

VOYAGER GLOBAL GROUP LIMITED

(TO BE RENAMED “CYCLIQ GROUP LTD”) ACN 119 749 647

REPLACEMENT PROSPECTUS

For an offer of up to 250,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$5,000,000 (**Public Offer**).

This Prospectus also contains an offer of:

- (a) the Consideration Securities to the Consideration Offer Recipients (**Consideration Offer**); and
 - (b) the Noteholder Shares to the Cycliq Noteholders (**Noteholder Offer**),
- (together, the **Secondary Offers**).

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

- Public Offer – 4 November 2016; and
- Secondary Offers – 19 November 2016,

unless extended, closed early or withdrawn.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

This is a replacement prospectus dated 26 October 2016. This replacement prospectus replaces the original prospectus dated 29 September 2016 relating to the Securities of Voyager Global Group Limited (to be renamed ‘Cycliq Group Ltd’) (ACN 119 749 647).

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



Merchant
CAPITAL MARKETS

Lead Manager to the Public Offer

Merchant Capital Markets Pty Ltd

Corporate Authorised Representative No: 415728 of Draupner Investment Management Pty Ltd (ABN 16 112 894 845) AFSL No. 303566

IMPORTANT INFORMATION

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

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1. CORPORATE DIRECTORY

Existing Directors

Gary Roper¹
Non-Executive Chairman

Mr Rod Corps¹
Non-Executive Director

Mr Piers Lewis
Non-Executive Director

Incoming Directors²

Mr Kingsley Fiegert
Executive Director

Mr Andrew Hagen
Executive Director

Mr Christian Singleton
Non-Executive Chairman

Company Secretary

Mr Piers Lewis

ASX Code: VGR

Proposed ASX Code: CYQ

Share Registry³

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

Lead Manager

Merchant Capital Markets Pty Ltd
Corporate Authorised Representative No:
415728 of Draupner Investment
Management Pty Ltd (ABN 16 112 894
845) AFSL No. 303566

Legal Advisers

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

Registered Office

Voyager Global Group Limited

Suite 6, 295 Rokeby Road
SUBIACO WA 6008

Telephone: +61 8 6555 2950
Facsimile: +61 8 6166 0261
Email: piers@smallcapcorporate.com.au

Cycliq

C/- Keays & Associates Chartered
Accountants
Suite 2, Level 2
180 Scarborough Beach Road
MOUNT HAWTHORN WA 6016

Telephone: +61 8 9200 6276
Facsimile: +61 8 9286 3708
Website: www.cycliq.com.au

Auditor - Voyager

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3
216 St Georges Terrace
Perth WA 6000

Auditor – Cycliq

William Buck Audit (WA) Pty Ltd
3/15 Labouchere Rd
South Perth WA 6151

Investigating Accountant

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3
216 St Georges Terrace
Perth WA 6000

Intellectual Property Legal Service Providers

Watermark
362 Rokeby Road
Subiaco WA 6001

¹ To resign on Settlement of the Acquisition.

² Appointed at the Company's general meeting held on 9 September 2016, such appointment being subject to Settlement occurring.

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 replacement prospectus is dated 26 October 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 Voyager Global Group Limited (ACN 119 749 647) (the **Company** or **Voyager**) 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 Securities the subject of this Prospectus are subject to certain risks as set out in Section 8.

2.2 Extension of Closing Dates

As announced on 11 October 2016, an interim stop order was issued by ASIC in relation to the Prospectus. As a result, the Company extended the Closing Date of the Public Offer to 4 November 2016 in order to work with ASIC to address their concerns. The Secondary Offers are scheduled to close on 19 November 2016.

2.3 Refund of Application Monies

Given the scope of change in disclosure that is set out in this Replacement Prospectus, the Company has resolved, in accordance with section 724(2)(a) of the Corporations Act, to refund all moneys received by Applicants under the Prospectus.

2.4 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.

2.5 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 Securities under this Prospectus.

2.6 Conditional Offers

The Offers are conditional on the HOA becoming unconditional (other than the condition requiring 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 and if this does not occur, Applicants will be reimbursed their Application monies (without interest).

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

The outstanding conditions precedent to Settlement of the HOA are set out in Section 5G of the Investment Overview section and Section 14.1 of this Prospectus.

2.7 Expiry Date

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

2.8 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.

2.9 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.

2.10 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the ASX (using the code VGR) or Cycliq at www.cycliq.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 in Australia and must only access this Prospectus from within Australia.

There is no facility for the Offers to be accepted electronically or by applying online. Securities 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.

2.11 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 17 of this Prospectus.

2.12 Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. 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.

2.13 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers, please call the Company Secretary, Piers Lewis on +61 8 6555 2950.

3. INDICATIVE TIMETABLE*

Acquisition approved by Shareholders	9 September 2016
Lodgement of original prospectus with the ASIC	29 September 2016
Opening Date of Public Offer	29 September 2016
Opening Date of Secondary Offers	29 September 2016
Lodgement of replacement prospectus with ASIC	26 October 2016
Closing Date of Public Offer	4 November 2016
Issue of Securities under the Offers and Settlement of the Acquisition [^]	10 November 2016
Dispatch of holding statements	12 November 2016
Closing Date of Secondary Offers	19 November 2016
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	19 November 2016
Re-quotation of Shares (including Shares issued under the Offers) on ASX	21 November 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 Securities 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 DIRECTOR

Dear Investor,

On behalf of the Board of Directors of both Voyager Global Group Limited (**Voyager** or the **Company**) and “Cycliq Group Ltd” (the renamed Company), I am pleased to present you with this Prospectus and invite you to become a Shareholder in the Company. Voyager is transitioning from an oil and gas exploration company to a technology company through its acquisition of 100% of Federation Enterprises (WA) Pty Ltd (ACN 119 804 974) (**Cycliq**).

Voyager is an Australian Securities Exchange (**ASX**) listed company. It has entered into the HOA pursuant to which it has conditionally agreed to acquire 100% of the issued shares in Cycliq (**Cycliq Shares**) from the holders of the Cycliq Shares (**Cycliq Shareholders**).

The Cycliq transaction will result in a material change in the nature and scale of the Company’s activities, therefore the primary purpose of this Prospectus is to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to provide the Company with the required funding to implement the commercialisation strategy of the Cycliq technology. The Offers are subject to various conditions which are summarised in Section 2.4. Of particular note, at the General Meeting of Shareholders on 9 September 2016 the Company obtained the approval of Shareholders to the proposed Acquisition.

Under the Prospectus, the Company is seeking to:

- raise up to \$5,000,000 by the issue of up to 250,000,000 Shares under the Public Offer at a price of not less than \$0.02 per Share. The Prospectus has a minimum subscription of \$2,500,000; and
- make the Secondary Offers to remove any secondary sale restrictions applicable to the Securities issued under the Secondary Offers (or the conversion of those Securities into Shares).

This Prospectus contains information about the Company, Cycliq, the Offers and the proposed Acquisition. It also contains detailed information in Section 5D of the Investment Overview section and Section 8 of this Prospectus about the potential risks of investing in the Company. I encourage you to read this Prospectus carefully and completely and in particular, Section 8 of this Prospectus which identifies circumstances that the Board regards as the major risks associated with an investment in the Company, and consult with your professional advisers if required.

On behalf of the Board of the Company, I am pleased to present this Prospectus to you and invite you to take part in this investment opportunity. I look forward to welcoming you as a shareholder of the Company, proposed to be renamed “Cycliq Group Ltd”.

Yours sincerely,

Piers Lewis
Non-Executive Director
26 October 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?	Voyager Global Group Limited (ACN 119 749 647) (ASX: VGR), to be renamed "Cycliq Group Ltd" (ASX:CYQ).	
Who is the Company?	The Company was incorporated on 17 May 2006 and was admitted to the Official List of the ASX on or about 21 November 2007. The Company's primary operations during this time have been oil and gas exploration. Details of the Company's most recent activities are set out in its Quarterly Activities Report announced to ASX on 29 July 2016. As announced on 10 May 2016, the Company has entered into a conditional binding heads of agreement (HOA) to acquire 100% of the issued shares in Cycliq from the holders of shares in Cycliq. In consideration for the Cycliq Shareholders agreeing to the Acquisition, the Company will issue the Consideration Securities to Cycliq Shareholders. In consideration for the Cycliq Noteholders agreeing to the cancellation, assignment to the Company or redemption of their Notes, the Company will issue the Noteholder Shares to Cycliq Noteholders.	Section 7.1
How will the Acquisition be implemented?	The Company obtained the approval of its Shareholders to the change in focus from an oil and gas exploration company to a technology company at the General Meeting. At the General Meeting, Shareholders also approved the resolutions required for Settlement of the Acquisition and undertaking the Offers. It is the current intention of the Board and the Incoming Directors to divest the Company's interests in its oil and gas exploration interests following Settlement of the Acquisition and to focus on developing and commercialising Cycliq's technology. As such, the oil and gas exploration interests are not considered material in the context of the Offers. The Company proposes to change its name to "Cycliq Group Ltd" on Settlement of the Acquisition, which in the Incoming Directors' opinion will be better suited to the Company's new strategic direction.	Section 15.2

Who is Cycliq?	Cycliq was incorporated in Western Australia on 22 May 2006. Cycliq is an Australian company and lifestyle brand which sells High Definition (HD) camera/light combination accessories for cyclists which are currently sold in over 25 countries. Cycliq's mission is to make cycling safer, more accessible and enjoyable for cyclists around the globe. It operates its business of designing, manufacturing and selling cycling accessories under the registered trading name "Cycliq Products". In Australia, Cycliq is the registered holder of the business name "Cycliq Products". Cycliq also holds, or is the applicant for, trademarks and patents, including a recently granted innovation patent, which are used in the global operations of the Cycliq business. The development team have a product roadmap that aims to maintain and enhance Cycliq's position as the number one brand in combined HD camera and light products for cyclists. Outside of Australia, Cycliq's operations, including marketing, distribution, sales and sales support are conducted by its wholly owned subsidiary, BSA International Ltd (BSA), a company registered in the British Virgin Islands. In addition, Cycliq's Audited Financial Accounts are included in Sections 11 and 12 of this Prospectus and its full financial accounts are located on its website at the web address https://cycliq.com.au/investors/financial-reports.	Section 7.3
B. Business Model		
How will the Company generate income?	Cycliq currently generates revenue from the sale of its HD camera and light combos, apparel and accessories. Cycliq is looking at other revenue streams such as cloud based subscription services, premium smartphone applications ('apps') for sale on iTunes and Google Play stores and the licensing of its intellectual property to third parties.	Section 7.3
What are the key business strategies of the Company?	Growth opportunities for revenue currently come from key geographies (US, UK and Australia) where Cycliq has an initial presence. Revenues into new territories such as the EU and select regions of Asia are growing but do not account for a significant portion of Cycliq's current overall revenue. Cycliq intends to expand its footprint into key territories by opening new sales channels both online as well as brick and mortar store fronts via its distribution network. Cycliq hopes to continue to drive sales through marketing initiatives including campaigns, user generated content, influencer marketing with individuals and teams as well as key industry events both in Australia and overseas.	Section 7.3

	In addition to sales of its products, Cycliq is looking at other revenue streams such as cloud based subscription services, premium smartphone applications ('apps') for sale on iTunes and Google Play stores and the licensing of its intellectual property to third parties. Product innovation and investment in research and development will be a key competitive advantage for Cycliq. Accordingly, Cycliq has a product roadmap of proposed new products, supporting accessories and software applications to ensure a strong supply of innovative solutions for customers which will not only function for the cycling market but other vertical markets within the broader action camera segment.	
What are the key dependencies of the Company's business model?	The key factors that Cycliq will depend on to meet its objectives are the: (a) successful completion of the Offers; (b) successful Settlement of the Acquisition; (c) continuing ability of the Company to attract customers to the Cycliq technology; (d) continuing ability to provide superior functionality and service through its products and services to its customers; (e) the continued limited competition in the industry in which Cycliq operates; and (f) increasing product sales.	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: (a) the Company will obtain ownership of Cycliq through the Acquisition; (b) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a cycling products and technology company; (c) with the increasing popularity of cycling and an appetite of both the cycling and non-cycling public to make cycling a safer, more accessible and enjoyable pastime, the Company will be exposed to an industry which has the potential to grow significantly; (d) Cycliq is currently generating revenue through the sale of its products in over 25 countries; (e) the Public Offer will inject significant funds into the Company in the context of its current funding profile. This will enable it to undertake preliminary	Section 7.2

	actions in pursuance of its new direction and growth activities; and	
	(g) the Company will be managed by directors and officers with significant experience in cycling and in the cycling technology industry.	

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: The industry in which Cycliq 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 Cycliq'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 Cycliq Technology. By its nature, there is no guarantee that the Cycliq 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 Cycliq Technology. This would likely have an adverse impact on the Company's potential profitability. (c) Historical financial performance is not indicative on future growth: Cycliq's historical financial performance does not provide an indication on growth in the future. If future revenues are lower than expected and costs are higher than expected, financial results	Section 8
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could show a lower amount of profit or greater losses. Cycliq is a growing and early stage company which historically has spent more money than it has made, delivering losses. These losses can continue for a number of years while establishing the brand and product positioning which requires substantial cash. The amount of cash required to establish the brand or to generate enough revenue to bring Cycliq into a profitable financial position could require more cash than it has available. To continue to grow the brand, Cycliq could require additional funding which could include raising more money on the ASX, borrowing money from financial institutions or investors.

(d) **Risks associated with overseas expansion:** The Cycliq Technology has been constructed so as to be capable of being utilised in, and marketed to, multiple overseas jurisdictions. Cycliq generates much of its income from its international distribution network. As Cycliq seeks to expand into further overseas markets, including Southeast Asia, Europe and Latin America, it may require a physical presence in those countries and an associated increase in overheads, development costs and marketing costs. There is the risk that any overseas expansion will be unsuccessful, or that even if there is demand for Cycliq's products in that market, that the costs of doing business in that market are such that Cycliq's profitability and available working capital will be adversely impacted.

(e) **Protection of intellectual property rights:** Cycliq has pursued IP protection in the form of trade marks, trade mark applications, patents and patent applications. The patents and trade marks are only enforceable in the territories in which they are registered. Cycliq may have to consider applying for registration of its patents and trade marks in further territories as its operations expand in order to protect its intellectual property rights in those areas but there is no guarantee that any such applications would be successful.

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 Cycliq 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. (f) Manufacturer and supplier risk: Cycliq does not have internal manufacturing capabilities and relies on contractors to manufacture the products. Cycliq current relies on a single head-contractor in Hong Kong, which manages the manufacture through various sub-contractors in mainland China. Any termination or significant damage to the arrangements with Cycliq's manufacturing head contractor could affect Cycliq's ability to manufacture its products and meet customer demand until a replacement contractor can be engaged. (g) Inventory risk: To ensure there is an appropriate amount of inventory for each of the product lines, Cycliq forecast the anticipated demand for each product in advance of demand. This means placing orders with suppliers well in advance of requiring the products. If inventory management is not managed correctly, it could lead to lower levels of revenue. (h) Product development: The growth of Cycliq largely depends on the ability to anticipate consumer demand and deliver solutions in a timely manner. The cost and effort involved in product development is substantial and may continue to be a growing cost centre for the Company. Developing new and innovative products involves many unknown factors such as requiring materials not yet available to design and engineering challenges that could require substantial additional resources. There may not be commercially appropriate uses for these products. 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 Andrew Hagen, Kingsley Fiegert and Christian Singleton will be appointed to the Board; (b) Piers Lewis will remain on the Board; (c) Gary Roper and Rod Corps will retire on Settlement; and (d) Piers Lewis will remain in the role of Company Secretary.	Sections 9.1 to 9.4.

