3(c) of this Report, using the reverse acquisition principles explained in Section 2 of this Report.

This statement should be read in conjunction with the accompanying notes.

PACIFIC ORE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	Pacific Ore Reviewed 31/12/15(i) $	Syntonic Audited 31/12/15(ii) $	Proforma adjustments $1.10M Raising $	Proforma adjustments $2.20M Raising $	Proforma $1.10M Raising(iii) $	Proforma $2.20M Raising(iii) $
Current assets							
Cash and cash equivalents	2	2,316,869	148,819	1,697,342	2,730,342	4,163,030(iv)	5,196,030(iv)
Trade and other receivables		19,569	104,644	-	-	124,213	124,213
Other assets		-	6,554	-	-	6,554	6,554
Total current assets		**2,336,438**	**260,017**	**1,697,342**	**2,730,342**	**4,293,797**	**5,326,797**
Non-current assets							
Financial Assets	3	468,582	6,553	(250,000)	(250,000)	225,135	225,135
Total non-current assets		**468,582**	**6,553**	**(250,000)**	**(250,000)**	**225,135**	**225,135**
Total assets		**2,805,020**	**266,570**	**1,447,342**	**2,480,342**	**4,518,932**	**5,551,932**
Current liabilities							
Trade and other payables	4	62,790	973,507	(200,131)	(200,131)	836,166	836,166
Interest-bearing loans and borrowings	5	-	1,994,768	(1,994,768)	(1,994,768)	-	-
Deferred revenue	6	-	187,966	(187,966)	(187,966)	-	-
Total current liabilities		**62,790**	**3,156,241**	**(2,382,865)**	**(2,382,865)**	**836,166**	**836,166**
Total liabilities		**62,790**	**3,156,241**	**(2,382,865)**	**(2,382,865)**	**836,166**	**836,166**
Net assets		**2,742,230**	**(2,889,671)**	**3,830,207**	**4,863,207**	**3,682,766**	**4,715,766**
Equity							
Issued capital	7	25,155,873	5,298	(8,985,261)	(7,952,261)	16,175,910	17,208,910
Reserves	8	63,069	3,546	11,283,385	11,283,385	11,350,000	11,350,000
Accumulated losses		(22,476,712)	(2,898,515)	1,532,083	1,532,083	(23,843,144)	(23,843,144)
Total equity		**2,742,230**	**(2,889,671)**	**3,830,207**	**4,863,207**	**3,682,766**	**4,715,766**

PACIFIC ORE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015 (continued)

(i) This represents the reviewed Statement of Financial Position of Pacific Ore as at 31 December 2015.

(ii) This represents the audited Statement of Financial Position of Syntonic as at 31 December 2015.

(iii) The proforma financial information is based on a continuation of the Syntonic Statement of Financial Position as at 31 December 2015, together with the proforma adjustments noted in Section 3(c) of this Report, using the reverse acquisition principles explained in Section 2 of this Report.

(iv) The cash and cash equivalents balance above do not account for working capital spent during the period from 1 January 2016 until completion of the Offer. From 1 January 2016 to 31 March 2016, the Company and Syntonic have spent approximately $715,000 of cash on expenses related to the continuation and further development of Syntonic Group's business. The estimated working capital requirement for the Company and Syntonic combined from 1 April 2016 until completion of the Offer is estimated to be $400,000.

This statement should be read in conjunction with the accompanying notes.

PACIFIC ORE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Contributed equity $	Reserves $	Accumulated losses $	Total $
Year ended 31 December 2015 – Syntonic Wireless, Inc. (audited):[(i)]				
Balance at 1 July 2015	**5,298**	**748**	**(1,672,060)**	**(1,666,014)**
Loss for the year	-	-	(1,226,455)	(1,226,455)
Share-based payment	-	2,798	-	2,798
Balance at 31 December 2015	**5,298**	**3,546**	**(2,898,515)**	**(2,889,671)**
Proforma adjustments (reviewed):				
$1.10M raising				
Conversion of Syntonic debt to equity	3,108,241	-	-	3,108,241
Cancelation of Syntonic options	-	(3,546)	3,546	-
Shares issued as part of reverse acquisition, at fair value of Pacific Ore	11,165,207	-	-	11,165,207
Issue of performance shares to the majority shareholders	-	11,000,000	(11,000,000)	-
Listing premium expense	-	-	(8,422,977)	(8,422,977)
Costs of the acquisition	-	-	(143,164)	(143,164)
Shares issued pursuant to Prospectus	1,100,000	-	-	1,100,000
Share issue costs	(172,836)	-	,-	(172,836)
Elimination of option facilitation fee	-	-	(62,034)	(62,034)
Issue of shares to CPS Capital	1,320,000	-	(1,320,000)	-
Issue of options to Armada	(350,000)	350,000	-	-
$1.10M raising Proforma total	**16,175,910**	**11,350,000**	**(23,843,144)**	**3,682,766**
Additional $1,100,000 raising (for a total raising of $2.20M)				
Additional shares issued pursuant to Prospectus	1,100,000	-	-	1,100,000
Additional share issue costs	(67,000)	-	-	(67,000)
$2.20M raising Proforma total	**17,208,910**	**11,350,000**	**(23,843,144)**	**4,715,766**

(i) This represents the audited Statement of Changes in Equity of Syntonic for the year ended 31 December 2015. The proforma financial information is based on a continuation of the Syntonic Statement of Changes in Equity for the year ended 31 December 2015, together with the proforma adjustments noted in Section 3(c) of this Report, using the reverse acquisition principles explained in Section 2 of this Report.

This statement should be read in conjunction with the accompanying notes.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the historical and proforma financial information reported under Australian Equivalents to International Financial Reporting Standards ("AIFRS") are shown below.

(a) Basis of preparation

The financial statements have been prepared in accordance with the measurement requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting, including the historical cost convention.

The financial report is presented in Australian dollars, unless otherwise stated.

Compliance with IFRS

The financial information complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial information, comprising the financial statements and notes thereto, comply with measurement requirements but not all of the disclosure requirements of International Financial Reporting Standards.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 2 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(c) Trade and other Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due and are interest free.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(d) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 Exploration for and Evaluation of Mineral Resources, which is the Australian equivalent of IFRS 6.

Exploration and evaluation expenditure encompasses expenditures incurred in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred subsequent to acquisition of the rights to explore is expensed as incurred, up to costs associated with the preparation of a feasibility study.

Acquisition costs are accumulated for each area of interest and recorded as an asset if:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
  - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(e) Research and Development

Research and development costs are expensed in the period incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated: (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (b) the intention to complete the intangible asset and use or sell it; (c) the ability to use or sell the intangible asset; (d) how the intangible asset will generate probable future economic benefits; (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development. Accordingly, Syntonic has not capitalised any development costs to date.

(f) Investments and other financial assets

(i) Classification

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value though profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are indeed to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

(ii) Recognition and derecognition

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the investments available for sale reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously reported in equity are included in the Statement of Profit or Loss and Other Comprehensive Income as gains and losses on disposal of investment securities.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(iv) Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is transferred from equity to the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in the Statement of Profit or Loss and Other Comprehensive Income on equity instruments classified as held for sale are not reversed through the Statement of Profit or Loss and Other Comprehensive Income.

(g) Financial Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Transaction costs on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

(h) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(k) Employee Entitlements

A provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(l) Interest-bearing Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period
of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(m) Contributed Equity

Ordinary Shares and Performance Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Share-based payment transactions

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using the Black Scholes option pricing model. Further details on how the fair value of equity-settled share-based payments has been determined can be found in Note 11.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the option premium reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the quoted price of the ordinary shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(o) Revenue Recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Rendering of services revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Billings rendered subsequent to yearend for services performed prior to year-end are accrued and recorded as unbilled revenue.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(p) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(q) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

Non-controlling interests are allocated their share of net profit after tax in the Statement of Profit or Loss and Other Comprehensive Income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(r) Reverse acquisition accounting

The acquisition of Syntonic by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "*Business Combinations*", notwithstanding the Company being the legal parent of the group. Consequently the historical financial information presented in this Report for the period ended 31 December 2015 is the historical financial information of Syntonic.

The legal structure of the group subsequent to the acquisition of Syntonic will be that the Company will remain as the legal parent entity. However, the principles of reverse acquisition accounting are applicable where the owners of the acquired entity (in this case, Syntonic) obtain control of the acquiring entity (in this case, the Company) as a result of the businesses' combination.

Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (the Company) but are a continuation of the financial statements of the legal subsidiary (Syntonic), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(s) Critical accounting judgements and key sources of estimation uncertainty

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

<u>Share-based payment transactions</u>

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model.

The Company measures the cost of cash-settled share based payments at fair value at the grant date using the Black & Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted.

<u>Deferred taxation</u>

Potential future income tax benefits have not been brought to account at reporting date because the Directors do not believe that it is appropriate to regard realisations of future income tax benefits as probable.