	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 Sections 9.3 and 9.4.	
F. Financial Information		
How has VGR been performing?	The Company is currently listed on ASX and its financial history, including its 2014, 2015 and 2016 Annual Reports are accessible from ASX's website at http://www.asx.com.au under the ASX code "VGR". The reviewed pro forma statement of financial position for the Company as at 30 June 2016 is set out in the Independent Limited Assurance Report in Sections 10 and 11.	Sections 10 and 11
What is the financial position of Cycliq?	Historical financial information for Cycliq is set out in the Independent Limited Assurance in Sections 10 and 11. The reviewed pro-forma statement of financial position for the Company as at 30 June 2016 (which assumes Settlement of the Acquisition) is set out in Sections 10 and 11.	Sections 10 and 11
Kickstarter Funds	The Kickstarter platform involves companies raising funds from the public by way of pledges for pre-ordering products. These products are offered at a price less than the intended recommended retail price. There is no legal obligation for the company to deliver the project or product, nor is there any recourse on the funds provided to the company. As noted in the Financial Information section of this Prospectus, Cycliq ran two Kickstarter campaigns, one in March 2014 raising approximately \$266,000 for its Fly6 product and one in March 2015 raising approximately \$670,000 for its Fly12 product. Cycliq delivered all pre-ordered products for which pledges were made during these campaigns.	Sections 7.3(i) and 11
What is the key financial information for the Company?	Refer to the Independent Limited Assurance Report in Section 10 for a discussion of the key financial information of the Company and Cycliq in connection with the Acquisition. Investors should note that past performance is not a guide to future performance.	Section 10
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 7.7

G. Offers		
What is the purpose of the Public Offer?	The primary purposes of the Public Offer are to: (a) assist the Company to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing; (b) provide the Company with additional funding for development of the Cycliq Technology; (c) provide the Company with further working capital; and (d) complete the Capital Raising under this Prospectus. 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 6.3 and 7.8
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Section 6.1
What is being offered and who is entitled to participate in the Public Offer?	The Public Offer is for up to 250,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$5,000,000. The Public Offer is open to retail and sophisticated investors in Australia. As such, the Company is not in a position to guarantee a minimum allocation of Shares under the Public Offer.	Section 6.1
What is the Consideration Offer?	The Company is offering 220,000,000 Shares and 10,000,000 Performance Shares to the Consideration Offer Recipients in consideration for the Acquisition of all the shares in Cycliq, employment services provided to Cycliq and for services in relation to the Acquisition.	Section 6.2
What is the Noteholder Offer?	The Company is offering up to 155,000,000 Noteholder Shares to the Cycliq Noteholders in consideration for the Cycliq Noteholders agreeing to the cancellation, assignment to the Company or redemption of their Notes.	Section 6.2
What will the Company's capital structure look like after completion of the Offers and the Acquisition?	Refer to Section 7.11 for a pro forma capital structure following Settlement of the Acquisition and completion of the Offers.	Section 7.11
What are the terms of the Securities	A summary of the material rights and liabilities attaching to:	Sections 15.5 and 15.6

offered under the Offers?	(a) the Shares offered under the Offers are set out in Section 15.5; and (b) the Performance Shares offered under the Offers are set out in Section 15.6.	
Will any Securities be subject to escrow?	Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, certain Securities (including some of those issued to shareholders of Cycliq 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.	Section 7.13
Will the Securities be quoted?	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 will not be quoted. However, the Shares issued upon conversion of those Securities will be quoted (subject to any ASX imposed escrow).	Section 6.7
What are the key dates of the Offer?	The key dates of the Offers are set out in the indicative timetable in Section 3.	Section 3
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 (100,000 Shares) and thereafter, in multiples of \$200 worth of Shares (10,000 Shares).	Section 6.1(b)
Are there any conditions to the Offers?	The Offers are conditional on: (a) the HOA becoming unconditional; and (b) ASX conditional approval to re-admit the Shares to Official Quotation. If any of these Conditions are not satisfied, the Acquisition and the Offers will not proceed. Securities issued under this Prospectus will be issued on the date of Settlement of the Acquisition of Cycliq. In this regard, if Settlement does not occur, no Securities will be issued pursuant to this Prospectus.	Sections 2.4 and 14.1
What are the outstanding conditions precedent to Settlement of the HOA?	Settlement of the HOA is subject to satisfaction of the following outstanding conditions precedent: (a) the Company, Cycliq and Cycliq Shareholders obtaining all necessary Shareholder and regulatory approvals in relation to the Acquisition (including, but not limited to,	Section 14.1

	conditional approval for the Company's Shares to be reinstated to quotation on ASX following completion of the Acquisition, on conditions satisfactory to the Company); (b) the Company lodging a prospectus with ASIC to raise no less than \$2,500,000 via an offer of Shares pursuant to that prospectus at an issue price of a minimum of \$0.02 each so that the Company has a minimum net cash balance of at least \$3,000,000 at Settlement, or such amount as necessary to satisfy the ASX Listing Rules; and (c) to the extent required by ASX or the ASX Listing Rules, each Cycliq Shareholder entering into a restriction agreement whereby they agree to an escrow period on their Consideration Shares and the Shares issued upon exercise of the Performance Shares for a period as mandated by ASX.	
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; (b) repayment of interest under the Convertible Notes; (c) product development and engineering; (d) sales and marketing; and (e) the working capital needs of the Company.	Sections 7.8 and 15.12
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
Where can I find more information?	By speaking to your sharebroker, solicitor, accountant or other independent professional adviser	

- | | | |
|--|---|--|
| | <ul style="list-style-type: none">• By reviewing the Company's public announcements, which are accessible from ASX's website at http://www.asx.com.au under the ASX code "VGR"• By visiting Cycliq's website at www.cycliq.com.au• By contacting the Company Secretary on +61 (8) 6555 2950• By contacting the Share Registry on 1300 850 505 | |
|--|---|--|

6. DETAILS OF THE OFFERS

6.1 Public Offer

The Public Offer is for up to 250,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$5,000,000.

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 15.5.

(a) Minimum Subscription

The Public Offer is subject to a minimum subscription of 125,000,000 Shares to raise at least \$2,500,000 (**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 (100,000 Shares) and thereafter, in multiples of \$200 worth of Shares (10,000 Shares).

(c) Eligible Participants

To participate in the Public Offer, you must be a resident of Australia.

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 6.7 for further details.

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

6.2 Secondary Offers

(a) Consideration Offer

This Prospectus also includes an offer of:

- (i) the Consideration Shares to be issued to the Consideration Offer Recipients; and
- (ii) the Performance Shares to be issued to the Consideration Offer Recipients,

pursuant to the HOA in consideration for the Acquisition by the Company of the entire issued capital of Cycliq, employment services provided to Cycliq and for services in relation to the Acquisition. The material terms and conditions of the HOA are summarised at Section 14.1 of this Prospectus.

As such, this Prospectus includes a separate offer of the Consideration Securities to the Consideration Offer Recipients.

The terms of the:

- (i) Shares offered under the Consideration Offer are summarised in Section 15.5; and
- (ii) Performance Shares offered under the Consideration Offer are summarised in Section 15.6.

The Consideration Securities are issued as consideration for the Acquisition and services provided in relation to the Acquisition and the Company and accordingly, there will be no funds raised.

The issue of the Consideration Securities obtained Shareholder at the General Meeting.

Application for quotation of the Shares issued under the Consideration Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 6.7 for further details. The Performance Shares issued under the Consideration Offer will not be quoted.

Only the Consideration Offer Recipients may accept the Consideration Offer. A personalised Application Form in relation to the Consideration Offer will be issued to the Consideration Offer Recipients together with a copy of this Prospectus.

The Securities issued under the Consideration Offer may be subject to escrow under the ASX Listing Rules. Please refer to Section 7.13 for a summary of the likely escrow position.

(b) Noteholder Offer

The Company has agreed to issue the Noteholder Shares to the Cycliq Noteholders in consideration for the Noteholders agreeing to the cancellation, assignment to the Company or redemption of their Notes and accordingly there will be no funds raised.

As such, this Prospectus includes a separate offer of the Noteholder Shares to the Cycliq Noteholders.

The terms of the Noteholder Shares are summarised in Section 15.5.

The Notes were issued in January 2016 to unrelated parties of the Company, to raise \$2,325,000. The funds raised from the issue of the Notes were used for the general working capital of Cycliq so as to allow Cycliq to continue its operations until completion of the Acquisition.

The issue of the Noteholder Shares was approved at the General Meeting.

Application for quotation of the Shares issued under the Noteholder Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 6.7 for further details.

Only the Cycliq Noteholders (or their nominees) may accept the Noteholder Offer. A personalised Application Form in relation to the Noteholder Offer will be issued to the Cycliq Noteholders together with a copy of the Prospectus.

The Shares issued under the Noteholder Offer may be subject to escrow under the ASX Listing Rules. Please refer to Section 7.13 for a summary of the likely escrow position.

6.3 Purpose of the Public Offer

The primary purposes of the Public Offer are to:

- (a) assist the Company to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing;
- (b) provide the Company with additional funding for development of the Cycliq Technology;
- (c) provide the Company with further working capital; and
- (d) complete the Capital Raising for the Public Offer under this Prospectus.

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 Securities 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 Securities 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 Securities 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 Securities 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 – 4 November 2016; and
- (b) in respect of the Secondary Offers – 19 November 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 or otherwise.

If you require assistance in completing an Application Form, please contact the Company Secretary on +61 (8) 6555 2950.

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 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 15.1). 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 15.1), 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.

6.8 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.

6.9 General

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

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

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

6.10 Enquiries

If you have any queries in relation to the Offers, please contact Piers Lewis, the Company Secretary on +61 8 6555 2950.

7. COMPANY OVERVIEW

7.1 Business Overview

The Company was incorporated on 17 May 2006 and was admitted to the Official List of the ASX on or about 21 November 2007. The Company's primary operations during this time have been oil and gas exploration. Details of the Company's most recent activities are set out in its Quarterly Activities Report announced to ASX on 29 July 2016.

For the past 12 months, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas.

As announced on 10 May 2016, the Company has entered into a binding HOA to acquire 100% of the issued shares in Cycliq from the Cycliq Shareholders. Cycliq is focused on the development of HD camera/light combination accessories for cyclists (**Cycliq Technology**) with its aim to make cycling safer, more accessible and enjoyable for cyclists around the world.

In consideration for the Cycliq Shareholders agreeing to the Acquisition, the Company will issue the Consideration Securities to the Cycliq Shareholders. In consideration for the Cycliq Noteholders agreeing to the cancellation, assignment to the Company or redemption of their Notes, the Company will issue the Noteholder Shares to the Cycliq Noteholders.

A summary of the material terms of the HOA is set out in Section 14.1.

Upon successful Settlement of the Acquisition, the Company will focus on developing the Cycliq Technology. 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.

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) the Company will obtain ownership of Cycliq through the Acquisition;
- (b) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a cycling products and technology company;
- (c) with the increasing popularity of cycling and an appetite of both the cycling and non-cycling public to make cycling a safer, more accessible and enjoyable pastime, the Company will be exposed to an industry which has the potential to grow significantly;
- (d) Cycliq is currently generating revenue through the sale of its products in over 25 countries;
- (e) the Public Offer will inject significant funds into the Company in the context of its current funding profile. This will enable it to undertake preliminary actions in pursuance of its new direction and growth activities; and
- (f) the Company will be managed by directors and officers with significant experience in cycling and in the cycling technology industry.

7.3 Cycliq

(a) Company Background

Cycliq was incorporated in Western Australia on 22 May 2006.

Cycliq is an Australian company and lifestyle brand which sells HD camera/light combination accessories for cyclists which are currently sold in over 25 countries.

Cycliq's mission is to make cycling safer, more accessible and enjoyable for cyclists around the globe. It operates its business of designing manufacturing and selling cycling accessories under the registered trading name "Cycliq Products".

In Australia, Cycliq is the registered holder of the business name "Cycliq Products". Cycliq also holds, or is the applicant for, trade marks and patents as set out in Annexure 1 including a certified innovation patent, which are used in the global operations of the Cycliq business. The development team have a product roadmap that aims to maintain and enhance Cycliq's position as the number one brand in combined HD camera and light products for cyclists.

Outside of Australia, Cycliq's operations, including marketing, distribution, sales and sales support are conducted by its wholly owned subsidiary, BSA International Ltd (**BSA**), a company registered in the British Virgin Islands.

Cycliq has a well-developed distribution network including online, direct and distributor sales channels. Boasting access to over 3,790 bike dealers in the US and over 2,000 in the UK, Cycliq is well positioned to leverage the growing need for video cameras on bikes for safety, action and professional level needs in these and other jurisdictions.

Further information on Cycliq and its products can be found at www.cycliq.com.au.

(b) Cycliq Products

Cycliq's HD camera/light combination cycling products are suitable for the commuter, weekend cyclist and the professional alike and have a number of unique selling points including:

- (i) the longest battery life in the action camera class;
- (ii) inbuilt safety features; and
- (iii) being the first cycling accessory to utilise nano-technology.

Cycliq's latest product, Fly12 is designed to maximise user generated content. Having worked with the global sports social media channel, Strava for over two years, Cycliq believe they have the globally unique position to harvest Strava metrics and overlay them onto full HD footage right from your smartphone – something no other company is doing.

Cycliq products are displayed on Kinomap to deliver HD footage for some of the most iconic cycling races such as Paris-Roubaix. They are the only products that can video an entire route of some of the longest world pro-tour level stages that include a 400 lumen light. This opens

opportunities for Cycliq to work with the owners of grand tours such as the Tour de France, Giro d'Italia and Paris-Roubaix (which was recorded using Cycliq products through the Kinomap platform).

Cycliq manufactures its products through a reputable manufacturing head-contractor in Hong Kong, which Cycliq has worked with for nearly 2 years. Since that time, Cycliq products have been successfully developed and manufactured by the head-contractor (and its manufacturing subcontractors) on standard contracts. Cycliq has recently entered into a manufacturing services deed with the head contractor to govern its future manufacturing arrangements. Refer to Section 14.2 of this Prospectus for the material terms of the manufacturing services deed.

Further information on Cycliq products can be found at www.cycliq.com.au.

(c) **Cycliq Team**

The Cycliq management team consists of the following experienced leaders:

- (i) Andrew Hagen;
- (ii) Kingsley Fiegert;
- (iii) Jeroen van Zon;
- (iv) John Turner; and
- (v) Graeme Klass.

(d) **Industry Overview and Market Position**

Cycling is a growing sport often referred to as 'the new golf'¹ and Cycliq believes it is the number one brand in HD camera and light combos.

Currently there are no competing products that incorporate both a HD video camera and light as a stand-alone accessory utilising nanotechnology.

Cycliq's products are intended to be positioned in the market as the leader in battery life and innovative accompanying software, which the Incoming Directors believe differentiates Cycliq from other action camera competitors. Although other action camera companies could seek to expand their battery capacity (as Cycliq anticipates they will), Cycliq's Fly12 battery life is currently up to 5 times that of the leading action camera in the market.

A significant barrier to entry is the current form and design factor of competitors' action cameras, which are so small that it prevents them from including sufficient battery power to compete with Cycliq. In addition, Cycliq has spent considerable research and development

¹ <http://www.businessinsider.com.au/cycling-is-the-new-golf-2015-2?r=US&IR=T>

resources developing products that have a camera and emit light without causing camera flare or light pollution onto the footage.

The professional cycling industry is looking for new ways to monetise the sport of cycling and on-board video footage during races has been identified as the leading opportunity to achieve this goal.² Cycliq's products are well suited to this opportunity, delivering both HD footage that can record entire rides as well as lighting needed to keep cyclists safe on the roads.

Cycliq's focus on developing and maximising user generated content for its products will allow it grow the Cycliq brand in a genuine and organic manner, whilst the content also provides a constant feed of authentic marketing material.

(e) **Company Overview**

Cycliq is continuing to implement an expansion strategy for the business including:

- (i) developing innovative and relevant products (current & on-going);
- (ii) growing and adding key relationships such as Strava (current & on-going);
- (iii) investigating other revenue streams, including a cloud based subscription service to enhance the use of Cycliq's products for customers (short term);
- (iv) proposing a pro-level mobile editing suite offering its customers expanded editing and sharing capabilities (medium term);
- (v) increasing the amount of its intellectual property with a view to licence the technology to others (medium to long term);
- (vi) harvesting user data and customer profiling (big data) as a potential future revenue stream (medium to long term); and
- (vii) addressing the needs of other market verticals with our product offerings (as the opportunities arise).

(f) **Manufacturing**

Cycliq utilises Australian industrial design along with a Hong Kong electronics design house that collaborates with in-house project managers to develop innovative products that meet our exacting design standards. These products are manufactured in mainland China under supervision from Cycliq's hardware manager and the Hong Kong electronics design house. Using rapid prototyping methodologies, Cycliq's hardware and software is closely managed from its Perth headquarters and regular time spent in China ensuring the hardware and software meets Cycliq's exacting standards.

² <http://www.velon.cc/en/about>

(g) **Brand Positioning**

Cycliq prides itself as the number one brand in HD camera and light combinations. Competing against other action camera brands, Cycliq products differentiate themselves by having these and other unique features:

- (i) the longest in-class battery life (up to five (5) times longer than the leading action camera);
- (ii) the inclusion of an integrated light either to be seen on the road or to see where you are going at night;
- (iii) being the only company to harvest Strava metrics and overlay them onto the footage from a smartphone;
- (iv) inclusion of nanotechnology for use in all weather conditions;
- (v) patent pending software technology provides post production video editing options not available on any other portable device;
- (vi) incident (crash) detection and footage protection features;
- (vii) specifically tailored software to suit the intended vertical market (in this case cycling); and
- (viii) a simple all in one, always recording device that operates easily at the press of one button.

(h) **Research and Development**

Focusing on research and development, Cycliq is looking to build upon its current successes and develop products that address market needs as well as delight and excite its customers through:

- (i) using 'user stories' as the basis for product development and design;
- (ii) continuing to develop and protect its own intellectual property;
- (iii) the procurement of unique third party IP and materials for inclusion in future products;
- (iv) the enhancement of its technical capabilities to further build on its high standards of quality and design in both hardware and software;
- (v) expansion of its delivery capabilities with multiple manufacturers ensuring supply side risk mitigation; and
- (vi) building on its product cadence with future products being smaller, lighter, more versatile, smarter and addressing the needs of our growing customer base.

(i) **Sales and Marketing**

Use of Cameras in Professional Cycling

The use of cameras on bikes in sport has recently been endorsed by the international governing body (UCI) in 2015³ which it is anticipated will help support the direction of Cycliq to have more cameras on bikes.

Ambassador & sponsorship program

Building on Cycliq's current ambassador and sponsorship program, Cycliq is looking to partner with high level cycling teams and events to showcase the Cycliq technology to the cycling community. Cycliq has a growing list of cyclists using and promoting Cycliq's products which is intended to generate increased sales directly via Cycliq's website.

Cycliq has recently been in sponsorship discussions with three pro-level cycling teams however as discussions are at a preliminary stage only, the nature and extent of the potential sponsorship programs are not yet fully understood. Previously, Cycliq sponsored an Australian Pro-Continental cycling team (Drapac) on a product provision basis, however this arrangement is no longer in place.

Cycliq has not commenced any direct negotiations with the owners of the Grand Tours of France and Spain (which are operated by the Amaury Sport Organisation (**ASO**)) and Italy (which is operated by RCS Sport). However, Cycliq is providing footage of some ASO events (Paris Roubaix and L'tape du Tour) through a third party company, Kinomap (an online platform for creating, hosting and sharing user generated videos). Cycliq has also worked with other cycling events such as the UCI World Championships held in Perth in September 2016 and Red Hook Criterium held in Brooklyn, New York on 30 April 2016 where Cycliq provided cameras for videoing the event, with footage captured from both on-board the bikes and various points along the event course.

Cycliq believes that these arrangements demonstrate the benefits that Cycliq's products can bring to event organisers, from a marketing perspective as well as by providing supporters of the event with on-board bike footage. Such footage can inspire viewers to buy Cycliq products for their own use.

Online sales are conducted via a multi-currency and multi-geography web based platform, which allows customers to purchase products in seven currencies by credit card via one of the world's leading payment gateway providers.

Distribution Network

Cycliq currently has over 10 distributors and is selling products into over 25 countries. This provides access to approximately 8,500 stores across the UK, USA and Australia alone however Cycliq is looking to expand the footprint of brick and mortar stores by the addition of new distributors in identified territories. Of focus, the identified regions are Europe and Asia in the short term and South America and South Africa in the medium term.

³ <http://www.pinkbike.com/news/uci-amend-rules-on-the-use-of-onboard-cameras-2015.html>

Between Cycliq's distributors in these geographies, Cycliq have access to approximately 8,500 stores. Some of those stores stock Cycliq products and to date the total number of stores that have had or currently stock Cycliq products is approximately 270 stores in Australia, 1,208 stores in the US and 131 stores in the UK. Some distributors actively market Cycliq products to consumers and some distributors actively market Cycliq products to their clients (independent bike dealers or shops). Each distributor has their own business practices on how they market their product offerings. Generally, distributors purchase products directly from manufacturers and sell them to their clients. Their clients buy products from the distributors at wholesale prices to sell them at retail prices to their customers. The distribution process is similar to those that Cycliq implements with third party resellers, such as Wiggle who also sell the Cycliq products via its online websites.

Revenue by jurisdiction

Cycliq's revenue by jurisdiction varies from month to month and year to year. Initially, the majority of Cycliq's revenue was derived in Australia, however more recently, the USA has become Cycliq's largest generator of revenue geographically which the Incoming Directors believe is due to the concerted effort to grow Cycliq's distribution network in this region. In addition, since commencing distribution in November 2015, the UK now represents Cycliq's third highest revenue by geographic region.

Set out below is a snapshot of Cycliq's year to date sales by geographic region, with a breakdown of revenue by products over the last 3 financial years contained in Note 19 of the Financial Statements in Section 11:

Region	By Units	By Revenue
US	42%	38%
AU	27%	28%
UK	25%	27%
Other	6%	7%

Cycliq sells its products via a number of different selling channels including the Kickstarter crowd funding platform, directly via its online store, through third party re-sellers and its existing distribution networks. The table below lists the jurisdictions and the extent of operations in these jurisdictions, in which Cycliq has had or currently has sold its products.

Country	Kickstarter	Direct Online	Current Distribution	Previous Distribution	3rd Party Reseller
Andorra	☒	☐	☐	☐	☒
Australia	☒	☒	☒	☐	☐
Austria	☒	☐	☐	☐	☒
Belguim	☒	☐	☐	☐	☒
Brazil	☒	☐	☐	☐	☐
Canada	☒	☒	☐	☐	☐
China	☒	☐	☐	☒	☐
Denmark	☒	☐	☐	☐	☒
Estonia	☒	☐	☐	☐	☐
Finland	☒	☐	☐	☐	☒
France	☒	☐	☐	☐	☒
Germany	☒	☐	☐	☐	☒
Hong Kong	☒	☒	☐	☒	☐
Indosenia	☒	☐	☐	☐	☐
Isreal	☒	☐	☐	☐	☐
Italy	☒	☐	☐	☐	☒
Japan	☒	☐	☐	☐	☒
Jersey	☒	☐	☐	☐	☒
Korea	☒	☒	☐	☒	☐
Lituania	☒	☐	☐	☐	☐
Luxembourg	☒	☐	☐	☐	☒
Macau	☒	☐	☐	☐	☐
Malasia	☒	☐	☐	☐	☐
Mexico	☒	☐	☐	☐	☐
Netherlands	☒	☐	☐	☐	☒
New Zealand	☒	☒	☒	☐	☐
Norway	☒	☐	☐	☐	☒
Perto Rico	☒	☐	☐	☒	☐
Philippines	☒	☐	☐	☐	☐
Poland	☒	☐	☐	☐	☐
Portugal	☒	☐	☐	☐	☒
Republic of Ireland	☒	☒	☐	☐	☒
Romania	☒	☐	☐	☐	☐
Russian Federation	☒	☐	☐	☐	☒
Singapore	☒	☒	☒	☐	☐
Slovinea	☒	☐	☐	☐	☐
South Africa	☒	☐	☐	☒	☐
Spain	☒	☐	☐	☐	☒
Sweedden	☒	☐	☐	☐	☒
Switzerland	☒	☐	☐	☐	☐
Tiawain	☒	☐	☒	☐	☐
UK	☒	☒	☒	☐	☐
United Arab Emirates	☒	☐	☐	☒	☐
USA	☒	☒	☒	☐	☐

‘Experticity’ sales platform sales support

To support distribution sales in the USA, Cycliq employs a platform which trains in-store sales people on the products which encourages product understanding. This platform is a video based training module also used

by some of the biggest consumer electronic brands⁴). To support distribution sales in both the UK and US in the short term, Cycliq will also be looking to build a sales force.

In-store sales support

Sales will also be supported in store by a point of presence (**POP**) in-store display showcasing Cycliq's flagship products. These POPs are a physical unit that can be mounted in-store on a counter top or slat wall with a video display screen which loops marketing videos promoting the products. Cycliq's POPs also enable customers to interact with the display providing further engagement. Cycliq has placed an order for POPs for a global staged roll out to stores over the next six months.

Future intentions

To facilitate expansion into new territories, Cycliq has developed a target list of distributors by geographic region and coordinates introductions and meetings to present on Cycliq's products and services. In addition, Cycliq regularly attends global cycling trade shows to communicate and build on existing distributor relationships and to meet with new distributors. Each distributor has their own process for assessing new brands or product lines and accordingly, the timeframes to receive feedback and proceed to a distribution agreement vary greatly. At any point in time, Cycliq can be at various stages of commercial negotiations with a number of distributors globally.

Whilst there is a risk that following these negotiations, distributors do not agree to distribute Cycliq's products, the costs involved in initial negotiations and therefore any opportunity cost foregone is low. Whilst only low, Cycliq endeavors to mitigate these costs by conducting initial distributor meetings at trade shows, where multiple meetings can be conducted in one location. Currently, Cycliq has product samples with distributors for potential distribution in Japan, South Korea, Canada, Europe, Ireland, the USA and South Africa and intends to enter into formal distribution agreements with such distributors.

Cycliq's current future intentions are to:

- (i) increase sales of existing products;
- (ii) undertake preliminary steps to develop new product offerings; and
- (iii) expand the territories into which such products will be sold.

It is intended that future products and services will build on existing product technologies as well as incorporating new technologies where appropriate and if required to address market needs.

The costs to develop new products depends on a number of factors including but not limited to:

- (i) the amount of new technology;

⁴<https://www.experticity.com/business/clients/>

- (ii) development timeframes;
- (iii) amount of tooling required;
- (iv) cost of components;
- (v) cost of design and prototyping which varies depending on the nature of the products;
- (vi) experience of the people working on them; and
- (vii) testing and manufacturing arrangements.

The risks of commercialising new products and services include but are not limited to:

- (i) market acceptance;
- (ii) product pricing;
- (iii) feature set;
- (iv) brand value;
- (v) market reviews;
- (vi) availability channels;
- (vii) marketing penetration; and
- (viii) product support systems.

Having commercialised a number of products already, Cycliq has a good understanding of the potential risks and attempts to mitigate such risks before launching new products or services by utilising customer feedback on existing products and running product focus groups in an attempt to determine whether future products will address customer needs where it is commercially viable. Refer to Sections 8.3(a) to (g) for further information in relation to these risks.

(j) **Strategy Post Listing**

Growth opportunities for revenue currently come from key geographies (US, UK and Australia) where Cycliq have an initial presence. Revenues into new territories such as the EU and select regions of Asia are growing but do not account for a significant portion of Cycliq's current overall revenue. Cycliq intends to expand its footprint into key territories by opening new sales channels in online and brick and mortar store fronts via its distribution network.

Cycliq hopes to continue to drive sales through marketing initiatives including campaigns, user generated content, influencer marketing with individuals and teams as well as key industry events both in Australia and overseas. These initiatives are the main drivers of growth in Cycliq's brand equity and product awareness and Cycliq hopes to drive sales through both the online platforms and brick and mortar channels of Cycliq's global network of bike dealers and distributors.

In addition to sales of its products, Cycliq is looking at other revenue streams such as cloud based subscription services, premium smartphone applications ('apps') for sale on iTunes and Google Play stores and the licensing of its intellectual property to third parties.

Cloud based subscription services is an area Cycliq has recently been investigating as a means of additional revenue generation. These investigations are early stage and ongoing however an example of cloud based subscription is GoPro announcing a subscription based service where they charge their customers \$4.99USD/month to have their footage backed up on the 'cloud' known as 'GoPro Plus'. Cycliq is investigating features it hopes to be perceived by its customers as good value and combine it into a package as a monthly subscription service. Cycliq hope to be in a position to offer this by the fourth quarter of 2017, which it believes it is achievable as the technology already exists in the market.

Cycliq is also looking to develop revenue from a professional level smartphone application where it can offer more services or features than its current "free" to use application. This new application is proposed to be for sale on the app store or to include advertising revenue from third party advertisers. This product is in very early concept stage and is not expected to be delivered before the first quarter of 2018.

Harvesting user data for collection, re-purposing and re-sale is a further concept that requires significant consideration and planning. It is a concept Cycliq hopes to deliver beyond the fourth quarter of 2018. This business model has been achieved by other businesses in the cycling industry, however, collecting data that is valuable requires a significant amount of resources which Cycliq is looking to build on as the Company matures.

Product innovation and investment in research and development will be a key competitive advantage for Cycliq. Accordingly, Cycliq has a product roadmap of proposed new products, supporting accessories and software applications to ensure a strong supply of innovative solutions for our customers which will not only function for the cycling market but other vertical markets within the broader action camera segment.

(k) Intellectual Property

Cycliq has been developing its technology and products for over four years and currently has patent/patent applications and trademark/trademark applications which, as at the date of this Prospectus, includes the patent/patent applications and trademark/trademark applications set out in Annexure 1.

The initial patents Cycliq applied for were focused on physical or hardware applications whereas most recent patent applications also relate to software enabling technology applied to HD camera and light products for cyclists. Cycliq sees the progression of software enabled product patents a key aspect to developing intellectual property based assets and achieving increased revenue and capital growth of the company.

7.4 Direction of the Company

Upon Settlement of the Acquisition, the Company's focus will shift from oil and gas exploration and production to the technology industry, specifically the development and commercialisation of the Cycliq Technology.

Section 14.1(a) describes the proposed consideration payable by the Company at Settlement, being the Consideration Shares and the Performance Shares, which was agreed following negotiations between the Company and representatives of Cycliq.

The Board considers that the quantum of the Consideration Shares and Performance Shares to be issued for the Acquisition reflects reasonable fair value of Cycliq in view of the key investment highlights set out in Section 7.2 of the Prospectus. In determining the purchase price for Cycliq, the Directors of the Company took into account the following considerations:

- (a) internal revenue and profit forecasts of Cycliq. However, those forecasts cannot be stated publically 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) the last prices at which Cycliq raised equity funding from third party investors;
- (c) Cycliq's future prospects based on the status of the Cycliq Technology and interest from third parties; and
- (d) representations from the Cycliq directors as to the price at which a takeover offer for Cycliq would be likely to succeed.

The Company confirms that no formal valuation process in respect of Cycliq was undertaken through the engagement of independent advisers.