(t) Proforma transactions

The proforma Statement of Financial Position of the Company as at 31 December 2015, and the proforma Statement of Profit or Loss and Other Comprehensive Income and proforma Statement of Changes in Equity for the year then ended as they would appear after incorporating the following actual or proposed significant events and transactions by the Company subsequent to 31 December 2015:

(i) the issue by the Company pursuant to the Prospectus of a minimum of 50,000,000 ordinary shares issued at a price of 2.2 cents each, raising $1,100,000; and a maximum of 100,000,000 ordinary shares issued at 2.2 cents each, raising $2,200,000;

(ii) the write off to the issued capital account of the estimated costs of the Offer not yet paid at 31 December 2015 being an estimated $172,836 (based on the minimum amount raised); and $239,836 if the maximum amount is raised;

(iii) the acquisition of 100% of the issued capital of Syntonic for the following consideration:
- 1,200,000,000 ordinary shares.
- 500,000,000 performance shares to the majority shareholders, Messrs Gary Greenbaum and Rauhul Agar in equal proportion. These performance shares will convert into fully paid ordinary shares in Pacific Ore (on a one for one basis) upon Syntonic achieving any one of the milestones outlined in Section 1 of this Report.

(iv) Cash expenses of the acquisition being $143,164.

(v) The issue of 60,000,000 ordinary shares to CPS Capital Pty Ltd ("CPS") or its nominees in consideration for the introduction to the transaction, facilitation of the agreement and advisory services.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(vi) the issue of 25,000,000 options to Armada Capital Pty Ltd ("Armada") (or its nominees) in consideration for assisting to raise funds under the Offer.

(vii) Subsequent to year end, Syntonic received unsecured loans of US$735,000 which are convertible to Syntonic shares. The unsecured loans convert directly into shares in Pacific Ore at settlement and holders of the unsecured loans will receive 128,188,358 shares in Pacific Ore as part of the consideration shares noted in part 3(c)(iii) above.

(viii) Promissory notes of $US1,525,000 plus interest convert to Syntonic shares immediately prior to settlement of the heads of agreement. The promissory note holders will receive 256,197,119 shares in Pacific Ore as part of the consideration shares noted in part 3(c) (iii) above, following completion of the transaction.

(xi) The cancellation of Syntonic options. The Syntonic option holders will receive 34,245,197 shares in Pacific Ore as part of the consideration shares noted in part 3(c) (iii) above, following completion of the transaction.

(ix) Elimination of the capitalised option fee paid by Pacific Ore to Syntonic, recognised as deferred revenue by Syntonic.

2. CASH AND CASH EQUIVALENTS

	Syntonic Audited 31/12/15 $	**Proforma adjustments $1.10M raising 31/12/15 $**	**Proforma adjustments $2.20M raising 31/12/15 $**	**Proforma $1.10M raising 31/12/15 $**	**Proforma $2.20M raising 31/12/15 $**
Balance	148,819	-	-	148,819	148,819
Cash balance of Pacific Ore at 31 December 2015	-	-	-	2,316,869	2,316,869
Proceeds from shares issued pursuant to this Prospectus	-	1,100,000	2,200,000	1,100,000	2,200,000
Share issue costs	-	(172,836)	(239,836)	(172,836)	(239,836)
Acquisition costs	-	(143,164)	(143,164)	(143,164)	(143,164)
Unsecured loan, net of costs	-	913,342	913,342	913,342	913,342
	148,819	**1,697,342**	**2,730,342**	**4,163,030**	**5,196,030(1)**

(1) The cash and cash equivalents balance above do not account for working capital spent during the period from 1 January 2016 until completion of the Offer. From 1 January 2016 to 31 March 2016, the Company and Syntonic have spent approximately $715,000 of cash on expenses related to the continuation and further development of Syntonic Group's business. The estimated working capital requirement for the Company and Syntonic combined from 1 April 2016 until completion of the Offer is estimated to be $400,000.

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3. FINANCIAL ASSETS

	Syntonic Audited 31/12/15 $	**Proforma adjustments $1.10M 31/12/15 raising $**	**Proforma adjustments $2.20M 31/12/15 raising $**	**Proforma $1.10M 31/12/15 raising $**	**Proforma $2.20M 31/12/15 raising $**
Balance	6,553	**-**	**-**	6,553	6,553
Financial assets balance of Pacific Ore at 31 December 2015	-	468,582	468,582	468,582	468,582
Less: Elimination of option fee on consolidation	-	(250,000)	(250,000)	(250,000)	(250,000)
	6,553	218,582	218,582	225,135	225,135

4. TRADE & OTHER PAYABLES

	Syntonic Audited 31/12/15 $	**Proforma adjustments $1.10M raising 31/12/15 $**	**Proforma adjustments $2.20M raising 31/12/15 $**	**Proforma $1.10M raising 31/12/15 $**	**Proforma $2.20M raising 31/12/15 $**
Balance	973,507	-	-	973,507	973,507
Trade and other payables balance of Pacific Ore at 31 December 2015	-	62,790	62,790	62,790	62,790
Less: conversion of accrued interest to equity on settlement of acquisition	-	(200,131)	(200,131)	(200,131)	(200,131)
	973,507	**(137,341)**	**(137,341)**	**836,166**	**836,166**

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

5. INTEREST-BEARING LOANS AND BORROWINGS

	Syntonic Audited 31/12/15 $	Proforma adjustments $1.10M raising 31/12/15 $	Proforma adjustments $2.20M raising 31/12/15 $	Proforma $1.10M raising 31/12/15 $	Proforma $2.20M raising 31/12/15 $
Balance	1,994,768	-	-	1,994,768	1,994,768
Unsecured convertible loans	-	913,342	913,342	913,342	913,342
Less: conversion of debt to Syntonic shares immediately prior to the settlement of the heads of agreement		(2,908,110)	(2,908,110)	(2,908,110)	(2,908,110)
	1,994,768	**(1,994,768)**	**(1,994,768)**	**-**	**-**

6. DEFERRED REVENUE

	Syntonic Audited 31/12/15 $	Proforma adjustments $1.00M raising 31/12/15 $	Proforma adjustments $2.00M raising 31/12/15 $	Proforma $1.00M raising 31/12/15 $	Proforma $2.00M raising 31/12/15 $
Balance	187,966	-	-	187,966	187,966
Less: elimination on consolidation	-	(187,966)	(187,966)	(187,966)	(187,966)
	187,966	(187,966)	(187,966)	-	-

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7. ISSUED CAPITAL

	Syntonic Audited 31/12/15 $	Proforma adjustments $1.10M raising 31/12/15 $	Proforma adjustments $2.20M raising 31/12/15 $	Proforma $1.10M raising 31/12/15 $	Proforma $2.20M raising 31/12/15 $
Balance	5,298	-	-	5,298	5,298
Conversion of debt to equity	-	3,108,241	3,108,241	3,108,241	3,108,241
Shares on issue in Pacific Ore at date of legal acquisition of Syntonic	-	11,165,207	11,165,207	11,165,207	11,165,207
Shares issued pursuant to Prospectus	-	1,100,000	2,200,000	1,100,000	2,200,000
Share issue costs	-	(172,836)	(239,836)	(172,836)	(239,836)
Issue of shares to CPS Capital	-	1,320,000	1,320,000	1,320,000	1,320,000
Issue of options to Armada as consideration for assisting to raise funds under the Offer	-	(350,000)	(350,000)	(350,000)	(350,000)
	5,298	**16,170,612**	**17,203,612**	**16,175,910**	**17,208,910**

	$1.10M raising		$2.20M raising	
	Number	$	Number	$
Balance at 31 December 2015	4,050,000	5,298	4,050,000	5,298
Conversion of debt to equity	2,219,212	3,108,241	2,219,212	3,108,241
Elimination of Syntonic shares at the date of the legal acquisition by Pacific Ore	(6,269,212)	-	(6,269,212)	-
Pacific Ore shares issued for legal acquisition of Syntonic	1,200,000,000	-	1,200,000,000	-
Shares on issue in Pacific Ore at date of legal acquisition of Syntonic	656,776,880	11,165,207	656,776,880	11,165,207
Share issued pursuant to Prospectus	50,000,000	1,100,000	100,000,000	2,200,000
Share issue costs	-	(172,836)	-	(239,836)
Issue of shares to CPS Capital	60,000,000	1,320,000	60,000,000	1,320,000
	1,966,776,880	**16,525,910**	**2,016,776,880**	**17,558,910**

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

8. SHARE-BASED PAYMENTS RESERVE

	Syntonic Audited 31/12/15	Proforma adjustments $1.10M raising 31/12/15	Proforma adjustments $2.20M raising 31/12/15	Proforma $1.10M raising 31/12/15	Proforma $2.20M raising 31/12/15
Balance	3,546	-	-	3,546	3,546
Cancellation of Syntonic options	-	(3,546)	(3,546)	(3,546)	(3,546)
Issue of performance shares to majority shareholders	-	11,000,000	11,000,000	11,000,000	11,000,000
Issue of options to Armada	-	350,000	350,000	350,000	350,000
	3,546	**11,346,454**	**11,346,454**	**11,350,000**	**11,350,000**

9. CONTINGENCIES AND COMMITMENTS

There are no contingent liabilities of expenditure commitments at the date of this Report. Details of planned use of funds are outlined in Section 7.8 of the Prospectus.