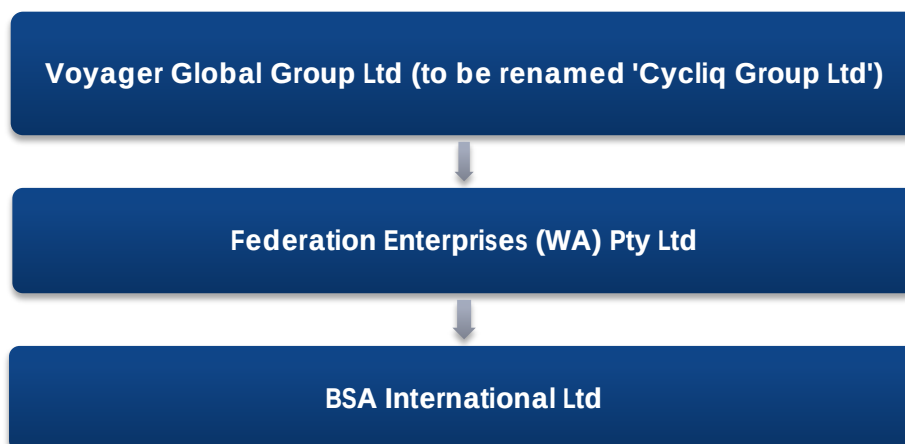
The final price was determined through arm's length negotiations that took place over a number of weeks between the directors of Cycliq and the Directors of the Company. As with the acquisition of any business or asset that does not have a meaningful track record of revenue and profitability, there is not always a good valuation methodology available when determining the purchase price and the Directors were required to take into account qualitative factors such as those set out above in coming to a decision on price and it was based on these reasons that the consideration payable would consist entirely of scrip which would be subject to escrow provisions (no cash component) so that the value would ultimately be dependent upon the success of the Cycliq business itself following completion of the Acquisition.

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 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, Cycliq will become a wholly owned subsidiary of the Company.



7.6 Key Dependencies of the Business Model

The key factors that Cycliq 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 Cycliq Technology;
- (d) the continuing ability to provide superior functionality and service to its customers;
- (e) increasing product sales; and
- (f) the continued limited competition in the industry in which Cycliq operates.

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, the Company's existing cash reserves and sales of products and services (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 its securities being reinstated to Official Quotation as follows:

FUNDS AVAILABLE¹	Minimum Subscription (2,500,000) A\$	Percentage of Funds %	Maximum Subscription (5,000,000) A\$	Percentage of Funds %
Cash reserves of the Company (post Acquisition) ²	\$1,000,000	28.57%	\$1,000,000	16.7%
Funds raised from the Public Capital Raising ³	\$2,500,000	71.43%	\$5,000,000	83.0%
TOTAL	\$3,500,000	100%	\$6,000,000	100%
ALLOCATION OF FUNDS	Minimum Subscription (2,500,000) A\$	Percentage of Funds %	Maximum Subscription (5,000,000) A\$	Percentage of Funds %
Convertible Note interest	\$157,127	4.49%	\$157,127	2.62%
Expenses of the Offers	\$345,000	9.86%	\$500,000	8.3%
Product Development and Engineering	\$1,200,500	34.30%	\$2,222,500	37.0%
Sales, marketing and business development ³	\$1,105,000	31.57%	\$1,805,000	30.1%
Working capital ⁴	\$307,373	8.78%	\$680,373	11.34%
Executive salaries and corporate administration ⁵	\$385,000	11.00%	\$635,000	10.6%
TOTAL	\$3,500,000	100%	\$6,000,000	100%

Notes

- These funds represent existing cash held by the Company and Cycliq at the date of this Prospectus adjusted for transactions associated with the Acquisition, as if they had occurred on 30 June 2016. The Company and Cycliq will incur costs and receive revenues within the ordinary course of their respective businesses after 30 June 2016 which will change this amount prior to Settlement.
- Under the Minimum Subscription scenario above, it is assumed that 125,000,000 Shares are issued at an issue price of \$0.02 each to raise \$2,500,000. Under the Maximum Subscription scenario above, it is assumed that 250,000,000 Shares are issued at an issue price of \$0.02 each to raise \$5,000,000.
- Project development and engineering costs include those incurred in the performance of industrial design, including tooling and associated tasks; mechanical and electrical engineering; software development and firmware development; the integration of in-house software and hardware development and growing Cycliq's intellectual property portfolio.
- Sales and marketing includes all costs related to advertising and promoting Cycliq's product. Business development & sales includes all business development and outbound evangelism costs. These costs will include trade shows, corporate events, non-marketing sponsorships the cost of business development staff, developing more in-store displays and merchandising them in core geographies, create a marketing campaign to build the brand and grow sales and expansion of the team to ensure product innovation and selling functions are supported across the main selling geographies and necessary human resources needed to fulfil the obligations of a listed entity.
- Working capital and corporate administration costs include the general costs associated with the management and operation of the business including managing and maintaining effective inventory across jurisdictions, administration expenses, management salaries, directors' fees, rent and other associated costs.
- Refer to Section 15.12 for the itemised costs of the expenses associated with the Acquisition and the Offers.

In the event Cycliq raises more than the Minimum Subscription amount of \$2,500,000, the additional funds raised will be first applied towards expenses associated with the Offers and Acquisition and then approximately as follows:

- (a) Expenses of the Offer;
- (b) Project development, engineering, sales and marketing and business development; and
- (c) Working capital.

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 \$2,500,000 under the Public Offer, the Board believes the Company will have sufficient working capital to achieve the objectives set out in this Prospectus (and in particular, Section 7.8).

7.9 Historical Financial Information

The Independent Limited Assurance Report and Financial Information Section set out in Sections 10 and 11 contain a pro forma statement of financial position of the Company following its Acquisition of Cycliq together with an Independent Limited Assurance Report. Investors should note the scope limitations of the Independent Limited Assurance Report (refer to Sections 10 and 11 for further information).

Investors are urged to read the Independent Limited Assurance Report and Financial Information contained in Sections 10 and 11 in full.

The full financial statements for the Company for its financial year ended 30 June 2016, 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 Cycliq 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 (assuming the Maximum Subscription of \$5,000,000 is raised under the Public Offer) and all related matters (assuming no Options are exercised) will be as follows:

	Shares	Performance Shares
Current capital structure	37,933,730	Nil
Consideration Securities	220,000,000	10,000,000 ¹
Public Capital Raising	250,000,000	Nil
Noteholder Shares	155,000,000	Nil
Capital structure post Acquisition	662,933,730²	10,000,000

Notes:

1. Terms and Conditions of the Performance Shares are set out in Section 15.6, and the Performance Shares may be converted into a maximum of 200,000,000 Shares upon the relevant milestones being met. The number of Shares that the Performance Shares will convert into will change depending on the conversion price at the time the relevant milestone is satisfied, for example a conversion price of \$0.02 (200,000,000), \$0.04 (100,000,000), \$0.06 (66,666,667), \$0.08 (50,000,000) and \$0.10 (40,000,000).
2. This assumes that none of the Performance Shares are converted.
3. The Company has also agreed, subject to Shareholder and ASX approval, to issue performance options to certain Directors and employees, the terms of which are provided for in Section 15.7. A total of up to 43,000,000 Performance Options will be issued.

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 (pre-Consolidation):

Shareholder	Shares	%
The Trust Company (Australia) Limited <MOF A/C>	5,598,858	14.76%
Mr John Andrew Rodgers <John Rodgers Family A/C>	4,897,841	12.91%
Ajava Holdings Pty Ltd	5,417,530	14.28%
Total	15,914,229	41.95%

On completion of the Offers (assuming the Maximum Subscription is raised under the Public Offer and exclusive of any Performance Shares converting), the Company expects that the following shareholders will hold a relevant interest in 5% or more of the total number of Shares on issue.

Shareholder	Shares	%
Sunset Enterprises WA Pty Ltd ¹	81,445,339 ²	12.29%
Breakwater (WA) Pty Ltd ³	77,807,040 ⁴	11.74%
Total	159,252,379	24.03%

Notes:

1. Kingsley and Nicole Fiegert are the shareholders of Sunset Enterprises WA Pty Ltd, which is the trustee of a family trust in relation to which Kingsley, Nicole and their children are the beneficiaries.

2. Comprises 78,484,800 Shares issued to Sunset Enterprises Pty Ltd and 2,960,539 Shares issued to Tuart Properties Pty Ltd (Sunset Enterprises Pty Ltd holds 50% of the shares in Tuart Properties Pty Ltd) as part of the Consideration Securities. Sunset Enterprises WA Pty Ltd and Breakwater (WA) Pty Ltd each own 50% of the shares in Tuart Properties Pty Ltd.
3. Andrew Hagen is the sole shareholder of Breakwater (WA) Pty Ltd, which is the trustee of a trust in relation to which Andrew is also the sole beneficiary.
4. Comprises 74,846,501 Shares issued to Breakwater (WA) Pty Ltd and 2,960,539 Shares issued to Tuart Properties Pty Ltd (Breakwater (WA) Pty Ltd holds 50% of the shares in Tuart Properties Pty Ltd) as part of the Consideration Securities.

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 Securities pursuant to this Prospectus.

This Section 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 Securities of the Company (Sections 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 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 Cycliq 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 37,933,730 Shares on issue. At Settlement, the Company proposes to issue:

- (i) the Consideration Shares;

- (ii) the Performance Shares;
- (iii) the Public Capital Raising Shares; and
- (iv) the Noteholder Shares.

On issue of the Consideration Shares and the Initial Capital Raising Shares (including a full subscription under the Public Capital Raisings and provided no Options or Performance Shares are exercised):

- (i) the existing Shareholders will retain approximately 5.72% of the Company's issued Share capital;
- (ii) the Cycliq Shareholders will hold approximately 56.57% of the Company's issued Share capital; and
- (iii) the investors under the Public Capital Raising will hold approximately 37.71% of the Company's issued Share capital.

If subsequently the performance milestones are met and the Performance Shares are converted into the maximum number of Shares, being 200,000,000 Shares and provided no other Shares are issued or Options exercised), the interests of the existing Shareholders in the Company will reduce to 4.40%.

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 Cycliq business and the potential conversion of the Performance Options.

(c) **Liquidity risk**

On Settlement, the Company proposes to issue the Consideration Shares, the Performance Shares, the Public Capital Raising Shares and the Noteholder Shares. The Directors understand that ASX will treat some of these securities as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions may 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 Noteholder and Consideration Shares will equate to approximately 56.57% 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**

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 Cycliq's current operations

(a) Competition and new technologies

The industry in which Cycliq 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 Cycliq not being differentiated to other similar offerings.

The size and financial strength of some of Cycliq's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, Cycliq'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 Cycliq Technology. By its nature, there is no guarantee that the Cycliq 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 Cycliq Technology. This would likely have an adverse impact on the Company's potential profitability.

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

(c) Attracting customers to the Cycliq Technology

The Company's revenue will be affected by its ability to attract customers to the Cycliq Technology, notably the HD camera/light combination bike accessory. Various factors can affect the level of customers using the Cycliq 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 Cycliq Technology; and
- (ii) Brand damage: If the Company or Cycliq suffer from reputational damage, customer numbers could be affected.
- (iii) Pricing: Targeted customers may not be prepared to incur the costs to purchase the Cycliq Technology or to abandon the equivalent products that they currently use.

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

Further, if market analysts publish negative or inaccurate information about Cycliq, it could lead to the Share price decreasing or restrict the volume of stock traded in the future.

(d) Limited operating history

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

(e) Historical financial performance is not indicative on future growth

Cycliq's historical financial performance does not provide an indication on growth in the future. If future revenues are lower than expected and costs are higher than expected, financial results could show a lower amount of profit or greater losses.

Cycliq is a growing and early stage company which historically has spent more money than it has made, delivering losses. These losses can continue for a number of years while establishing the brand and product positioning which requires substantial cash. The amount of cash required to establish the brand or to generate enough revenue to bring Cycliq into a profitable financial position could require more cash than it has available. To continue to grow the brand, Cycliq could require additional funding which could include raising more money on the ASX, borrowing money from financial institutions or investors. Raising more capital is not guaranteed and without the additional capital required could lead to lower revenues than expected.

(f) Failure to deal with growth

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

(g) Risks associated with overseas expansion

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

There is the risk that any overseas expansion will be unsuccessful, or that even if there is demand for Cycliq's products in that market, that the costs of doing business in that market including the costs of establishing a new base in country, overseas regulatory compliance and the potential duplication of overheads and operating costs for the business, are such

that Cycliq's profitability and available working capital will be adversely impacted.

(h) **Customer concentration risk**

Over-reliance upon key customers may, in the event of termination or non-renewal of such arrangements, create revenue volatility. Cycliq 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.

Distributors account for a significant amount of revenue for Cycliq. If these distributors were to order less or experience their own difficulties it could have a negative effect on Cycliq's business operations.

(i) **Staff risk**

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

This risk is mitigated as Cycliq 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 Cycliq to the maximum extent possible.

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

Cycliq has pursued intellectual property rights protection in the form of trade marks, trade mark applications, patents and patent applications as set out in Annexure 1. The patent and trade mark applications do not give Cycliq any currently enforceable rights.

The patents and trademarks (including any subsequently granted pursuant to the applications set out in Annexure 1) are only enforceable in the territories in which they are registered. Cycliq may have to consider applying for patent and trade mark registration in further territories as its operations and product range expands in order to protect its intellectual property rights in those areas but there is no guarantee that any such applications would be successful.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights vary across jurisdictions. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the Cycliq Technology may eventually be launched. Accordingly, despite its efforts, the Company may not be able to prevent third parties from copying, infringing upon or misappropriating its intellectual property.

Market conditions depending, the Company may be required to incur significant expenses in maintaining, monitoring and protecting its intellectual property rights, for itself and/or any future licensees/distributors. 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.

(k) **Failure to licence technology or intellectual property**

Cycliq is developing intellectual property which if patented, could be licensed for the use of third parties which could pay for the use of that intellectual property. If the intellectual property is not patented or if no third party is found to want the intellectual property, it would lead to a lower than anticipated revenue which would have a negative impact on the future financial status of the Company.

(l) **Failure to collect or sell sourced data (Big Data)**

Cycliq hopes to collect data from its customers which could be re-purposed and licensed to third parties (**Big Data**). Revenue from this source might not eventuate if Cycliq is unable to secure this data or find a third party to purchase this data. If either or both of these outcomes occurs, anticipated revenues will be less than anticipated having a negative impact on future cash flows for the Company.

(m) **Premium smartphone application risk**

Cycliq has not made a premium smartphone application in the past. Cycliq customers might not purchase such applications made by Cycliq which could lead to less than anticipated revenue realisation and could have a negative effect on the financial outcomes for the Company.

(n) **Currency risk**

Cycliq expects to derive a majority of its revenue from the United States, 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 Cycliq.

(o) **Manufacturer and supplier risk**

Cycliq does not have internal manufacturing capabilities and relies on contractors to manufacture the products. Cycliq current relies on a single head-contractor in Hong Kong, which manages the manufacture through various sub-contractors in mainland China.

Any termination or significant damage to the arrangements with Cycliq's manufacturing head contractor could affect Cycliq's ability to manufacture its products and meet customer demand until a replacement contractor can be engaged.

Operational difficulties may arise with manufacturers, including reductions in the availability of production capacity, errors in complying with product specifications, insufficient quality control, failures to meet production deadlines, increases in manufacturing costs and increased lead times. Industrial action or workforce issues with contract manufacturers may lead to delays in the production of the products. The price of components for Cycliq products could also increase reducing the margin per product. If there are delays in product development due

to contracted manufacturers or suppliers, it could mean a delay in the release of products which could have a negative effect on revenues.

The engagement of a second manufacturing contractor may assist Cycliq in managing and reducing some of these risks.

Whilst Cycliq does not control contracted manufacturers or suppliers, Cycliq requires contracted manufacturers and suppliers to comply with their formal supplier code of conduct and relevant standards and have ongoing audit programs in place to assess compliance with such requirements.