10. RELATED PARTY TRANSACTIONS

Details of Directors' and Proposed Directors' interests in the Company's issued capital and transactions with the Company are included in Sections 9 of the Prospectus.

11. OPTIONS

	Number
Pacific Ore	
There are no options on issue at 31 December 2015 or the date of this report.	
Syntonic	
Balance at 31 December 2015:	
Exercisable at US$0.10 by December 2017	127,500
Exercisable at US$1.00 by December 2017	50,000
Balance at the date of this Report	**177,500**

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Proforma adjustments:

Syntonic
The options on issue at this date of this report will be cancelled and the Syntonic option holders will be issued 34,245,197 shares in Pacific Ore as part of the consideration shares at settlement.

Pacific Ore
As set out in this Report, it is proposed to issue options to Armada Capital. These options will be exercisable at 2 cents per share on or before the date that is 3 years from the date of issue.

The value of these options will be recognised if the resolution to approve these options is passed by shareholders at the general meeting to be held on 23 May 2016.

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black & Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

Expected volatility (%)	100%
Risk-free interest rate (%)	1.97%
Expected life of options	3 years
Exercise price (cents)	2 cents
Grant date share price (assumed as the issue price of shares under this Prospectus)	2.2 cents

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

12. PERFORMANCE RIGHTS

On completion of the acquisition the company has issued three classes of performance shares with each class having a separate milestone event triggering their conversion in ordinary shares. 500,000,000 performance shares will be issued to the majority shareholders, Messrs Gary Greenbaum and Rauhul Agar in equal proportion.

At face value, the performance shares have a combined fair value at date of issue of $10,000,000 (based on the 2.2 cents capital raising). At the date of this report management have determined that it is probable these performance shares will vest. These performance shares will vest on the following milestones being achieved:

- Milestone 1 – One third of all performance shares held by the holders 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;

PACIFIC ORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

- Milestone 2 – One third of all performance shares held by the holders 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

- Milestone 3 – One third of all performance shares held by the holders shall convert upon the company entering into revenue generating agreements with respect to Freeway Syntonic DataFlex® (including the white-label version of the product sold by partners) with 50 businesses within a period of 24 months from settlement.

- APPENDIX 2 –

PACIFIC ORE LIMITED
HISTORICAL FINANCIAL INFORMATON

Set out below is summarised financial information of Pacific Ore Limited. The following information has been extracted from the reviewed and audited financial statements.

PACIFIC ORE LIMITED
STATEMENTS OF FINANCIAL POSITION

	Reviewed	***Audited***		
	31 December 2015	***30 June 2015***	***30 June 2014***	***30 June 2013***
	$	***$***	***$***	
CURRENT ASSETS				
Cash and cash equivalents	2,316,869	2,083,036	2,470,228	431,256
Trade and other receivables	19,569	14,797	21,688	5,394
TOTAL CURRENT ASSETS	2,336,438	2,097,833	2,491,916	436,650
NON-CURRENT ASSETS				
Financial assets	468,582	100,000	-	-
Property, plant and equipment	-	-	-	9,659
TOTAL NON-CURRENT ASSETS	468,582	100,000	-	9,659
TOTAL ASSETS	2,805,020	2,197,833	2,491,916	446,309
CURRENT LIABILITIES				
Trade and other payables	62,790	31,756	114,946	134,871
Employee entitlements	-	-	-	9,094
TOTAL CURRENT LIABILITIES	62,790	31,756	114,946	143,965
TOTAL LIABILITIES	62,790	31,756	114,946	143,965
NET ASSETS	2,742,230	2,166,077	2,376,970	302,344
EQUITY				
Contributed equity	25,155,873	24,439,650	24,439,650	21,805,533
Reserves	63,069	44,482	78,530	76,136
Accumulated losses	(22,476,712)	(22,318,055)	(22,141,210)	(21,562,910)
Equity attributable to owners of the company	2,742,230	2,166,077	2,376,970	318,759
Non-controlling interests	-	-	-	(16,415)
Total equity	2,742,230	2,166,077	2,376,970	302,344

The above should be read in conjunction with the notes outlined in Appendix 1

PACIFIC ORE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed 6 months to 31 December 2015 $	12 month to 30 June 2015 $	*Audited* 12 months to 30 June 2014 $	12 months to 30 June 2013 $
Revenue	26,222	67,358	39,237	18,730
Other income	-	66,119	-	-
Exploration expenses	(5,444)	(11,043)	(91,754)	(228,168)
Business development expenses	(34,120)	(62,400)	(153,363)	(652,061)
Corporate Expenses	(81,042)	(124,432)	(183,522)	(225,068)
Administration expenses	(64,273)	(146,448)	(221,398)	(318,727)
Other expenses	-	-	-	(30,510)
Loss before income tax	(158,657)	(210,846)	(610,800)	(1,435,804)
Income tax benefit	-	-	-	-
Loss for the period	(158,657)	(210,846)	(610,800)	(1,435,804)
Loss attributable to members of the parent	(158,657)	(210,846)	(610,800)	(1,407,165)
Loss attributable to non-controlling interests	-	-	-	(28,639)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Net fair value change on available-for-sale financial assets	18,582	-	-	-
Exchange differences on translation of foreign operations	5	(47)	27,723	17,749
Total comprehensive loss for the period, net of tax	(140,070)	(210,893)	(583,077)	(1,418,055)
Total comprehensive loss attributable to members of the company	-	-	(583,255)	(1,388,253)
Total comprehensive income/(loss) attributable to non-controlling interests	-	-	178	(29,802)

The above should be read in conjunction with the notes outlined in Appendix 1

PACIFIC ORE LIMITED
STATEMENT OF CASH FLOWS

	Reviewed 6 months to 31 December 2015 $	12 month to 30 June 2015 $	*Audited* 12 months to 30 June 2014 $	12 months to 30 June 2013 $
Cash flows from operating activities				
Payments to suppliers and employees	(157,393)	(356,267)	(629,599)	(1,624,665)
Interest paid	25,003	-	(61)	(621)
Interest received	-	69,075	33,208	18,730
Net cash flows used in operating activities	(132,390)	(287,192)	(596,452)	(1,606,556)
Cash flows from investing activities				
Payments for property, plant and equipment	-	-	-	(1,217)
Purchase of available-for-sale financial assets	(100,000)	(100,000)	-	-
Payment of option fee on Syntonic acquisition	(250,000)	-	-	-
Net cash flows used in investing activities	(350,000)	(100,000)	-	(1,217)
Cash flows from financing activities				
Proceeds from issue of shares	770,000	-	2,733,885	-
Share issue costs	(53,777)	-	(99,768)	-
Proceeds from exercise of options	-	-	-	1,257,173
Net cash flows used in financing activities	716,223	-	2,634,117	1,257,173
Net increase/(decrease) in cash and cash equivalents	233,833	(387,192)	2,037,665	(350,600)
Cash and cash equivalents at beginning of year	2,083,036	2,470,228	431,256	773,296
Effect of exchange rate changes on the balance of cash held in foreign currencies	-	-	1,307	8,560
Cash and cash equivalents at end of year	2,316,869	2,083,036	2,470,228	431,256

The above should be read in conjunction with the notes outlined in Appendix 1.

PACIFIC ORE LIMITED
STATEMENT OF CHANGES IN EQUITY

	Contributed equity	*Investments available-for sale-reserve*	*Share-based payment reserve*	*Foreign currency translation reserve*	*Accumulated losses*	*Non-controlling interests*	*Total Equity*
	$	*$*	*$*	*$*	*$*	*$*	*$*
As at 1 July 2012	20,548,360	-	198,175	(1,928)	(20,184,745)	13,387	573,249
Loss for the year	-	-	-	-	(1,407,165)	(28,639)	(1,435,804)
Exchange differences on translation of foreign operations	-	-	-	18,912	-	(1,163)	17,749
Total comprehensive income/(loss) for the year	-	-	-	18,912	(1,407,165)	(29,802)	(1,418,055)
Exercise of listed options	1,257,173	-	-	-	-	-	1,257,173
Expiry of incentive options	-	-	(226,900)	-	29,000	-	(197,900)
Share-based payments	-	-	87,877	-	-	-	87,877
As at 30 June 2013	21,805,533	-	59,152	16,984	(21,562,910)	(16,415)	302,344
As at 1 July 2013	21,805,533	-	59,152	16,984	(21,562,910)	(16,415)	302,344
Loss for the year	-	-	-	-	(610,800)	-	(610,800)
Exchange differences on translation of foreign operations	-	-	-	27,545	-	178	27,723
Total comprehensive income/(loss) for the year	-	-	-	27,545	(610,800)	178	(583,077)
Shares issued during the year	2,733,885	-	-	-	-	-	2,733,885
Share issue costs	(99,768)	-	-	-	-	-	(99,768)
Expiry of incentive options	-	-	(32,500)	-	32,500	-	-
Share-based payments	-	-	7,349	-	-	-	7,349
Disposal of non-controlling interest	-	-	-	-	-	16,237	16,237
As at 30 June 2014	24,439,650	-	34,001	44,529	(22,141,210)	-	2,376,970

PACIFIC ORE LIMITED
STATEMENT OF CHANGES IN EQUITY (continued)