(p) **Inventory risk**

To ensure there is an appropriate amount of inventory for each of the product lines, Cycliq forecast the anticipated demand for each product in advance of demand. This means placing orders with suppliers well in advance of requiring the products. If inventory management is not managed correctly, it could lead to an inability to continue working with channel partners leading to lower levels of revenue. If demands levels are underestimated, it could require Cycliq to source increased production capacity which would incur greater than anticipated costs of components and production leading to lower business and operating results.

(q) **Product support and warranties**

Cycliq offers a limited warranty, depending on jurisdiction, on its products and provides a product support division that addresses any support issues and determines if products are faulty or if the issue can be resolved directly with the customer. Every time a new product is introduced it will expose Cycliq to liability under the warranty. In addition, as Cycliq's products are innovative and have not been made before and there is a risk that a product may be faulty or require a recall.

(r) **Information systems and systems risk**

Cycliq are increasingly dependent on information systems to operate its e-commerce website, process transactions, respond to customer enquiries, manage its supply chain and ship goods, maintain cost-efficient operations and provide accurate financial reporting. Failures or interruptions in any of its information systems could affect Cycliq's ability to conduct and manage its operations.

(s) **Logistics and shipping**

Cycliq relies on ensuring the efficient and timely delivery of goods to customers. Third party providers are relied upon for warehousing, storage, delivery, tracking, record keeping operations and systems. If any of these systems or operations were to be disrupted it would affect our ability to maintain business operations. Currently, only a few providers of these services are used and if one were to stop operations it could cause significant delays to Cycliq's operations and the ability to deliver products to customers.

(t) **Environmental regulations**

Cycliq believes they are complying with all the current environmental requirements. However, environmental regulations change from time to time and this could affect business operations and the use of materials in the future.

(u) **Product development**

The growth of Cycliq largely depends on the ability to anticipate consumer demand and deliver solutions in a timely manner. The cost and effort involved in product development is substantial and may continue to be a growing cost centre for the Company. Developing new and innovative products involves many unknown factors such as requiring materials not yet available to design and engineering challenges that could require substantial additional resources. There may not be commercially appropriate uses for these products.

(v) **New products**

Developing related products and accessories to support the main Cycliq products could divert consumer interest and internal human resources away from the core range of Cycliq products. The market might not readily accept Cycliq delivering new product ranges with new features and this carries substantial financial risk. Adjusting the product mix by bringing out lower costs products could ultimately reducing general revenues if there is greater demand for the related products.

(w) **New markets**

Cycliq may look to expand its product offerings into new (vertical) markets. Any efforts to enter a new market space holds the risk that the product offering does not meet the needs of the market at an acceptable price point. New vertical markets usually cost substantially more to penetrate than a known market.

(x) **Growth of staff and ability to manage operations**

Cycliq anticipates the number of its staff to grow substantially in the next 12 months. This growth may place a strain on office accommodation potentially requiring additional or upgraded premises which could cost more than expected and may have an adverse effect on business and operating expenses. If Cycliq continue to grow their human capital and find the demand for Cycliq products is not as anticipated or expenses are higher than anticipated, Cycliq may have to take action to manage outgoings. This could result in workforce reductions or office accommodation changes or other restructuring costs.

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) **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 Cycliq Shareholders and others that receive Shares as a result of the Acquisition or the Public Capital Raising may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of the Company's Shares.

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

(c) **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, reviews by market analysts, 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.

(d) **Going concern risk**

In the notes to and forming part of the Historical Financial Information contained in Section 11 the Investigating Accountant noted the following in relation to the Company:

"(Voyager's) ability to continue as a going concern is dependent on the success of the Public Offer. The Directors believe that the entity will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the Public Offer be unsuccessful, the entity may not be able to continue as a going concern."

In addition, in the Independent Limited Assurance Report the Investigating Accountant noted the following:

"Regency issued an unqualified audit opinion for the financial report for the year ended 30 June 2014. Bentleys issued

emphases of matters for the financial reports for the year ended 30 June 2015 and 30 June 2016 as a result of material uncertainty surrounding the ability of the entity to continue as a going concern.”

Notwithstanding the above, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to Section 8.4(e) below for further details.

In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern, and which is likely to have a material adverse effect on the Company's activities.

(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 Capital Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(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 Cycliq 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) **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.

(i) **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.

(j) **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.

(k) **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 Gary Roper (Non-Executive Chairman);
- (b) Mr Rod Corps (Non-Executive Director); and
- (c) Mr Piers Lewis (Non-Executive Director).

(together, the “**Existing Directors**”).

It is proposed that upon Settlement of the Acquisition:

- (a) Messrs Andrew Hagen, Kingsley Fiegert and Christian Singleton will be appointed to the Board of the Company (together, “**Incoming Directors**”);
- (b) all but one of the Existing Directors will retire on Settlement (being Piers Lewis); and
- (c) Mr Piers Lewis will remain on as Company Secretary.

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

Mr Gary Roper

Gary Roper has 39 years’ experience in mining and exploration commencing in the Department of Mines Western Australia. Later in the private sector he worked through all facets of field exploration, mining tenement maintenance and acquisition, management and the funding of exploration programmes.

In 1987, he along with others acquired a project portfolio, raised seed capital and successfully listing AuDAX Resources NL on the ASX. Gary continued as managing director and later as chairman for many years as AuDAX conducted exploration and small mining operations throughout WA. During his years as a managing director and chairman, Gary gained invaluable experience with ASX and ASIC reporting requirements and all the obligations which go with the day to day operation a publicly listed company.

Mr Rod Corps

Rod is a highly experienced financial markets professional and Australian equities specialist who has performed trading and capital raising roles for some of the world’s top investment banks. Rod is well connected within the investment fund community, particularly with funds investing in natural resources companies. He has also built an excellent network of contacts among Australia’s established and fast growing mining, oil and gas companies from his involvement in the sector over many years.

Mr Piers Lewis

Mr Lewis is a Chartered Accountant and Chartered Company Secretary with 20 years’ global corporate experience. Mr Lewis currently sits on the Ardiden Limited

board and serves as company secretary on several ASX listed companies, including Grange Resources Limited and Velpic Ltd. Piers has extensive contacts within various financial institutions and broking houses within Australia and the UK. Mr Lewis holds a Bachelor of Commerce (Accounting and Finance).

Mr Andrew Hagen

Andrew Hagen is the Chief Executive Officer of Cycliq and has held this position for four and a half years. He has been responsible for creating and developing the business direction, sourcing seed funding, key relationship management, co-developing products, team building and promotion of the brand. Andrew managed early stage sales and established Cycliq's international sales distribution network. Andrew oversees Cycliq's senior management team including its Australian and international operations. Along with Kingsley Fiegert, Andrew was the inventor of the Cycliq product.

Andrew has also worked in the property development industry as a director of Tuart Properties, a privately held property development business since 2003 and worked as a Development Manager for listed and government owned property development firms such as Brookfield Multiplex, Mirvac, LandCorp, Peet and Cedar Woods over the course of 17 years. Andrew holds a Bachelor of Commerce (Property and Finance).

The Company considers that Mr Hagen will be a non-independent director.

Mr Kingsley Fiegert

Kingsley Fiegert is the Chief Operations Officer of Cycliq and has held this position for four and a half years. He has been responsible for product development, shipping and logistics, finance and accounting, co-developing products and manufacturing. Kingsley managed early stage contract manufacturing in multiple locations across Asia and component sourcing. Along with Andrew Hagen, Kingsley was the inventor of the Cycliq product.

Kingsley has also worked in the property development industry as a Director of Tuart Properties, a privately held property development business since 2003. Kingsley's responsibilities included managing operations for built form projects and land subdivisions as well as statutory subdivision approvals.

The Company considers that Mr Fiegert will be a non-independent director.

Mr Christian Singleton

Christian Singleton is the managing director of Minaret Capital.

He has been the chairman, managing director and an executive director of numerous listed and unlisted groups and has had extensive involvement in acquisitions and divestments, structuring, capital management, capital raisings, listings, spin offs, the acquisition and divestment of assets and restructuring and turnaround strategy.

Chris has more than 30 years' corporate experience in marketing and design, change management, telecommunications, technology, FMCG, resources and energy and labour hire/human capital. He has founded, developed, listed and sold businesses across those sectors.

He has advised Australia's largest oil and gas company on Islamic debt issuance and worked with a number of groups on the development of their assets and

corporate activity. He has advised technology, resources and energy, resources services, labour hire and ancillary services groups on M&A, capital raisings, efficiency management and general corporate matters.

With a background in design, Chris has worked extensively in developing and executing 'go to market' strategies for both his own businesses and a wide variety of Australian and international groups. That included his role in the mid-2000s in charge of business marketing for one of Australia's largest mobile operators where he oversaw a complete overhaul of the marketing function and introduction of disruptive pricing.

Chris has been a director of the following ASX listed companies: Alliance Gold Ltd (now Alliance Energy) (1999 – 2000); Managing Director of Impress Energy Limited (1998 – 2005); Executive Chairman of mBox Ltd (1999 – 2003) and Director of Thin Technologies LTD (1999 – 2003).

The Company considers that Mr Singleton will be an independent director.

9.2 Key Management

John Turner is Cycliq's Chief Financial Officer. Mr Turner's mandate is to work closely with Cycliq's Chief Executive Officer to ensure the financial and administrative systems, processes and controls continue to support and facilitate growth in the business. Mr Turner brings 10 years' experience in the accounting and finance fields in both the listed and unlisted environments, having worked in senior management roles at the global accounting firm KPMG, Compass Group Australia Pty Ltd, and most recently for AusGroup Limited.

Mr Turner is a member of the Institute of Chartered Accountants Australia and New Zealand, and holds a Bachelor of Commerce degree from the University of Western Australia majoring in Financial Accounting, Corporate Finance and Investment Finance, as well as a Graduate Certificate in Applied Finance and Investment from the Financial Services Institute of Australasia. Mr Turner has worked across Australia, South East Asia, Southern Africa and the Middle East, and offers a unique and diverse skill set to the Company.

Jeroen van Zon is Cycliq's Marketing Manager and brings 10 years of solid experience in digital marketing, IT development, project management and start-ups to the table. Jeroen has been senior online marketing consultant for large retailers in Europe drastically transforming their digital marketing strategies and optimizing ad spend before successfully founding his own start-up and moving to Australia. Prior, Jeroen also held roles as IT Business Analyst, Account Manager and Marketing Manager and Brand Coordinator for one of the largest software firms in the Netherlands, Total Specific Solutions. Jeroen holds a Master's degree in Information Management and concluded the master curriculum of Marketing Management at Tilburg University (The Netherlands).

Graeme Klass, Software Manager at Cycliq since August 2016. He is responsible for managing Cycliq's mobile apps, firmware, cloud based software and internal IT systems. He is tasked with building Cycliq's internal software development team and adding to Cycliq's suite of intellectual property. Previously Graeme worked in the mining industry, leading a team to develop new mobile and cloud based systems which is currently being used across the globe. Graeme has created a number of start-ups, including MyPed, a smart pedometer aimed at encouraging children to be active and he is well versed in the challenges of hardware/firmware/software co-design. He has been involved in the technology industry for over 15 years and has been coding since he was 16. Graeme has a Master's degree in Microelectronics from RMIT University, a Bachelor of

Engineering (Electronics) degree and a Bachelor of Commerce (Management) degree from the University of Western Australia.

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 2015	Remuneration for year ended 30 June 2016 ¹	Proposed remuneration for year ended 30 June 2017 ¹
Remuneration			
Existing Directors			
G Roper	\$36,000	\$36,000	Nil
R Corps	\$36,000	\$36,000	Nil
P Lewis	Nil	\$12,000 ²	\$40,000
Incoming Directors			
A Hagen	Nil	Nil	\$250,000
K Fiegert	Nil	Nil	\$250,000
C Singleton	Nil	Nil	\$50,000

Notes:

1. Amounts are base salary and fees and are exclusive of superannuation. Following settlement of the Acquisition, the Company may consider converting remuneration entitlements of the Directors and Incoming Directors into Shares (subject to any necessary Shareholder approval requirements).
2. In addition, Smallcap Corporate Pty Ltd, a company of which Mr Lewis is a director, received \$27,600 in consulting fees.

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. The current amount is fixed at \$350,000. Post-Settlement, it is the intention of the Company to compensate Directors in share based payments only through the issue of Performance Shares and Performance Options (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 Constitution 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	Performance Shares
G Roper	500,000	Nil
R Corps	5,000,000	Nil
P Lewis	1,210,752	Nil
A Hagen	77,807,040 ¹	71,139,867
K Fiegert	81,445,339 ²	74,466,406
C Singleton	Nil	Nil

Notes:

1. These are held by Breakwater (WA) Pty Ltd. Andrew Hagen is the sole shareholder of Breakwater (WA) Pty Ltd, which is the trustee of a trust in relation to which Andrew is also the sole beneficiary. Comprises 74,846,501 Shares issued to Breakwater (WA) Pty Ltd and 2,960,539 Shares issued to Tuart Properties Pty Ltd (Breakwater (WA) Pty Ltd holds 50% of the shares in Tuart Properties Pty Ltd) as part of the Consideration Securities.
2. These are held by Sunset Enterprises Pty Ltd. Kingsley and Nicole Fiegert are the shareholders of Sunset Enterprises WA Pty Ltd, which is the trustee of a family trust in relation to which Kingsley, Nicole and their children are the beneficiaries. Comprises 78,484,800 Shares issued to Sunset Enterprises Pty Ltd and 2,960,539 Shares issued to Tuart Properties Pty Ltd (Sunset Enterprises Pty Ltd holds 50% of the shares in Tuart Properties Pty Ltd) as part of the Consideration Securities. Sunset Enterprises WA Pty Ltd and Breakwater (WA) Pty Ltd each own 50% of the shares in Tuart Properties Pty Ltd.
3. The Terms and Conditions of the Performance Shares are set out in Section 15.6, and the Performance Shares may be converted into a maximum of 200,000,000 Shares should the relevant milestones being met. The number of Shares that the Performance Shares will convert into will change depending on the conversion price at the time the relevant milestone is satisfied, for example a conversion price of \$0.02 (200,000,000), \$0.04 (100,000,000), \$0.06 (66,666,667), \$0.08 (50,000,000) and \$0.10 (40,000,000).
4. This assumes that none of the Performance Shares are converted.
5. The Company has also agreed, subject to Shareholder and ASX approval, to issue Performance Options to certain Directors and employees. A total of 43,000,000 performance options will be issued, subject to Shareholder and ASX approval.

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 Section 14.

10. INDEPENDENT LIMITED ASSURANCE REPORT

26 October 2016



The Directors
Voyager Global Group Limited (To be renamed Cycliq Group Ltd)
Suite 6, 295 Rokeby Road
Subiaco WA 6008

Dear Directors

**Independent Limited Assurance Report on Voyager Global Group Ltd
(To be renamed Cycliq Group Ltd)
Historical and Pro forma Financial Information**

**Bentleys Audit & Corporate
(WA) Pty Ltd**

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

1. Introduction

We have been engaged by Voyager Global Group Ltd (To be renamed Cycliq Group Ltd) ("Voyager" or "the Company") to prepare this Independent Limited Assurance Report ("Report") in relation to certain financial information of Voyager for inclusion in the Prospectus. The Prospectus is issued for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for a listing following a change in the nature and scale of the Company's activities as a result of the Company executing a binding terms sheet ("Acquisition Agreement") to acquire 100% of the issued shares in Federation Enterprises (WA) Pty Ltd ("Cycliq") ("Transaction").

Broadly, the Prospectus (or "the document") will raise a minimum of \$2,500,000 through the issue of 125,000,000 shares at an issue price of \$0.02 per share. The Company may also accept oversubscriptions of up to an additional \$2,500,000.

Expressions and terms defined in the document have the same meaning in this report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

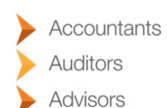
2. Scope

You have requested Bentleys to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.