	Issued capital	*Investments available-for sale-reserve*	*Share-based payment reserve*	*Foreign currency translation reserve*	*Accumulated losses*	*Non-controlling interests*	*Total Equity*
As at 1 July 2014	24,439,650	-	34,001	44,529	(22,141,210)	-	2,376,970
Loss for the year	-	-	-	-	(210,846)	-	(210,846)
Exchange differences on translation of foreign operations	-	-	-	(47)	-	-	(47)
Total comprehensive loss for the year	-	-	-	(47)	(210,846)	-	(210,893)
Expiry of incentive options	-	-	(34,001)	-	34,001	-	-
As at 30 June 2015	24,439,650	-	-	44,482	(22,318,055)	-	2,166,077
As at 1 July 2015	24,439,650	-	-	44,482	(22,318,055)	-	2,166,077
Loss for the period	-	-	-		(158,657)	-	(158,657)
Net fair value gain on available for sale financial assets	-	18,582	-	-		-	18,582
Exchange differences on translation of foreign operations	-	-	-	5	-	-	5
Total comprehensive income /(loss) for the period	-	18,582	-	5	(158,657)	-	(140,070)
Share placement	770,000	-	-	-	-	-	770,000
Share issue costs	(53,777)	-	-	-	-	-	(53,777)
As at 31 December 2015	25,155,873	18,582	-	44,487	(22,476,712)	-	2,742,230

The above should be read in conjunction with the notes outlined in Appendix 1

- APPENDIX 3 –

SYNTONIC WIRELESS, INC.
HISTORICAL FINANCIAL INFORMATON

Set out below is summarised financial information of Syntonic Wireless Inc. The following information has been extracted from the audited financial statements. Presentations have been altered to conform with AIFRS disclosure requirements.

SYNTONIC WIRELESS, INC.
STATEMENTS OF FINANCIAL POSITION

	31 December 2015 $USD	***Audited 31 December 2014 $USD***	***31 December 2013 $USD***
CURRENT ASSETS			
Cash and cash equivalents	113,772	516,472	1,037,432
Trade and other receivables	80,000	-	-
Prepayments	5,010	-	-
TOTAL CURRENT ASSETS	198,782	516,472	1,037,432
NON-CURRENT ASSETS			
Financial assets	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			
Trade and other payables	744,246	270,150	157,360
Borrowings	1,525,000	1,525,000	1,025,000
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			
Contributed equity	4,050	4,050	4,050
Reserves	2,711	572	-
Accumulated losses	(2,215,915)	(1,278,290)	(147,968)
TOTAL EQUITY	(2,209,154)	(1,273,668)	(143,918)

The above should be read in conjunction with the notes outlined in Appendix 1

SYNTONIC WIRELESS, INC.
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited		
	12 months to	***12 months to***	***Period 9 months ended***
	31 December 2015 USD$	***31 December 2014 USD$***	***31 December 2013 USD$***
Revenues	435,000	-	-
Cost of sales	(42,174)	(20,818)	-
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)
Other income / (expense)			
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	-	-	-
Loss for the period	(937,625)	(1,130,322)	(147,968)
Other comprehensive income	-	-	-
Total comprehensive loss for the period, net of tax	(937,625)	(1,130,322)	(147,968)

The above should be read in conjunction with the notes outlined in Appendix 1.

SYNTONIC WIRELESS, INC.
STATEMENTS OF CASH FLOWS

		Audited	
	12 months to	*12 months to*	*Period 9 months ended*
	31 December 2015 USD$	*31 December 2014 USD$*	*31 December 2013 USD$*
Cash flows from operating activities			
Net loss	(937,625)	(1,130,322)	(147,968)
Adjustments to reconcile net loss to net cash generated by/(used in) operating activities:			
Share based payment transactions	2,139	572	-
Changes in operating assets and liabilities			
Unbilled revenue	(80,000)	-	-
Prepayments	(5,010)	-	-
Security deposit	-	(4,000)	(1,010)
Trade and other payables	28,300	39,278	-
Other payables, related parties	314,873	19,617	124,389
Accrued salaries and payroll taxes	39,423	(7,605)	32,971
Accrued interest	91,500	61,500	-
Deferred revenue	143,700	-	-
Net cash flows used in operating activities	(402,700)	(1,020,960)	8,382
Cash flows from financing activities			
Proceeds from issue of convertible notes	-	500,000	1,025,000
Proceeds from issue of shares	-	-	4,050
Net cash flows used in financing activities	-	500,000	1,029,050
Net increase/(decrease) in cash and cash equivalents	(402,700)	(520,960)	1,037,432
Cash and cash equivalents at beginning of year	516,472	1,037,432	-
Cash and cash equivalents at end of year	113,772	516,472	1,037,432
Supplemental cash flow disclosures:			
Interest paid	1,800	-	-

The above should be read in conjunction with the notes outlined in Appendix 1.

SYNTONIC WIRELESS, INC.
STATEMENT OF CHANGES IN EQUITY

	Contributed equity	*Share-based payment reserve*	*Accumulated losses*	*Total Equity*
	$	*$*	*$*	*$*
As at 1 April 2013	-	-	-	-
Loss for the period	-	-	(147,968)	(147,968)
Total comprehensive loss for the period	-	-	(147,968)	(147,968)
Shares issued during the year	4,050	-	-	4,050
As at 31 December 2013	4,050	-	(147,968)	(143,918)
As at 1 January 2014	4,050	-	(147,968)	(143,918)
Loss for the year	-	-	(1,130,322)	(1,130,322)
Total comprehensive loss for the year	-	-	(1,130,322)	(1,130,322)
Share-based payment	-	572	-	572
As at 31 December 2014	4,050	572	(1,278,290)	(1,273,668)
As at 1 January 2015	4,050	572	(1,278,290)	(1,273,668)
Loss for the year	-	-	(937,625)	(937,625)
Total comprehensive loss for the year	-	-	(937,625)	(937,625)
Share-based payment	-	2,139	-	2,139
As at 31 December 2015	4,050	2,711	(2,215,915)	(2,209,154)

The above should be read in conjunction with the notes outlined in Appendix 1.

11. CORPORATE GOVERNANCE

11.1 ASX Corporate Governance Council Principles and Recommendations

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

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

The Incoming Directors will seek, where appropriate, to provide accountability levels that meet or exceed the Recommendations, which are not prescriptions, but guidelines. The Company's main corporate governance policies and practices that will be adopted from completion of the Offers are outlined below and further details can be obtained from the Company website at www.pacificore.com.au.

11.2 Board of Directors

The Board is responsible for corporate governance of the Company. The Incoming Directors will develop strategies for the Company, review strategic objectives and monitor performance against those objectives. The goals of the corporate governance processes are to:

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities; and

(c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Incoming Directors will assume the following responsibilities:

(a) developing initiatives for profit and asset growth;

(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;

(c) acting on behalf of, and being accountable to, the Shareholders; and

(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

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

In light of the Company's size and nature, the Incoming Directors consider that the proposed composition of the Board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

11.3 Composition of the Board

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

(a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and

(b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Following Settlement, the Board will consist of 4 Directors. Additional Board and management resources may be considered as appropriate as the Syntonic Technology develops.

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

Each Incoming Director has confirmed to the Company that he anticipates being available to perform his or her duties as a non-executive director or executive director without constraint from other commitments.

The Incoming Directors consider an independent Director to be a non-executive director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Incoming Directors will consider the materiality of any given relationship on a case-by-case basis and reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Company's Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the Recommendations and has adopted a definition of independence that is based on that set out in the Recommendations.

The Incoming Directors will consider whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders generally.

11.4 Board Charter

The Board Charter sets out the responsibilities of the Board in greater detail. It provides that the Board should comprise Directors with the appropriate mix of skills, experience, expertise and diversity which are relevant to the Company's businesses and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

11.5 Identification and Management of Risk

The Board is responsible for overseeing the establishment of and approving risk management strategies, policies, procedures and systems of the Company. The Company's management is responsible for establishing the Company's risk management framework. The Company will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations, including assisting the Chief Executive Officer or Chief Financial Officer to provide required declarations.

11.6 Ethical Standards

The Incoming Directors are committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Incoming Directors intend to adopt a Code of Conduct which sets out the way the Company conducts business. The Company will carry on business honestly and fairly, acting only in ways that reflect well on the Company and in compliance with all laws and regulations.

The Incoming Directors also propose to adopt a policy document which will outline employees' obligations of compliance with the Code of Conduct, and explains how the code interacts with the Company's other corporate governance policies.

It is proposed that responsibilities incorporated in the Code of Conduct will include protection of the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

11.7 Independent Professional Advice

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

11.8 Remuneration Arrangements

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

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

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

11.9 Trading Policy

The Board has adopted a Securities Trading Policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The Securities Trading Policy explains the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and to establish procedures in relation to such persons' dealing in the Shares.

Under the terms of the policy, buying or selling Shares is not permitted at any time by any person who possesses inside information in a manner contrary to the Corporations Act or where short-term or speculative trading is involved. The policy also generally provides that written notification to the Chairman (or in the case of the Chairman, the Board) must be satisfied prior to trading.