A member of Bentleys, a network of independent accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only and are separate legal entities and not in Partnership. Liability limited by a scheme approved under Professional Standards Legislation.



You have requested Bentleys to review the following historical financial information (together the “Historical Financial Information”) of Voyager Global Group Ltd and Federation Enterprises (WA) Pty Ltd included in the Prospectus:

Historical Financial Information – Voyager Global Group Ltd

- The historical Statements of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016; and
- The historical Statements of Financial Position as at 30 June 2016.

Historical Financial Information – Federation Enterprises (WA) Pty Ltd (Cycliq)

- The historical Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016;
- The historical Statement of Cash Flows for the year ended 30 June 2016; and
- The historical Statement of Financial Position as at 30 June 2016.

The Historical Financial Information of Voyager Global Group Ltd has been extracted from the financial reports for the years ended 30 June 2014, 30 June 2015 and 30 June 2016. The financial reports for the year ended 30 June 2014 was audited by Regency Audit Pty Ltd in accordance with Australian Auditing Standards. The financial reports for the years ended 30 June 2015 and 30 June 2016 were audited by Bentleys in accordance with Australian Auditing Standards. Regency issued an unqualified audit opinion for the financial report for the year ended 30 June 2014. Bentleys issued emphases of matters for the financial reports for the year ended 30 June 2015 and 30 June 2016 as a result of a material uncertainty surrounding the ability of the entity to continue as a going concern.

The Historical Financial Information of Federation Enterprises (WA) Pty Ltd has been extracted from the financial reports for the years ended 30 June 2014, 30 June 2015 and 30 June 2016. The financial reports for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 were audited by William Buck Audit (WA) Pty Ltd in accordance with Australian Auditing Standards. William Buck Audit (WA) Pty Ltd have issued unqualified audit opinion with emphases of matters for each of the periods audited as a result of material uncertainty surrounding the ability of the entity to continue as a going concern in the event certain matters, including the Offers and Acquisition, do not proceed.

Pro Forma Historical Financial Information

You have requested Bentleys to review the pro forma historical Statement of Financial Position as at 30 June 2016 referred to as “the pro forma historical financial information.”

The pro forma historical financial information has been derived from the historical financial information of Voyager, after adjusting for the effects of the subsequent events and pro forma adjustments described in section 2 of this report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 2 of this report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company’s actual or prospective financial position.

The pro-forma historical financial information as described in section 2 of this report has been prepared by adjusting the statement of financial position of Voyager and Cycliq as at 30 June 2016 to reflect the financial effects of the following subsequent events which have occurred in the period since 30 June 2016:

- (a) In July 2016, Voyager issued 18,966,865 shares to raise \$379,337;
- (b) Accrual of 10% interest on the convertible notes in Cycliq until the completion of the transaction for an approximately \$48,500.

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- (c) the issue of 125,000,000 shares at an issue price of \$0.02 each to raise up to \$2,500,000 before costs based on the minimum subscription or the issue of up to 250,000,000 shares at an issue price of \$0.02 each to raise up to \$5,000,000 before costs based on the maximum subscription;
- (d) Costs of the Offers are estimated to be \$345,000 (\$150,000 relates to capital raising fees) based on the minimum Public Offer subscription or \$500,000 (\$300,000 relates to capital raising fees) based on the maximum Public Offer subscription, which are to be offset against the contributed equity;
- (e) the issue of 220,000,000 shares and 10,000,000 Performance Shares in consideration for the acquisition of 100% of Federation Enterprises (WA) Pty Ltd. Included in the total number of shares and performance shares issued are:
 - (i) 10,280,374 shares and 500,000 performance shares (which converts to a maximum of 10,000,000 Shares) to Merchant as the success fee;
 - (ii) 11,612,150 shares and 200,000 performance shares (which converts to a maximum of 4,000,000 shares) to Nameo as the strategic adviser fee and success fee;
 - (iii) 2,500,000 shares to Anthony Minchin as a share based payment in lieu of services provided to Federation Enterprises (WA) Pty Ltd;
- (f) the issue of 155,000,000 shares to noteholders of Federation Enterprises (WA) Pty Ltd due to the conversion of convertible notes with principal amount of \$2,325,000;
- (g) Interest on convertible notes amounting to \$157,127 (including further \$48,500 accrued in subsequent event above) in Cycliq is repaid at the transaction date;
- (h) the issue of up to 43,000,000 performance options to certain Directors and employees, subject to Shareholder and ASX approval.

3. Directors' Responsibility

The directors of Voyager are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

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

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

5. Historical Financial Information

Historical Financial Information – Voyager Global Group Ltd

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information comprising:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016; and
- The historical Statement of Financial Position as at 30 June 2016.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 11 of the Prospectus.

Historical Financial Information – Federation Enterprises (WA) Pty Ltd

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in section 11 of the Prospectus, and comprising:

- The historical Statements of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016;
- The historical Statement of Cash Flows for the year ended 30 June 2016; and
- The historical Statements of Financial Position as at 30 June 2016;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 11 of the Prospectus.

6. Pro Forma Historical Financial Information

Conclusion – Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Statement of Financial Position as at 30 June 2016 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 11 of the Prospectus.

7. Restriction on Use

Without further modifying our conclusions, we draw attention to section 1 of this report, which describes the purpose of the financial information, being for inclusion in the document. As a result, the financial information may not be suitable for use for another purpose.

8. Consent

Bentleys has consented to the inclusion of this Independent Limited Assurance Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the disclosure document. Accordingly, Bentleys makes no representation or warranties as to the completeness and accuracy of any information contained in this disclosure document, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

9. Liability

The Liability of Bentleys Audit & Corporate (WA) Pty Ltd is limited to the inclusion of this report in the document. Bentleys Audit & Corporate (WA) Pty Ltd makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the document.

10. Declaration of Interest

Bentleys Audit & Corporate (WA) Pty Ltd does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Bentleys Audit & Corporate (WA) Pty Ltd will receive normal professional fees for the preparation of the report.

Yours faithfully



MARK DELAURENTIS CA
Director

11. FINANCIAL INFORMATION

11.1 Introduction

This Section sets out the Historical Financial Information of Voyager Global Group Ltd (“Voyager”) and Federation Enterprises (WA) Pty Ltd (“Cycliq”) and the Pro Forma Historical Financial Information (collectively the Financial Information). The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to illustrate the effects of the acquisition of Federation Enterprises (WA) Pty Ltd. Bentleys Audit & Corporate (WA) Pty Ltd (“Bentleys”) has prepared an Investigating Accountant’s Report in respect to the Historical Financial Information and the Pro Forma Historical Financial Information. A copy of this report, within which an explanation of the scope and limitation of Bentleys’ work is set out in section 10 and in addition, the full financial accounts for Cycliq are available on Cycliq’s website at the following address, <https://cycliq.com.au/investors/financial-reports>.

In substance the acquisition involves Cycliq’s existing shareholders (the vendors) gaining control of the Company. In accordance with reverse asset acquisition accounting principles and Australian Accounting Standards, the ongoing consolidated financial statements of the Company subsequent to the transaction will represent the continuation of Federation Enterprises (WA) Pty Ltd.

All information present in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Section 10.

11.2 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by Voyager Global Group Ltd as detailed in section 11.7. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 as if those adjustments had occurred as at 30 June 2016.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The historical financial information comprises the following (collectively referred to as the Historical Financial Information):

- (a) The historical Consolidated Statements of Profit or Loss and Other Comprehensive for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 for Voyager Global Group Ltd and Federation Enterprises (WA) Pty Ltd; and
- (b) The historical Consolidated Statements of Financial Position as at 30 June 2014, 30 June 2015 and 30 June 2016 of Voyager Global Group Ltd and Federation Enterprises (WA) Pty Ltd.
- (c) The historical Consolidated Statements of Cash Flows for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 for Federation Enterprises (WA) Pty Ltd.

The pro forma financial information comprises (collectively referred to as the Pro Forma Financial Information):

- (a) The pro forma statement of financial position as at 30 June 2016, prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 had occurred as at 30 June 2016; and
 - (b) the notes to the pro forma financial information,
- (collectively referred to as the Financial Information).

The Historical Financial Information of Voyager Global Group Ltd has been extracted from the financial reports for the years ended 30 June 2014, 30 June 2015 and 30 June 2016. The financial reports for the year ended 30 June 2014 was audited by Regency Audit Pty Ltd ("Regency") in accordance with Australian Auditing Standards. The financial reports for the years ended 30 June 2015 and 30 June 2016 were audited by Bentleys in accordance with Australian Auditing Standards. Regency issued an unqualified audit opinion for the financial reports for the year ended 30 June 2014. Bentleys issued emphases of matters for the financial reports for the year ended 30 June 2015 and 30 June 2016 as a result of a material uncertainty surrounding the ability of the entity to continue as a going concern.

The Historical Financial Information of Federation Enterprises (WA) Pty Ltd has been extracted from the financial reports for the years ended 30 June 2014, 30 June 2015 and 30 June 2016. The financial reports for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 were audited by William Buck Audit (WA) Pty Ltd ("William Buck") in accordance with Australian Auditing Standards. William Buck have issued unqualified audit opinion with emphases of matters for each of the periods audited as a result of material uncertainty surrounding the ability of the entity to continue as a going concern in the event certain matters, including the Offers and Acquisition, do not proceed.

11.3 Historical statements of profit or loss and other comprehensive income

Voyager Global Group Ltd	Audited* 30 June 2016	Audited* 30 June 2015	Audited* 30 June 2014
	\$	\$	\$
Income			
Revenue	12,769	15,849	9,529
Other income	76,337	-	3,892,183
Expenditure			
Administration, consulting and other expenses	(192,479)	(617,821)	(495,041)
Depreciation expense	(8,599)	(8,601)	(6,093)
Directors fees and benefits expenses	(111,420)	(111,420)	(120,537)
Finance (costs)/income	871	1,562	37,189
Foreign exchange gain	-	215	-
Reversal of impairment of receivables	-	-	10,528
Net loss on disposal of property, plant and equipment	-	-	(1,155)
Loss before income tax	(222,521)	(720,216)	3,326,603

Income tax	-	-	-
Net loss for the year	(222,521)	(720,216)	3,326,603
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(222,521)	(720,216)	3,326,603

* Please refer to Section 11.2 with respect to the audit opinions issued by Bentleys and Regency on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 11.7 and the Investigating Accountant's Report in Section 10.

Federation Enterprises (WA) Pty Ltd		Audited* 30 June 2016	Audited* 30 June 2015	Audited* 30 June 2014
		\$	\$	\$
Income				
Revenue	19	2,328,555	1,113,302	529,685
Cost of sales	20	(1,331,199)	(768,954)	(287,155)
Gross profit		997,356	344,348	242,530
Other income		16,466	52,918	277
Administrative expenses		(142,048)	(58,120)	(6,628)
Distribution expenses	21	(929,081)	(562,501)	(180,729)
Motor vehicle expenses		(14,315)	(11,567)	(7,624)
Other operating expenses	22	(759,159)	(506,779)	(57,944)
Research and development costs		(106,148)	(103,309)	(194,920)
Depreciation		(7,177)	(6,993)	(44,392)
Finance costs		(108,627)	(77,698)	-
Salaries and employee benefits expenses		(490,264)	-	-
Unrealised items		2,645	6,082	(129)
Loss before income tax		(1,540,352)	(923,619)	(249,560)
Income tax (expense)/benefit		-	70,656	38,893
Net loss for the year		(1,540,352)	(852,963)	(210,667)
Other comprehensive income		(7,554)	(1,570)	-
Total comprehensive loss for the year		(1,547,906)	(854,533)	(210,667)

* Please refer to Section 11.2 with respect to the audit opinions issued by William Buck on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 11.7 and the Investigating Accountant's Report in Section 10.

11.4 Historical statements of financial position

Voyager Global Group Ltd

	Audited* 30 June 2016 \$	Audited* 30 June 2015 \$	Audited* 30 June 2014 \$
Current assets			
Cash & cash equivalents	9,073	144,134	956,346
Trade & other receivables	21,921	69,845	89,516
Total current assets	30,994	213,979	1,045,862
Non current assets			
Property, plant and equipment	35,954	44,553	53,154
Total non current assets	35,954	44,553	53,154
TOTAL ASSETS	66,948	258,532	1,099,016
Current liabilities			
Trade & other payables	164,307	123,707	234,311
Borrowings	9,664	9,664	9,664
Total current liabilities	173,971	133,371	243,975
Non current liabilities			
Borrowings	21,442	31,105	40,769
Total non current liabilities	21,442	31,105	40,769
TOTAL LIABILITIES	195,413	164,476	284,744
NET ASSETS	(128,465)	94,056	814,272
EQUITY			
Issued capital	72,127,554	72,127,554	72,127,554
Non-controlling interest	-	-	148,000
Accumulated losses	(72,256,019)	(72,033,498)	(71,461,282)
TOTAL EQUITY	(128,465)	94,056	814,272

* Please refer to Section 11.2 with respect to the audit opinions issued by Bentleys and Regency on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 11.7 and the Investigating Accountant's Report in Section 10.

Federation Enterprises (WA) Pty Ltd

		Audited* 30 June 2016	Audited* 30 June 2015	Audited* 30 June 2014
		\$	\$	\$
Current assets				
Cash & cash equivalents		757,395	56,644	124,966
Trade & other receivables	13	75,486	127,279	48,680
Inventory	14	60,027	591,100	131,341
Other current assets	15	121,016	3,833	3,083
Total current assets		1,013,924	778,856	308,070
Non current assets				
Property, plant and equipment		53,342	13,900	2,930
Total non current assets		53,342	13,900	2,930
TOTAL ASSETS		1,067,266	792,756	311,000
Current liabilities				
Trade & other payables	16	154,993	47,566	326,251
Borrowings	17	2,433,627	1,156,570	286,017
Unearned income	18	-	744,421	-
Provisions		8,715	-	-
Total current liabilities		2,597,335	1,948,557	612,268
TOTAL LIABILITIES		2,597,335	1,948,557	612,268
NET ASSETS		(1,530,069)	(1,155,801)	(301,268)
EQUITY				
Issued capital		1,173,640	2	2
Reserves		(9,124)	(1,570)	-
Accumulated losses		(2,694,585)	(1,154,233)	(301,270)
TOTAL EQUITY		(1,530,069)	(1,155,801)	(301,268)

* Please refer to Section 11.2 with respect to the audit opinions issued by William Buck on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 11.7 and the Investigating Accountant's Report in Section 10.

11.5 Historical statements of cash flows

Federation Enterprises (WA) Pty Ltd

		Audited* 30 June 2016 \$	Audited* 30 June 2015 \$	Audited* 30 June 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES	Note			
Receipts from customers		1,647,879	1,857,723	529,685
Payments from suppliers and employees		(3,322,288)	(2,739,498)	(487,082)
Income tax refund received		70,656	38,893	-
Interest received		5,221	418	277
Total Cash Flows from Operating Activities	23	(1,598,532)	(842,464)	42,880
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment		(46,619)	(17,963)	(14,511)
Total Cash Flows from Investing Activities		(46,619)	(17,963)	(14,511)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		-	792,105	100,917
Proceeds from issue of convertible notes		2,325,000	-	-
		2,325,000	792,105	100,917
Net increase/(decrease) in cash and cash equivalents		679,849	(68,322)	129,286
Effect of exchange rate changes on the balance of cash held in foreign currencies		20,902	-	(4,320)
Cash and cash equivalents at the beginning of the year		56,644	124,966	-
Cash and cash equivalents at the end of the year		757,395	56,644	124,966

* Please refer to Section 11.2 with respect to the audit opinions issued by William Buck on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 11.7 and the Investigating Accountant's Report in Section 10.

11.6 Historical and Pro-forma consolidated statements of financial position

	Notes	Voyager Global Group Ltd 30 June 2016 \$	Federation Enterprises (WA) Pty Ltd 30 June 2016 \$	Subsequent events \$	Pro forma adjustments Minimum \$		Pro forma after Offers Minimum \$	
					Maximum \$		Maximum \$	
Current assets								
Cash & cash equivalents	3	9,073	757,395	379,337	1,997,873	4,342,873	3,143,678	5,488,678
Trade & other receivables		21,921	75,486	-	-	-	97,407	97,407
Inventory		-	60,027	-	-	-	60,027	60,027
Other current assets		-	121,016	-	-	-	121,016	121,016
Total current assets		30,994	1,013,924	379,337	1,997,873	4,342,873	3,422,128	5,767,128
Non current assets								
Property, plant and equipment		35,954	53,342	-	-	-	89,296	89,296
Total non current assets		35,954	53,342	-	-	-	89,296	89,296
TOTAL ASSETS		66,948	1,067,266	379,337	1,997,873	4,342,873	3,511,424	5,856,424
Current liabilities								
Trade & other payables		164,307	154,993	-	-	-	319,300	319,300
Borrowings	4	9,664	2,433,627	48,500	(2,482,127)	(2,482,127)	9,664	9,664
Provisions		-	8,715	-	-	-	8,715	8,715
Total current liabilities		173,971	2,597,335	48,500	(2,482,127)	(2,482,127)	337,679	337,679
Non current liabilities								
Borrowings		21,442	-	-	-	-	21,442	21,442
Total non current liabilities		21,442	-	-	-	-	21,442	21,442

	Notes	Voyager Global Group Ltd	Federation Enterprises (WA) Pty Ltd	Subsequent events	Pro forma adjustments		Pro forma after Offers	
		30 June 2016	30 June 2016		Minimum	Maximum	Minimum	Maximum
		\$	\$	\$	\$	\$	\$	\$
TOTAL LIABILITIES		195,413	2,597,335	48,500	(2,482,127)	(2,482,127)	359,121	359,121
NET ASSETS/(LIABILITIES)		(128,465)	(1,530,069)	330,837	4,480,000	6,825,000	3,152,303	5,497,303
EQUITY								
Issued capital	5	72,127,554	1,173,640	379,337	(66,585,366)	(64,235,366)	7,095,165	9,445,165
Reserves	6	-	(9,124)	-	140,000	140,000	130,876	130,876
Accumulated losses	7	(72,256,019)	(2,694,585)	(48,500)	70,925,366	70,920,366	(4,073,738)	(4,078,738)
TOTAL EQUITY		(128,465)	(1,530,069)	330,837	4,480,000	6,825,000	3,152,303	5,497,303

11.7 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies

(a) Basis of Accounting

The historical financial information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Financial Position are disclosed where appropriate.

The pro forma Statement of Financial Position as at 30 June 2016 represents the reviewed financial position and adjusted for the transactions discussed in Note 2 to this report. The Statement of Financial Position should be read in conjunction with the notes set out in this report.

(b) Going Concern

The financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization of assets and the settlement of liabilities in the normal course of business.

The entity's ability to continue as a going concern is dependent on the success of the Public Offer. The Directors believe that the entity will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the Public Offer be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the entity not continue as a going concern.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(d) **Receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

(e) **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average costs.

(f) **Property, Plant and Equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment: 3-7 years

Motor Vehicle: 8 Years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(g) **Income Tax**

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

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

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

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

(h) **Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(i) **Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

(j) **Payables**

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity. The amounts are unsecured and are usually paid within 30 days.

(k) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest 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 that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment

for liquidity services and amortised over the period of the facility to which it relates.

(l) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

All revenue is stated net of the amount of goods and services tax (GST).

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts though the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rendering of Services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Recognition of Kickstarter platform activities

As part of the business activities within Federation Enterprises (WA) Pty Ltd ("Cycliq"), the company engaged fundraising activity on the Kickstarter platform in 2014 and 2015 for amounts of \$266,594 and \$668,721 respectively. Funding received from Kickstarter represent advanced deposits for presales.

Funds raised through the Kickstarter platform are treated as unearned income upon receipt of funds and recognised as revenue upon delivery of the goods. As at 30 June 2015 \$668,721 of receipts from the Kickstarter platform were recognised in unearned income (refer Note 18).

(m) Employee Benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- (i) during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- (ii) from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(n) Issued Capital

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

(o) Acquisition of Subsidiaries and Businesses

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 are recognised at their fair value at the acquisition date, except that:

- (i) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- (ii) liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 Share-based Payment; and
- (iii) assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

The acquisition of Cycliq has been reflected in the pro forma Statement of Financial Position as at 30 June 2016. In accounting for the acquisition, the Group has taken guidance from the principles of AASB 3 Business Combinations (“AASB 3”) and determined that Cycliq would be deemed to be the acquirer for accounting purposes. Accordingly, the transaction is accounted for as a reverse asset acquisition. As a result, the pro forma consolidated Statement of Financial Position as at 30 June 2016 has been prepared as a continuation of the Cycliq’s financial statements, with Cycliq (as the accounting acquirer) accounting for the acquisitions as from 30 June 2016 (for the purposes of the pro forma consolidated Statement of Financial Position). As the activities of the legal acquirer (Voyager Global Group Ltd) would not constitute a business based on the requirements of AASB 3, any excess of the deemed consideration over the fair value of the acquisitions, as calculated in accordance with the reverse acquisition accounting principles, cannot be taken to goodwill and has been expensed as part of the transaction.

(p) **Critical accounting estimates and critical judgements in applying accounting policies**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions

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 by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of

assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Note 2: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Voyager Global Group Ltd and Federation Enterprises (WA) Pty Ltd as at 30 June 2016 to reflect the financial effects of the following subsequent events which have occurred since 30 June 2016:

- (a) In July 2016, Voyager issued 18,966,865 shares to raise \$379,337;
- (b) Accrual of 10% interest on the convertible notes in Cycliq until the completion of the transaction for an approximately \$48,500.

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- (a) the issue of 125,000,000 shares at an issue price of \$0.02 each to raise up to \$2,500,000 before costs based on the minimum subscription or the issue of up to 250,000,000 shares at an issue price of \$0.02 each to raise up to \$5,000,000 before costs based on the maximum subscription;
- (b) Costs of the Offers are estimated to be \$345,000 (\$150,000 relates to capital raising fees) based on the minimum Public Offer subscription or \$500,000 (\$300,000 relates to capital raising fees) based on the maximum Public Offer subscription, which are to be offset against the contributed equity;
- (c) the issue of 220,000,000 shares and 10,000,000 Performance Shares in consideration for the acquisition of 100% of Federation Enterprises (WA) Pty Ltd. Included in the total number of shares and performance shares to be issued are:
 - (i) 10,280,374 shares and 500,000 performance shares (which converts to a maximum of 10,000,000 Shares) to Merchant as the success fee;
 - (ii) 11,612,150 shares and 200,000 performance shares (which converts to a maximum of 4,000,000 shares) to Nameo as the strategic adviser fee and success fee;
 - (iii) 2,500,000 shares to Anthony Minchin as a share based payment in lieu of services provided to Federation Enterprises (WA) Pty Ltd;
- (d) the issue of 155,000,000 shares to noteholders of Federation Enterprises (WA) Pty Ltd due to the conversion of convertible notes with principal amount of \$2,325,000;

- (e) Interest on convertible notes amounting to \$157,127 (including further \$48,500 accrued in subsequent event above) in Cycliq is repaid at the transaction date;
- (f) the issue of up to 43,000,000 performance options to certain Directors and employees, subject to Shareholder and ASX approval.

Note 3: Cash & Cash equivalents

	Pro forma after Offers	
	Minimum	Maximum
	\$	\$
Cash and cash equivalents	3,143,678	5,488,678
Reviewed balance of Voyager as at 30 June 2016	9,073	9,073
Reviewed balance of Cycliq as at 30 June 2016	757,395	757,395
<i>Subsequent events:</i>		
Net proceeds from issue of shares - Voyager	379,337	379,337
Total	379,337	379,337
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued under the Public Offer	2,500,000	5,000,000
Costs of offers	(345,000)	(500,000)
Settlement of interest on convertible note	(157,127)	(157,127)
Total	1,997,873	4,342,873
Pro-forma Balance	3,143,678	5,488,678

Note 4: Borrowings – Current Liabilities

	Pro Forma after Offers \$
Trade and other payables	9,664
Reviewed balance of Voyager as at 30 June 2016	9,664
Reviewed balance of Cycliq as at 30 June 2016	2,433,627
<i>Subsequent events:</i>	
Additional accrual of 10% interest on convertible notes – Cycliq	48,500
Total	48,500
<i>Pro-forma adjustments:</i>	
Conversion convertible notes to ordinary shares	(2,325,000)
Repayment of interest on convertible notes in Cycliq	(157,127)
Total	(2,482,127)
Pro-forma Balance	9,664

Note 5: Issued Capital

			Pro forma after Offers	
			Minimum	Maximum
			\$	\$
Issued capital			7,095,165	9,445,165
	Number of shares (min)	Number of shares (max)	\$	\$
Fully paid ordinary share capital of Voyager as at 30 June 2016	18,966,865	18,966,865	72,127,554	72,127,554
Fully paid ordinary share capital of Cycliq as at 30 June 2016	5,000,000	5,000,000	1,173,640	1,173,640
<i>Subsequent events:</i>				
Issue of shares to raise capital in Voyager	18,966,865	18,966,865	379,337	379,337
Total	18,966,865	18,966,865	379,337	379,337
<i>Pro-forma adjustments:</i>				
Issue of shares to noteholders	155,000,000	155,000,000	2,325,000	2,325,000
<i>*Issue of shares to acquire Cycliq:</i>				
- Shares to existing shareholders of Cycliq	195,607,476	195,607,476	758,675	758,675
- Shares to Merchant	10,280,374	10,280,374	205,607	205,607
- Shares to Nameo	11,612,150	11,612,150	232,243	232,243
- Shares to employee of Cycliq (Anthony Minchin)	2,500,000	2,500,000	50,000	50,000
Elimination of Voyager's issued capital on acquisition	-	-	(72,506,891)	(72,506,891)
Proceeds from shares issued under the Public Offer	125,000,000	250,000,000	2,500,000	5,000,000
Capital raising costs	-	-	(150,000)	(300,000)
Total	500,000,000	625,000,000	(66,585,366)	(64,235,366)
#Pro-forma Balance	537,933,730	662,933,730	7,095,165	9,445,165

#The share capital issued subsequent to the deemed acquisition reflect the share structure of the legal parent entity – Voyager.

**Consideration of the acquisition*

In accordance with reverse asset acquisition accounting principles the consideration is deemed to have been incurred by Cycliq in the form of equity instruments issued to Voyager shareholders. The acquisition date fair value of this consideration has been determined with reference to the fair value of the issued

shares of Voyager immediately prior to the acquisition and has been determined to be \$758,675 based on 37,933,730 shares based on a value of \$0.02 per share, being the issue price under the Prospectus. As a result, transaction costs of \$507,803 have been determined being the difference between the consideration and the fair value of net assets of Voyager Global Group Ltd for the purposes of preparation of the pro forma financial information.

At the actual acquisition date the fair value will be required to be determined again, therefore the fair value and consideration could be materially different which will impact the excess deemed consideration on acquisition.

Note 6: Reserves

	Pro forma after Offers
	\$
Reserves	<u>130,876</u>

	Number of performance shares	\$
Reviewed balance of Voyager as at 30 June 2016	-	-
Reviewed balance of Cycliq as at 30 June 2016	-	(9,124)

Pro-forma adjustments:

Issue of performance shares to acquire Cycliq:

- Performance shares to existing shareholders of Cycliq*	9,300,000	-
- Performance shares to Merchant #	500,000	100,000
- Performance shares to Nameo #	200,000	40,000
Total	<u>10,000,000</u>	<u>140,000</u>
Pro-forma Balance	<u>10,000,000</u>	<u>130,876</u>

* Performance shares of 9,300,000 that were issued as part of the acquisition of Cycliq have been treated in accordance to the Consideration of the Acquisition note disclosed in Note 5 of this report.

Performance shares issued to Merchant and Nameo have been valued in line with the Conversion of Performance Shares denoted below. At the date of this report, the board has applied a 50% probability that the company will achieve the milestone requirements of the performance shares.

Milestones

The Performance Shares convert into Shares as at the date the Company satisfies any one of the following milestones:

- (a) the Company reporting consolidated earnings before interest, tax, depreciation and amortisation of at least \$3,000,000 from the Cycliq assets and business and any derivatives thereof; or
- (b) the Company reporting consolidated revenue of at least \$30,000,000;

based on the Company's consolidated audited accounts, provided that the Milestones is satisfied by no later than 30 June of the fourth 4 financial year following the Issue Date (not including the financial year in which the Issue Date occurs).

Conversion of Performance Shares

In the event a Milestone is satisfied, all of the Performance Shares held by the Holder will convert into Shares and the number of Shares into which each Performance Share is converted shall be equal to:

- (a) the total number of Shares that are issued upon conversion of the Performance Shares (assuming that all Performance Shares are converted), which must have an aggregate value equivalent to \$4,000,000 based on a deemed issue price of the higher of:
 - (i) \$0.02; and
 - (ii) the 20 day VWAP for Shares, calculated over the 20 trading days on which trades in the Company's shares are recorded immediately before a Milestone is satisfied; divided by
- (b) 10,000,000 (being the total number of Performance Shares issued at Settlement).

Refer to Section 7.11 for some examples of how this conversion will work depending on the conversion price

Performance Options

The company intends to issue up to 43,000,000 performance options to certain Directors and employees. These options are subject to certain milestones and Shareholder and ASX approval. These options represent post RTO employment benefits and will not be considered granted until shareholder approval is obtained. For the purposes of the compilation of the pro-forma these options have not been accounted for, however in the event the options are approved by shareholders and granted, an expense will result in future periods.

Note 7: Accumulated Losses

	Pro forma after Offers	
	Minimum \$	Maximum \$
Accumulated losses	(4,073,738)	(4,078,738)
Reviewed balance of Voyager as at 30 June 2016	(72,256,019)	(72,256,019)
Reviewed balance of Cycliq as at 30 June 2016	(2,694,585)	(2,694,585)
<i>Subsequent events:</i>		
Additional accrual of 10% interest on convertible notes - Cycliq	(48,500)	(48,500)
Total	(48,500)	(48,500)
<i>Pro-forma adjustments:</i>		
Excess deemed consideration on acquisition – transaction cost	(507,803)	(507,803)
Elimination of Voyager's accumulated losses on acquisition	72,256,019	72,256,019
Other costs of acquisition	(195,000)	(200,000)
Success fee for Merchant	(305,607)	(305,607)
Strategic adviser fee and success fee for Nameo	(272,243)	(272,243)
Share based payment for employee (Anthony Minchin)	(50,000)	(50,000)
Total	70,925,366	70,920,366
Pro-forma Balance	(4,073,738)	(4,078,738)

Note 10: Related Parties

Refer to Section 9 of the Prospectus for the Board and Management Interests.

Note 11: Commitments and Contingent Liabilities

At the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in this Prospectus.

Note 12: Subsequent Events

Subsequent to 30 June 2016 the following events have occurred which have been reflected in the pro-forma adjustments:

- (a) In July 2016, Voyager issued 18,966,865 shares to raise \$379,337;
- (b) Other than disclosed above there have been no material events subsequent to balance date that we are aware of, other than those disclosed in this Prospectus.