11.10 External Audit

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

11.11 Departures from Recommendations

Following re-admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. The Company's compliance and departures from the Recommendations in relation to the year ended 30 June 2015 are set out below.

Following Settlement of the Acquisition, the revised Board will review the Company's corporate governance policies and compliance with and departures from the Recommendations. The revised corporate governance statement will be included in the Company's annual financial report for the year ended 30 June 2016.

Principle 1: Lay solid foundations for management and oversight

RECOMMENDATION	PACIFIC ORE'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2015 YEAR?
1.1 Role of Board and management	The Board has established a clear distinction between the functions and responsibilities reserved for the Board and those delegated to management, which are set out in the Company's Board Charter. A copy of the Board Charter is available in the Corporate Governance section of the Company's website, www.pacificore.com.au.	Yes
1.2 Information regarding election and re-election of director candidates	Pacific carefully considers the character, experience, education and skillset of potential candidates for appointment to the Board and conducts appropriate background checks to verify the sustainability of the candidate, prior to their election. Based on the Company's level of knowledge of the potential candidate, these may include checks as to the person's character, experience, education, and bankruptcy history, but may not include criminal record checks for potential candidates	No

	that are well known to the Board. However, the Company did not appoint any new Directors during the 2015 year. The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a director, is disclosed in the relevant notice of meeting provided to shareholders. Director profiles are also included in the Director's Report of the Company's Annual Report.	
1.3 Written contracts of appointment	In addition to being set out in the Board Charter, the roles and responsibilities of Directors are also formalised in the letter of appointment which each Director receives and commits to on their appointment. The letters of appointment specify the term of appointment, time commitment envisaged, expectations in relations to committee work or any other special duties attaching to the position, reporting lines, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, insurance and indemnity entitlements and details of the Company's key governance policies. Each Key Management Personnel ("KMP") enters into a service contract which sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangement and termination rights and entitlements. Contract details of KMP are summarised in the Remuneration Report of the Company's Annual Report. The Company did not have letters of appointment in place for all Directors during the year ended 30 June 2015. However, as at the date of this Statement, all Directors now have written contracts of appointment.	No
1.4 Company Secretary	The Company Secretary reports directly to the Board through the Chairman on Board matters and all Directors have access to the Company Secretary. In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are set out in the Directors' Report of the Company's Annual Report.	Yes
1.5 Diversity	The Company has not adopted a Diversity Policy, nor has it established measurable objectives for achieving gender diversity for the 2015 year. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. However, the Board considers that the Company is not currently of a size to warrant the time and cost of adopting a Diversity Policy and setting measurable objectives for achieving gender diversity. The Board will review its position and may adopt a Diversity Policy and develop measurable objectives when the Company's operations increase. At the date of this Statement, the Company has no female directors and no female senior executives. At the date of this Statement, other than Directors, the Company had no employees as it uses consultants when required.	No
1.6 Board reviews	The Board has not conducted a formal performance evaluation. The Company is a junior resources company and the Board believes that a formal performance evaluation is not required at this point in time and that that no efficiencies or other benefits would be gained from a formal performance evaluation. The Chairman is responsible for evaluating the Board and informal discussions are undertaken during the course of the year. As the Company grows and develops, it will continue to consider the	No

	efficiencies and merits of a more formal performance evaluation of the Board, its committees and individual Directors.	
1.7 Management reviews	Each year the Board evaluates the performance of its KMP against Key Performance Indicators ("KPI's") as set by the Board. Details of the process followed are set out in the Remuneration Report of the Company's Annual Report. For the 2015 year, the Board undertook a performance evaluation of its KMP in accordance with that process.	Yes

Principle 2: Structure the Board to add value

<table>
<tr><th>RECOMMENDATION</th><th>PACIFIC ORE'S COMPLIANCE WITH RECOMMENDATIONS</th><th>RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2015 YEAR?</th></tr>
<tr><td>2.1 Nominations committee</td><td>The Board has decided not to form a separate Nomination Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.

The Board has adopted a Remuneration and Nomination Committee Charter, however the Board as a whole performs the function of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee Charter sets out the processes the Board employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board regularly reviews whether it has the appropriate balance of skills, knowledge, and experience suitable for a Company in the junior resources sector.

The Remuneration and Nomination Committee Charter is reviewed annually and is available in the Corporate Governance section of the Company's website www.pacificore.com.au.</td><td>Yes</td></tr>
<tr><td>2.2 Board skills matrix</td><td>The Board seeks a mix of skills suitable for a junior resources company. A summary of the key board skills matrix is set out below. Further details regarding the skills and experience of each Director are included in the Directors' Report of the Company's Annual Report.
<table>
<tr><th>Director/ Skills</th><th>Capital Markets</th><th>Resources Industry</th><th>Mining/ Geology</th><th>Finance/ Accounting</th><th>Listed Company</th></tr>
<tr><td>Ian Middlemas</td><td>✓</td><td>✓</td><td></td><td>✓</td><td>✓</td></tr>
<tr><td>David Parker</td><td>✓</td><td>✓</td><td></td><td>✓</td><td>✓</td></tr>
<tr><td>Mark Pearce</td><td>✓</td><td>✓</td><td></td><td>✓</td><td>✓</td></tr>
</table></td><td>Yes</td></tr>
<tr><td>2.3 Disclose independence and length of service</td><td>The Board has assessed the independence status of its Directors and has determined the following as at 30 June 2015:
<table>
<tr><th>Name</th><th>Position</th><th>Independent ?</th><th>Length of Service</th></tr>
<tr><td>Ian Middlemas</td><td>Non-Executive Chairman</td><td>Yes</td><td>5.2 years</td></tr>
<tr><td>David Parker</td><td>Non-Executive Director</td><td>Yes</td><td>5.6 years</td></tr>
<tr><td>Mark Pearce</td><td>Non-Executive Director</td><td>Yes</td><td>5.2 years</td></tr>
</table>
Mr Middlemas is a director and shareholder of Arredo Pty Ltd which currently holds a 7.3% interest in the Company at 30 June 2015. The Board considers that this is not material or significant enough to impact the independent judgement of Mr Middlemas.

Apollo Group Pty Ltd, a company associated with Mr Pearce, is paid a monthly retainer to provide administrative services, company secretarial services, accounting services and a serviced office to the Company, which is able to be terminated with one months' notice.</td><td>Yes</td></tr>
</table>

	The Board considers that this relationship is not material or significant enough to impact the independent judgment of Mr Pearce. Further details regarding the Directors are set out in the Directors' Report of the Company's Annual Report.	
2.4 Majority of directors independent	A majority of Directors of the Company are independent. As disclosed against Recommendation 2.3, Messrs Middlemas, Parker and Pearce are all considered independent.	Yes
2.5 Chair independent	The Chairman, Mr Ian Middlemas, is an independent non-executive Director. The role of the Managing Director and CEO is performed by another Director. Further details regarding the Directors are set out in the Directors' Report of the Company's Annual Report.	Yes
2.6 Induction and professional development	The Board does not have a formal program for inducting new Directors and providing appropriate professional development opportunities. The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has been appointed because they already possess the relevant industry experience and specific expertise relevant to the Company's business and level of operations and given the activities of the Company and their own experience do not require the Company, given its size, to provide professional development opportunities. However, each new Director receives and commits to a letter of appointment which includes details of the Company's key policies and processes and continuing professional development is expected of all Directors. Directors are also entitled to seek independent professional advice at the expense of the Company (subject to approval) as may be reasonably required to assist them to carry out their duties as a Director.	No

Principle 3: Act ethically and responsibly

RECOMMENDATION	PACIFIC ORE'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2015 YEAR?
3.1 Code of conduct	The Board has established a Code of Conducts for its Directors, executives and employees, a copy of which is available in the Corporate Governance section of the Company's website, www.pacificore.com.au.	Yes

Principle 4: Safeguard integrity in corporate reporting

RECOMMENDATION	PACIFIC ORE'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2015 YEAR?
4.1 Audit committee	The Board has decided not to form a separate Audit Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Audit Committee. The Board has adopted an Audit Committee Charter, however the Board as a whole performs the function of the Audit Committee. The Company: (a) currently only has 3 Directors; (b) has relatively simple operations and currently only undertakes mineral exploration and development activities; (c) has relatively simple financial affairs with limited complexity and quantum; and (d) has a relatively small	Yes

	market capitalisation and economic value. As a result, the Board as a whole considers that it is more efficient and effective for the corporate reporting process to not have an Audit Committee at this stage. The Board monitors this position as the Company's circumstances change. The Board as whole determines when to seek the appointment or removal of the external auditor, and subject to any statutory requirements, the Board will also seek rotation of the audit partner on an as required basis. Further details on the integrity measures implemented for the corporate reporting function are provided in the Audit Committee Charter which is available in the Corporate Governance section of the Company's website www.pacificore.com.au.	
4.2 CEO and CFO certification of financial statements	In respect to full year and half year financial reports, the Board has obtained a written declaration from the CEO (or equivalent) and CFO (or equivalent) that, in their opinion, the financial records of the Company have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion is formed on the basis of a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting and material business risks. However, the Board does not receive declarations from the CEO (or equivalent) and CFO (or equivalent) in respect to the quarterly cash flow reports prepared and lodged in compliance with Appendix 5B of the Listing Rules, as these quarterly cash flow reports are considered by the Board: • not to be a financial report or interim financial report as defined under Australian accounting standards; and/or • not to be capable, as a standalone report, of giving a true and fair view of the financial position and performance of the Company, only its cash flows for the relevant reporting period.	No
4.3 External auditor at AGM	The Company has engaged a reputable and suitably qualified external auditor to perform the external audit function. At least one senior representatives of the auditor will attend the Annual General Meeting ("AGM") and be available to answer shareholder questions regarding the audit.	Yes

Principle 5: Make timely and balanced disclosure

RECOMMENDATION	PACIFIC ORE'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2015 YEAR?
5.1 Disclosure and Communications Policy	The Company has adopted a Continuous Disclosure Policy which sets out the processes and practices that ensure its compliance with the continuous disclosure requirements under applicable Listing Rules and applicable corporation law (including the Corporations Act). A copy of the Continuous Disclosure Policy is available in the Corporate Governance section of the Company's website, www.pacificore.com.au.	Yes

Principle 6: Respect the rights of security holders

RECOMMENDATION	PACIFIC ORE'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2015 YEAR?
6.1 Information on website	The Company keeps investors informed of its corporate governance, financial performance and prospects via its website. Investors can access copies of recent announcements to the ASX, notices of meetings, annual reports and financial statements, investor presentations on the Company's website, www.pacificore.com.au. Investors can access information about the Company's corporate governance practices via the 'Corporate Governance' tab on the Company's website, www.pacificore.com.au, where all relevant corporate governance information can be accessed.	Yes
6.2 Investor relations programs	The Company has an investor relations program that is commensurate with the size of the Company and its level of operations. This program involves actively engaging with interested brokers and investors and meeting with interested brokers and investors upon request. The Company always responds to enquiries received from brokers and investors from time to time. In addition, access to Directors and KMP is provided at the Company's Annual General Meeting of Shareholders, and Shareholders are always given the opportunity to ask questions of Directors and management, either during or after meetings. Any presentations prepared by the Company are posted on the Company's website (www.pacificore.com.au), which also provides the opportunity for interested parties to join the mailing list to receive regular updates from the Company.	Yes
6.3 Facilitate participation at meetings of security holders	The Board encourages participation of Shareholders at its meetings of shareholders and Shareholders are provided with all notices of meeting prior to meetings, which are set at times and places to promote maximum attendance by Shareholders. Shareholders are always given the opportunity to ask questions of Directors and management, either during or after meetings. In addition, the Company's auditor is also made available for questions at the Company's Annual General Meeting of Shareholders ("AGM").	Yes
6.4 Facilitate electronic communications	The Company welcomes electronic communication from its Shareholders via its publicised email address (info@pacificore.com.au) and the Company's website (www.pacificore.com.au) provides the opportunity for interested parties to join the mailing list to receive electronic updates from the Company. The Company's share registry also engages with Shareholders electronically and makes available a range of relevant forms on its website. Shareholders can register with the share registry to access their personal information and shareholdings via the internet.	Yes

Principle 7: Recognise and manage risk

RECOMMENDATION	PACIFIC ORE'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2015 YEAR?
7.1 Risk committee	The Board has decided not to form a separate Risk Committee. Due to the size and development phase of the Company, the Board believes that no efficiencies or other benefits would be gained by establishing a separate Risk Committee. The Board as a whole is ultimately responsible for identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage those risks. For further details of the responsibilities of the Board, the Chief Executive Officer, the Chief Risk Officer, and other management in the evaluation and continual improvement of the Company's risk management and internal control processes, refer to the Company's Risk Management Policy, which is available in the Corporate Governance section of the Company's website, www.pacificore.com.au.	Yes
7.2 Annual risk review	On at least an annual basis, the Board reviews its material business risks and how its material business risks are being managed. For the 2015 year, management provided to the Board the Company's Risk Register summarising the significance of each risk as well as actions taken by management to mitigate the risks. Management also provided to the Board a report on the effectiveness of the Company's management of its material business risks throughout the 2015 year.	Yes
7.3 Internal audit	The Board has not established an internal audit function at this time. The Board as a whole oversees the effectiveness of risk management and internal control processes. Refer to the Company's Risk Management Policy for responsibilities of the Board, the Chief Executive Officer, the Chief Risk Officer, and other management in the evaluation and continual improvement of the Company's risk management and internal control processes. A copy of the Risk Management Policy is available in the Corporate Governance section of the Company's website, www.pacificore.com.au.	Yes
7.4 Sustainability risks	As discussed above, the Company identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Management Policy, which is available on in the Corporate Governance section of the Company's website, www.pacificore.com.au. The material risks faced by the Company that could have an effect on the Company's future prospects, include: (a) exploration and development risks; (b) ability to acquire new projects; (c) availability of further funding; (d) fluctuations in commodity prices; and (e) global financial conditions. Further details of these risks and how the Company manages or intends to manage these risks are set out in the Directors' Report of the Company's Annual Report.	Yes

Principle 8: Remunerate fairly and responsibly

RECOMMENDATION	PACIFIC ORE'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL

		FOR WHOLE OF 2015 YEAR?
8.1 Remuneration committee	The Board has decided not to form a separate Remuneration Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee. The Board has adopted a Remuneration and Nomination Committee Charter, however the Board as a whole performs the function of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee Charter sets out the processes the Board employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. The Remuneration and Nomination Committee Charter is reviewed annually and is available in the Corporate Governance section of the Company's website www.pacificore.com.au.	Yes
8.2 Disclosure of Executive and Non-Executive Director remuneration policy	The Company seeks to attract and retain high performance Directors and Executive with appropriate skills, qualifications and experience to add value to the Company and fulfil the roles and responsibilities required. It reviews requirements of additional capabilities at least annually. Executive remuneration is to reflect performance and, accordingly, remuneration is structured with a fixed component and performance-based remuneration component. Non-Executive Directors are paid fixed fees for their services in accordance with the Company's Constitution. Fees paid are composite fees (covering all Board and Committee responsibilities) and any contributions by the Company to a fund for the purposes of superannuation benefits for a Director. No other retirement benefits schemes are in place in respect to Non-Executive Directors. Further details regarding the remuneration of the Executive and Non-Executive Directors are set in the Remuneration Report within the Annual Report.	Yes
8.3 Policy on hedging equity incentive schemes	The Company's Directors and Executives must not enter into any hedge arrangement in relation to any performance rights they may be granted or otherwise entitled to under an incentive scheme or plan, prior to exercising those rights or, once exercised, while the securities are subject to a transfer restriction. Further details regarding the Company's hedging policy are set out in the Company's Securities Trading Policy which is available in the Corporate Governance section of the Company's website, www.pacificore.com.au.	Yes

12. MATERIAL CONTRACTS

12.1 Heads of Agreement

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 acquire all Syntonic Shares on issue (**Acquisition**).

The material terms of the HOA are as follows:

(a) (**Option Facilitation Fee**): the Company paid a cash sum of $250,000 to Syntonic in consideration for the Majority Shareholders granting the Acquisition Option (defined below);

(b) (**Acquisition Option**): in consideration for the Company paying the Option Facilitation Fee to Syntonic, the Majority Shareholders grant the Company an option (**Acquisition Option**) to purchase all of their Syntonic Shares, free of any encumbrances;

(c) (**Exercise of Acquisition Option**): the Company exercised the Acquisition Option on 17 March 2016;

(d) (**Pacific Loan**): upon exercise of the Acquisition Option, the Company made the Pacific Advance of $250,000 to Syntonic (on the terms and conditions set out below in Section 12.10);

(e) (**Consideration**): the consideration payable by Pacific for the Acquisition at settlement is the issue of:

(i) 1,200,000,000 Shares (**Consideration Shares**) to the Syntonic Shareholders (or their nominees) in the proportions to be determined by Syntonic (which includes all Shares to be issued upon conversion of the Armada Advance); and

(ii) 250,000,000 performance shares in the capital of the Company (**Performance Shares**) to Mr Gary Greenbaum (or his nominee) and 250,000,000 Performance Shares to Mr Rahul Agarwal (or his nominee);

(f) (**Conditions Precedent**): completion of the Acquisition is conditional upon the satisfaction or waiver of the following outstanding conditions precedent:

(i) the Company undertaking the Public Offer 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;

(ii) 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;

(iii) 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 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;

(iv) 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 Section12.10);

(v) 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 HOA);

(vi) 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 (defined below) (if applicable);

(vii) 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;

(viii) the parties obtaining all necessary regulatory approvals (including ASX approvals and waivers and ASIC relief) to complete the Acquisition;

(ix) 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:

(A) the transactions contemplated by the HOA (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

(B) the change of name from “Pacific Ore Limited” to “Syntonic Limited”;

(g) ASX approving the terms of the Performance Shares under ASX Listing Rules 6.1 and 6.2; and

(h) 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 US Subsidiary (**Merger Agreement**), whereby the Pacific subsidiary will merge into Syntonic, with Syntonic continuing as the surviving company following the transaction.

(i) (**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.

(j) (**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 Public Offer.

(k) (**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.

12.2 Delaware Law "Merger"

The Acquisition of Syntonic by the Company is being implemented by way of a reverse triangular merger (**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 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 as consideration for their Syntonic Shares.

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)).

12.3 Trust Agreement

As part of the structuring of the transaction, it is proposed that the Majority Shareholders will direct the Company to issue the majority of 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 remainder of the Consideration Shares will either be issued to Messrs Greenbaum and Agarwal directly or held by another trustee on terms consistent with the Trust Agreement summarised below.

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 Chartered Accountants Australia and New Zealand, 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:

(a) the Consideration Securities that will be held in trust will be 747,481,776 Consideration Shares and 500,000,000 Performance Shares of the Majority Shareholders;

(b) the Trustee will be indemnified for actions made in good faith;

(c) the Trust Agreement will describe the holding of legal title by the Trustee for and on behalf of the beneficiaries (being the Majority Shareholders);

(d) for so long as the Trustee holds the Consideration Securities, the Majority Shareholders will not:

    (i) receive dividends;

    (ii) 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

    (iii) exercise any other rights that flow from ownership of the Consideration Shares and Performance Shares;

(e) 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.

12.4 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 CSP on the following terms:

(a) (**Grant of Licence**): Syntonic grants to Tata Communications and its affiliates, a license to Syntonic's CSP technologies for the deployment of a global sponsored data exchange and to provide sponsored data services to Tata Communications' customers;

(b) (**Licence Fees**): Tata Communications will pay to Syntonic a fixed licensing fee per annum;

(c) (**Net Revenue Fees**): Tata Communications will pay to Syntonic a sponsor data tariff based on utilization of the Syntonic CSP; and

(d) (**Term**): The Tata Distribution Licence Agreement has a current term ending 31 October 2016 and can be extended by Tata Communications for additional 6 month periods by written notice to Syntonic.

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.

12.5 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:

(a) (**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;

(b) (**Data Fees**): Tata Communications 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;

(c) (**Net Revenue Fees**): Syntonic retains all sponsorship fees associated with content providers it procures for its services; and

(d) (**Termination Rights**): The Tata Communications Sponsored Data Agreement can be terminated by either party upon giving the other party 15 days' written notice.

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.

12.6 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:

(a) (**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;

(b) (**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; and

(c) (**Termination Rights**): the AT&T Sponsored Data Agreement can be terminated by either party upon giving the other party 15 days' written notice.

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.

12.7 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.

12.8 Armada Loan Agreements

On 16 March 2016, Armada Capital procured investments on behalf of Syntonic for an aggregate cash sum of US$735,000 (**Armada Advance**) by way of unsecured loans on the following terms and conditions:

(a) (**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

(b) (**Interest**): interest on the Armada 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.

12.9 Pacific Loan Agreement

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

(a) (**Repayment**): the Pacific Advance together with all outstanding monies shall be repaid by 31 December 2016 or such earlier date on which:

   (i) a change of control occurs in respect of Syntonic; or

   (ii) Syntonic applies for admission on a recognised stock exchange; or

   (iii) Syntonic completes a capital raising of an amount equal to or greater than the AUD$250,000; or

   (iv) 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

(v) an event of default occurs and the Company gives a repayment notice to Syntonic, declaring the outstanding monies to be immediately due and payable; and

(b) (**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.

12.10 Executive Service Agreements

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

(a) (**Base Salary**): US$250,000 per annum;

(b) (**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

(c) (**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:

(a) (**Base Salary**): US$250,000 per annum;

(b) (**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

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

12.11 Deeds of Indemnity, Insurance and Access

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

For existing Directors, the Company has entered into deeds of indemnity, insurance and access on similar terms.

13. ADDITIONAL MATERIAL INFORMATION

13.1 Suspension and Re-Admission to ASX

As the Company is currently a mineral exploration company, the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations to a technology company.

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

(a) the approval of Shareholders; and

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

In accordance with ASX guidelines, it will be necessary for the Company to apply for a trading halt in its Shares from the beginning of trading on the date of the General Meeting.

If Shareholder approval to the change in nature and scale of the Company's activities as a result of the Acquisition is obtained, then subject to the passing of each other Essential Resolution (see below for further details), the Company will be required to apply for voluntary suspension of the Shares with effect from the close of the General Meeting. In such circumstances, the Shares will not be reinstated to Official Quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List.

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

(a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders;

(b) the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3; and

(c) the issue price of Shares must be at least 20 cents and the exercise price of Options must be at least 20 cents unless ASX grants the Company a waiver, which it has done to allow the issue price of the Shares under the Public Offer to be $0.022.

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

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

If Shareholder approval to the change in nature and scale of the Company's activities is not obtained, the Offers will not proceed, the trading halt will end after the results of the General Meeting have been announced to the market and trading in Shares will thereupon re-commence.

13.2 Shareholder Approval of Essential Resolutions

The Company has called the General Meeting primarily for the purpose of seeking the approval of Shareholders to a number of resolutions required to implement the Acquisition.

It is a condition to completion of the Offers under this Prospectus, as well as the Acquisition, that each of the following resolutions is approved by Shareholders:

(a) the significant change in the nature or scale of the Company's activities to become a technology company, for which Shareholder approval is required under ASX Listing Rule 11.1.2 ;

(b) the creation of a new class of securities, being the Performance Shares;

(c) the issue of the Consideration Securities;

(d) the issue of the Shares under the Public Offer;

(e) the issue of the Advisor Shares;

(f) the issue of the Advisor Options;

(g) the change of name of the Company to "Syntonic Limited"; and

(h) election of the Incoming Directors,

(each, an "**Essential Resolution**").

If any of the Essential Resolutions are not approved by Shareholders, the Acquisition (including the Offers under this Prospectus) will not be completed.

The Company is also seeking the approval to adopt an employee incentive option plan.

13.3 Change of Name

It is proposed that, subject to Shareholder approval being obtained, the Company will change its name to "Syntonic Limited" on Settlement of the Acquisition, which in the Company's opinion will be better suited to the Company's new strategic direction.

An overview of the Company's business following Settlement of the Acquisition is set out in Section 7.

13.4 Litigation

Other than as set out below, as at the date of this Prospectus, neither the Company nor Syntonic is involved in any legal proceedings and the Directors and Incoming Directors are not aware of any legal proceedings pending or threatened against the Company or Syntonic.

The Company has two foreign subsidiaries, being Pacific Ore (UK) Limited (incorporated in UK) (**PSF UK**) and Pacific Ore (China) Limited (incorporated in Hong Kong) (**PSF China**). PSF UK is a wholly owned subsidiary of the Company which holds a 95% interest in PSF China. PSF China is party to an incorporated joint venture arrangement.

In October 2015, the Chinese courts made a judgment for the dissolution of the joint venture company in which PSF China holds an interest (effective as at April 2016). Following this judgment, the joint venture company will be liquidated. As at the date of this Prospectus, the liquidation has not commenced. Following completion of the liquidation process, the Company will seek to wind-up PSF China and PSF UK.

13.5 Rights Attaching to Shares

The following is a summary of the more significant rights and restrictions that will attach to Shares following the Shareholder approval of the Constitution at the General Meeting. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

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

(a) General Meetings

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

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

(b) Voting Rights

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

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

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

(c) Dividend Rights

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder Liability**

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

(f) **Transfer of Shares**

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

(g) **Variation of Rights**

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

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

13.6 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.

(l) (**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**).

(m) (**Conversion of Performance Shares**): Subject to paragraph (n) below, 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.

(n) (**No Conversion if Corporations Act Contravention**): In the event that:

(i) the conversion of the Performance Shares into Shares would result in the Holder being in contravention of section 606(1) of the Corporations Act, then the conversion of such number of Performance Shares that would cause the contravention will be deferred until such time or times thereafter the conversion would not result in such a breach; and

(ii) the above paragraph (n)(i) applies, the Holder may, by notice in writing, require the Company to call a meeting of its Shareholders for the purposes of obtaining approval under item 7, section 611 of the Corporations Act for the conversion of the Performance Shares, in which case the Company must as soon as practicable call a meeting of its shareholders for the purposes of obtaining approval under item 7, section 611 of the Corporations Act for the conversion of the Performance Shares into Shares

(o) (**No Conversion if Milestone not Achieved**): Any Performance Share not converted into a Pacific Share within 2 years from the Issue Date will lapse.

(p) (**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.

(q) (**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.

(r) (**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.

13.7 Terms and Conditions of the 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.

13.8 Interests of Directors

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

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

  (i) its formation or promotion; or

  (ii) the Offers;

(c) the Offers,

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

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

  (i) the formation or promotion of the Company; or

  (ii) the Offers.

13.9 Interests of Experts and Advisers

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

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company;

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

(c) the formation or promotion of the Company;

(d) any property acquired or proposed to be acquired by the Company in connection with:

   (i) its formation or promotion; or

   (ii) the Offers; or

(e) the Offers,

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

(f) the formation or promotion of the Company; or

(g) the Offers.

HLB Mann Judd has acted as Investigating Accountant of the Company and has prepared the Investigating Accountant's Report which is included in Section 10 of this Prospectus. The Company estimates it will pay HLB Mann Judd a total of $12,500 (excluding GST) for these services.

HLB Mann Judd has acted as independent auditor to the Company. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd has received fees of $41,000 (excluding GST) from the Company for audit services.

Hellam Varon & Co. Inc. P.S. has acted as independent auditor to Syntonic. During the 24 months preceding lodgement of this Prospectus with the ASIC, Hellam Varon & Co. Inc. P.S. has received US$30,895 (inclusive of all local taxes) in fees for these services and for the provision of income tax advice in respect of the Acquisition.

Steinepreis Paganin has acted as the solicitors to the Company in respect of the Acquisition and the Offers. The Company estimates it will pay Steinepreis Paganin $40,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received fees of approximately $48,456 (excluding GST) from the Company for legal services (including preparation of the Prospectus).

13.10 Consents

Other than as set out below, each of the parties referred to in this Section 13.10:

(a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the relevant party;

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and

(c) did not authorise or cause the issue of all or any part of this Prospectus.

HLB Mann Judd has given its written consent to being named as Investigating Accountant of the Company in this Prospectus and the Investigating Accountant's Report in Section 10 of this Prospectus in the form and context in which the information and report are included. HLB Mann Judd has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

HLB Mann Judd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Investigating Accountant's Report in Section 10 in the form and context in which it appears. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Hellam Varon & Co. Inc. P.S. has given its written consent to being named as auditor of Sytnonic in this Prospectus and the inclusion of the audited financial information of Syntonic contained in the Investigating Accountant's Report in Section 10 in the form and context in which it appears. Hellam Varon & Co. Inc. P.S. has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Steinepreis Paganin has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as lawyers to the Company in relation to the Offers.

13.11 Expenses of the Offers

The total expenses of the Offers (excluding GST are estimated to be approximately $383,000 (assuming maximum subscription under the Public Offer) and are expected to be applied towards the items set out in the table below:

Estimated Costs	Minimum Subscription (A$1,100,000) A$	Maximum Subscription (A$2,200,000) A$
ASX Fees	$94,336	$95,336
ASIC Fees	$2,320	$2,320
Legal, accounting and due diligence expenses	$112,500	$112,500
Independent Expert's Report	$20,000	$20,000
Shareholder meeting, printing, mailing, and other costs	$20,844	$20,844
Broker Fees	$66,000	$132,000
TOTAL	**$316,000**	**$383,000**

13.12 Continuous Disclosure Obligations

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

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

13.13 Electronic Prospectus

The Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form.

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

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

13.14 Financial Forecasts

Given the current status of the Company's operations and the significant changes anticipated the Incoming Directors do not consider it appropriate to forecast future earnings.

Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.

13.15 Governing Law

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

14. DIRECTORS' AUTHORISATION

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

In accordance with section 720 of the Corporations Act, each Existing Director and Incoming Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC.

Mr Mark Pearce
Director
For and on behalf of
Pacific Ore Limited

15. GLOSSARY AND INTERPRETATION

15.1 Definitions

Unless the context requires otherwise, where the following terms are used in this Prospectus, they have the following meanings:

$ means an Australian dollar.

Acquisition means the purchase of 100% of the issued capital in Syntonic by the Company in accordance with the HOA.

Acquisition Option means the option granted to the Company by the Majority Shareholders under the HOA for the Acquisition.

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 Armada Capital (or its nominees) at Settlement, the terms and condition of which are set out in Section 13.7.

Advisor Securities means the Advisor Options and the Advisor Shares.

Advisor Shares means 60,000,000 Shares to be issued to CPS Capital (or its nominees) at Settlement.

Advisors mean CPS Capital and Armada Capital.

Applicant means a person who has submitted an Application Form.

Application means an application for Securities made on an Application Form.

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

Armada Advance has the meaning set out in Section 12.8.

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

ARPU means average revenue per user.

ASIC means Australian Securities & Investments Commission.

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

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

AT&T means AT&T Mobility LLC.

AT&T Sponsored Data Agreement has the meaning set out in Section 12.6.

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

BYOD means bring-your-own-device.

CHESS has the meaning given in Section 6.9.

Cleansing Offer means the offer of up to 1,000 Shares at an issue price of $0.022 per Share and as further summarised in Section 6.2.

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

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

Condition means the condition to the Offers set out in Section 2.4 of this Prospectus.

Consideration Shares has the meaning given in Section 12.1.

Consideration Securities has the meaning given at Section 12.1 and includes the Performance Shares.

Constitution means the constitution of the Company (as amended or replaced from time to time) and following settlement of the Acquisition will be as described in Section 13.5.

Corporations Act means the Corporations Act 2001 (Cth).

CPA means cost per action.

CPI means cost per install.

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

CSP means the Syntonic Connected Services Platform.

Directors means the directors of the Company appointed from time to time.

EMM means enterprise mobility management.

Essential Resolutions means those Shareholder resolutions referred to in Section 13.2 of this Prospectus to be considered at the General Meeting, as described in further detail in the Notice of Meeting.

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

General Meeting means the general meeting of the Company to be held on 23 May 2016, which seeks Shareholder approval for the matters set out in the Notice of Meeting (including the Essential Resolutions).

Group means the Company and any subsidiaries, including Syntonic after Settlement of the Acquisition.

HOA has the meaning given at Section 7.1.

Incoming Directors means Mr Gary Greenbaum and Mr Rahul Agarwal.

Investigating Accountant means HLB Mann Judd.

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

Maximum Subscription means where the Minimum Subscription is achieved and the full subscriptions of an additional 100,000,000 Shares are accepted to raise a total of $2,200,000.

Merger has the meaning set out in Section 12.2.

Minimum Subscription means the Company receiving Valid Applications for 50,000,000 Shares to raise $1,100,000.

Notice of Meeting means the Notice of General Meeting and Explanatory Statement of the Company dated 22 April 2016 in relation to the General Meeting.

OEM means original equipment manufacturer.

Offers means the Public Offer and the Cleansing Offer.

Official List means the official list of ASX.

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

Option means an option to acquire a Share.

Pacific Advance has the meaning set out in Section 12.9.

Pacific Loan Agreement has the meaning set out in Section 12.9.

Performance Shares means 500,000,000 performance shares to be issued to the Majority Shareholders at Settlement on the terms and conditions set out in Section 13.6.

Prospectus means this prospectus.

Public Authority means any government or governmental, semi-governmental, administrative, statutory, fiscal, or judicial body, entity, authority, agency, tribunal, department, commission, office, instrumentality, agency or organisation (including any minister or delegate of any of the foregoing), any self-regulatory organisation established under statute and any recognised securities exchange (including without limitation ASX), in each case whether in Australia or elsewhere.

Public Offer means the offer of up to 50,000,000 Shares at an issue price of $0.022 per Share to raise up to $1,100,000 with provision to accept oversubscriptions for up to a further 50,000,000 Shares at an issue price of $0.022 per Share to raise up to an additional $1,100,000.

Recommendations has the meaning given in Section 11.1.

Related Bodies Corporate has the meaning given to that term under section 9 of the Corporations Act.

SDK means software development kit.

Section means a section of this Prospectus.

Securities mean all securities of the Company, including a Share, an Option or a Performance Share (as the context requires).

Settlement means settlement of the Acquisition in accordance with the terms of the HOA (or a superseding share sale agreement).

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

Share Registry means Computershare Investor Services Pty Limited.

Shareholder means a holder of one or more Shares.

SMB means small and midsized businesses.

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

Syntonic Noteholder means a holder of a Syntonic Note.

Syntonic Optionholder means a holder of a Syntonic Option.

Syntonic Shareholder means a holder of a Syntonic Share.

Syntonic Note means a Syntonic Convertible Note which has the meaning given in Section 12.7.

Syntonic Option means an option to acquire a Syntonic Share.

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

Syntonic Technology has the meaning given at Section 7.1.

Tata Communications means Tata Communications (America) Inc.

Tata Distribution and Licence Agreement has the meaning set out in Section 12.4.

Tata Sponsored Data Agreement has the meaning set out in Section 12.5.

TEM means telecom expense management.

Trust Agreement has the meaning set out in Section 12.3.

US means the United States of America.

US Securities Act means the United States Securities Act of 1933, as amended.

US Subsidiary has the meaning set out in Section 12.2.

Valid Application means a valid and complete Application to subscribe for Shares under the Offers, accompanied by the appropriate Application money in full.

Vendors means the Syntonic Shareholders, Syntonic Optionholders, Syntonic Noteholders and lenders of funds to Syntonic as part of the Armada Advance.

VOIP means voice over internet protocol.

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

15.2 Interpretation

Unless the contrary intention appears, the following rules apply in interpreting this Prospectus:

(a) words or phrases defined in the Corporations Act have the same meaning in this Prospectus;

(b) a reference to legislation, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(c) the singular includes the plural and vice versa;

(d) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency;

(e) a reference to Australian dollars, AUD, $ or dollars is to the lawful currency of the Commonwealth of Australia; and

(f) a reference to time is to Western Australian Standard Time (WST).

SYNTONIC