Note 13: Trade and other receivables**Federation Enterprises (WA) Pty Ltd**

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
GST refundable	75,486	4,123	9,787
R&D tax refundable	-	70,656	38,893
Accrued income	-	52,500	-
	75,486	127,279	48,680

Note 14: Inventory**Federation Enterprises (WA) Pty Ltd**

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Stock in transit at cost	-	-	121,020
Stock on hand at cost	60,027	591,100	10,321
	60,027	591,100	131,341

Note 15: Other current assets**Federation Enterprises (WA) Pty Ltd**

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Loan to Breakwater (WA) Trust	-	3,833	3,083
Prepayment	121,016	-	-
	121,016	3,833	3,083

Note 16: Trade and other payables**Federation Enterprises (WA) Pty Ltd**

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Trade payables	80,250	30,566	159,788
Accrued charges	50,500	17,000	166,463
PAYG withholding payable	20,343	-	-
Superannuation payable	3,900	-	-
	154,993	47,566	326,251

Note 17: Borrowings

Federation Enterprises (WA) Pty Ltd

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Loan unsecured – Sunset Enterprises (WA) Trust	-	89,167	41,917
Loan unsecured – Tuart Properties	-	225,540	244,100
Loan unsecured – Troy Boekeman	-	112,283	-
Loan unsecured – Mark Wallis	-	112,271	-
Loan unsecured – JW & SH	-	139,832	-
Loan unsecured – R Fiegert	-	359,977	-
Loan unsecured – Matt Backhouse	-	57,500	-
Loan unsecured – A Hagen	-	60,000	-
Convertible notes	2,433,627	-	-
	2,433,627	1,156,570	286,017

Terms of convertible notes:

The terms of the convertible notes issued on or about 11 January 2016 are set out in Section 14.17.

Note 18: Unearned income

Federation Enterprises (WA) Pty Ltd

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Fly 12 Presale	-	75,700	-
Kickstarter Fly 12	-	668,721	-
	-	744,421	-

Note 19: Revenue

Federation Enterprises (WA) Pty Ltd

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Sales – Fly6	1,187,211	1,110,509	529,685
Sales – Fly12	1,137,688	-	-
Sales – Adaptor	3,656	2,793	-
	2,328,555	1,113,302	529,685

Note 20: Cost of sales**Federation Enterprises (WA) Pty Ltd**

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Opening stock	591,100	10,321	-
Purchases			
Purchases	739,245	873,564	85,189
Manufacturing costs	60,881	476,169	212,287
	800,126	1,349,733	297,476
Closing stock	(60,027)	(591,100)	(10,321)
Cost of goods sold	1,331,199	768,594	287,155

Note 21: Distribution expenses**Federation Enterprises (WA) Pty Ltd**

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Advertising and promotion	557,335	176,158	123,134
Freight and courier	219,684	228,510	19,211
Entertainment	1,040	498	-
Kickstarter fee	-	62,658	-
Travel	151,022	94,677	38,384
	929,081	562,501	180,729

Note 22: Other Operating expenses**Federation Enterprises (WA) Pty Ltd**

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Contractor & subcontractors	143,083	101,577	-
Donations	-	-	1,000
Consulting	321,652	-	-
IT costs	148,812	108,131	45,384
Minor assets < \$300	1,083	2,051	-
Project management costs	-	205,000	-
Accommodation expenses	56,118	35,800	-

Foreign currency gains and losses	2,119	8,451	6,309
Insurances	26,949	8,735	2,480
Other operating expenses	59,343	37,034	2,771
	759,159	506,779	57,944

Note 23: Reconciliation of loss from ordinary activities to cash flows from operating activities

Federation Enterprises (WA) Pty Ltd

	Audited 30 June 2016	Audited 30 June 2015	Audited 30 June 2014
	\$	\$	\$
Loss from ordinary activities	(1,540,352)	(852,963)	(210,667)
<u>Non-cash items:</u>			
Depreciation	7,177	6,993	44,392
<u>(Increase)/decrease in assets:</u>			
Current trade and other receivables	51,791	(78,599)	14,245
Inventories	531,073	(459,759)	(131,341)
Other assets	(121,015)	-	-
<u>Increase/(decrease) in liabilities:</u>			
Current trade and other payables	99,873	(280,255)	326,251
Unearned income	(744,421)	744,421	-
Accrued interest	108,627	77,698	-
Provisions	8,715	-	-
Cash flows from operating activities	(1,598,532)	(842,464)	42,880

26 October 2016
Our Ref: Z6112AU00

The Directors
Federation Enterprises (WA) Pty Ltd
PO Box 130
Leederville WA 6903

By Email: directors@cycliq.com

Melbourne
302 Burwood Road
Hawthorn VIC 3122 Australia
Postal address: GPO Box 5093
Melbourne Vic 3001 Australia
T +613 9819 1664
F +613 9819 6010

Sydney
Building 1 Binary Centre
3 Richardson Place
North Ryde NSW 2113 Australia
Postal address: PO Box 395
North Ryde NSW 1670 Australia
T +612 9888 6600
F +612 9888 7600

Perth
362 Rokeby Road
Subiaco WA 6008 Australia
Postal address: GPO Box 2512
Perth WA 6001 Australia
T +618 9325 1900
F +618 9325 4463

E mail@watermark.com.au
www.watermark.com.au

Dear Sirs

Re: Intellectual Property Report for Federation Enterprises (WA) Pty Ltd

Watermark has been requested to provide a report on the Intellectual Property (IP) of Federation Enterprises (WA) Pty Ltd ("Cycliq"), for inclusion in a prospectus ("Prospectus") to be issued by Voyager Global Group Limited ("Company") to be renamed Cycliq Group Ltd.

The Company has entered into a Heads of Agreement to acquire Cycliq. Further details of this acquisition are contained in the Prospectus.

1. Background, Interests and Disclosure

- 1.1. In preparing this report, Watermark has relied upon independent enquiries, searches, documentation and information provided by officers and senior management of Cycliq.
- 1.2. The details in this report are believed to be correct as of the date of this report.
- 1.3. Watermark acts as IP service provider to Cycliq, including the filing and prosecution of patents and trade marks.
- 1.4. Watermark does not have any shareholding in Cycliq or any interest in the outcome of the Prospectus other than in connection with the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.
- 1.5. Watermark has consented to the inclusion of this IP Report in the Prospectus in the form and context in which it is prepared, but has not authorized the issue of the Prospectus. Accordingly, Watermark makes no representation regarding and takes no responsibility for, any other statements or material in, or omissions from, the Prospectus.
- 1.6. Watermark, in providing this report, is not to be taken as an endorsement of Cycliq technologies or the offering made pursuant to the Prospectus.
- 1.7. Watermark assumes no obligation to update this Report based on future developments of law or fact or information that may come to the attention of Watermark a future date.

Watermark Patent and Trade
Marks Attorneys in association
with Watermark Intellectual
Property Lawyers

ABN 61 266 251 581

2. Cycliq Intellectual Property Strategy

The IP strategy of Cycliq revolves around protection of its bicycle accessory products, particularly though not exclusively, its combination High Definition (HD) camera and light products and mounts for combined HD camera and light products, through patents, designs copyright, confidential information and registered and unregistered trade marks.

- 2.1. The combined light and camera products are aimed at improving road safety and enjoyment for cyclists and others through raising awareness that actions and incidents can be recorded and thereby promote the need and value for additional space and respect while sharing the road.
- 2.2. Cycliq has taken steps to secure ownership of patents for a combined light and camera for use on a cycle, and for a bracket for mounting a combined HD camera and light to a bicycle.
- 2.3. Cycliq has taken steps to secure ownership of registered trade marks in Australia, with plans for additional trade mark protection overseas as markets develop.
- 2.4. Unregistered trade marks may be protected by the common law regimes of passing off and misleading and deceptive conduct under the Australian Consumer Law.

3. Intellectual Property – General

- 3.1. Generally, "intellectual property" refers to a group of registrable and non-registrable rights, including rights in patents, designs, trade marks, plant varieties, copyright, confidential information and trade secrets.
- 3.2. Intellectual property has many of the characteristics possessed by real and personal property. In particular, intellectual property is an asset, which may be bought, sold, licensed, exchanged, or otherwise transferred as other forms of property. Accordingly, an intellectual property owner has the right to restrict or prevent the unauthorized use, manufacture, import, or sale of its property.

4. Patents/Protection for Inventions

- 4.1. This section on patents provides only a high level summary of the patent system. It is not to be taken as an exhaustive description of patent law or of related risks regarding patents.
- 4.2. Patents cover inventions and protect 'functional' aspects of technology, as opposed to visual features protected under other regimes, such as design or copyright.
- 4.3. Patents enable an owner to exclude others from practicing the claims of the patent in exchange for an inventor's full disclosure of the invention to the public.
- 4.4. Typically, a patent for an invention may only be granted to inventor(s), or to (an)other person(s) or to an incorporated entity having entitlement to the invention by way of an assignment or other means.
- 4.5. A patent is a right that is granted by a government or authorized government agency for any device, system, substance, method or process that is novel (new), inventive (non-obvious) and useful. A patent is legally enforceable and gives the owner exclusive rights to commercially exploit the invention in the patent area for the life of the patent (typically up to 20 years).
- 4.6. It can be necessary to pay renewal or maintenance fees on a periodic basis to national patent offices to maintain a pending application or patent in force.
- 4.7. Patents may be granted in relation to a wide range of subject matter, such as new or improved products. Such subject matter typically should have an industrial application or be useful in connection with a product or a service.
- 4.8. A patent cannot be granted on a worldwide basis; rather, patents must be obtained in every country (or regions formed by groups of countries) where protection is required. Although there is a certain amount of harmonization between the patent granting procedures and standards throughout the world, there are differences regarding the tests for patentability, novelty and inventiveness.

- 4.9. Accordingly, the scope of the same originating patent may vary from country to country and indeed a patent may not be granted in a particular country for failure to comply with the relevant national/regional requirements.

The Patenting Process

- 4.10. In most countries of the world, the process of protecting patent rights begins with the submission of a patent application having (i) a patent specification describing the invention, (ii) drawings illustrating the invention, and (iii) claims specifying the scope of the invention.
- 4.11. A fundamental requirement of all patent systems is that an invention be novel and inventive at the time of filing, relative to what was publicly known or used at the date of the application. It is important that the specification (including the drawings) of the patent application contains a full disclosure of the invention. A patent specification generally consists of a description of the invention and claims, which define the scope of the invention. The description of the invention includes references to drawings that illustrate the invention and different examples of the invention. The description also typically provides background information, such as a description of existing products, manufacturing or testing methods, or processes and related problems, which enable an examiner and others to assess the application for inventiveness.
- 4.12. Pursuant to an International Treaty called the Paris Convention, once the initial application has been filed, further applications in foreign countries must be filed within twelve (12) months, otherwise rights to the invention may be lost in those countries.
- 4.13. The filing of an initial patent application establishes a priority date for the invention in all other countries which are party to the Paris Convention, including countries such as the United States, Japan, Australia, China, Canada and countries within the European Union
- 4.14. The filing of further patent applications in foreign countries may be pursued individually or in some instances by filing an application with a regional patent office that does the work for a number of countries, such as the European Patent Office and the African Regional Industrial Property Organization (ARIPO). Under such regional systems, an applicant requests protection for the invention in one or more countries, and each country decides as to whether to offer patent protection within its borders.
- 4.15. The WIPO-administered Patent Cooperation Treaty ("PCT") provides for the filing of a single international patent application, which serves as a placeholder, for up to 30 months (some countries allow 31 months) from the earliest filing date, until the applicant files national applications in the designated countries.
- 4.16. As at 1 August 2016, 150 countries are party to the PCT. If patent protection is required in a country that is not party to the PCT then individual applications must be filed in these countries by the twelve (12) month anniversary of the initially filed application. An example of a country that is not a party to the PCT is Argentina.
- 4.17. Patent applications filed individually in countries, rather than via the PCT, are examined under the national laws of those countries. However, a PCT application is considered under the articles of the PCT. Once the PCT application has been filed, it is subjected to what is called an "international search" carried out by one of the major patent offices. The Australian patents office, IP Australia, is one of those search authorities. The search results are then communicated to the patent applicant in an "international search report" which is a listing of published documents that might affect the patentability of the invention claimed in the international application. On the basis of the international search report the applicant may decide to withdraw the application. However, if the PCT application is not withdrawn, it is, together with the international search report, published by the International Bureau.
- 4.18. If the applicant decides to continue with the international application, then within thirty (30) months of the provisional patent application filing date, national patent applications need to be filed. In some countries such as Australia and regions such as Europe, the deadline is thirty-one (31) months.
- 4.19. Under the PCT rules, the applicant can also request preliminary examination, which is a report, prepared by one of the major patent offices that gives a preliminary and non-binding opinion on the patentability of the claimed invention.

- 4.20. Once the PCT process has been completed, the applicant nationalizes the PCT application in certain regions or individual countries, as the PCT application itself does not mature into a patent. The applicant may choose to enter one or more of the countries designated in the original PCT application. Entry into the national phase is essentially the same as filing an application in the first instance. Thus, the standard documentation and fee requirements will need to be satisfied in each country. Many non-English speaking countries require a translation of the PCT specification into the language of the relevant country. Failure to enter the national phase within the thirty (30) (or thirty-one (31)) month period will result in abandonment of the ability to secure patent protection in most PCT countries.
- 4.21. The national or regional applications progress under the legislation of each country or region. In most jurisdictions, such as Australia, Europe, United States and Japan, examination by the relevant patent office comprises an examination of the art to which the Invention pertains as it existed at the priority date of the application. This examination establishes what is referred to as the "state of the art".
- 4.22. The patent application is measured against the state of the art and an assessment is made regarding whether the invention described in the application is novel, inventive and useful. The patent application is also examined to ensure the invention is directed to something more than an abstract idea.
- 4.23. Once the patent application is deemed to be novel, inventive, useful, and non-abstract, the patent office will indicate the patent application is allowable. At this point, the applicant has to pay a grant or issue fee and address any minor issues raised by the patent office. After the fee has been paid and those issues have been resolved, the patent office will grant a patent from the patent application.
- 4.24. The time required to complete the process of examination differs from country-to-country and the scope or protection may differ depending upon the law of each country. In general, it will take several years from the date of application until the patent is actually granted.
- 4.25. With respect to regional applications, such as a European patent application, the applicant files a single application designating specific countries within the relevant region that are signatories to the Paris Convention.
- 4.26. The single application is subjected to examination, and assuming that the application is allowed, it will proceed to the grant phase. The applicant can then elect to have patents granted in all or some of the designated countries. The individual patents function as though they were patents granted by the patent office of the designated country.
- 4.27. After a patent has been granted, renewal or maintenance fees may need to be paid, otherwise the patent will cease or expire. Once a patent has been granted and subject to possible 'opposition' challenges managed within the respective patents office, the owner has the exclusive rights to exclude others from using the patented technology throughout the lifetime of a patent. This means that the owner can prevent others from using or selling the method or product covered by the claims of the granted patent.
- 4.28. Alternatively, the owner authorise others to make or sell products or services covered by at least one claim of the patent under the terms of a license agreement. The terms of the license agreement generally define the limited scope of the use of the patent and the consideration to be paid for the use of the patent.
- 4.29. Enforcement of patent rights varies from country-to-country. The remedies for unauthorised use (patent infringement) available to the patent owner may include an injunction, which effectively stops further infringement of the patent, damages or account of profits, and costs.
- 4.30. The cost of patent enforcement varies significantly from country-to-country in addition to the calculation for damages and the basis for determining whether to grant an injunction. Infringement proceedings cannot be initiated on the basis of a pending application
- 4.31. A provisional patent application is an Australian originating patent application that provides a priority right to file one or more complete patent applications in Australia and/or overseas based on the subject matter and contents of the specification and drawings filed with provisional patent application.
- 4.32. A provisional patent application lasts a maximum of 12 months from filing, and never itself becomes a patent.

5. Patents and Patent Applications of Federation Enterprises (WA) Pty Ltd

Title: Bicycle Camera

Inventors: Kingsley Fiegert and Andrew Hagen

Applicant: Federation Enterprises (WA) Pty Ltd

Abstract

A bicycle camera (10) comprising a housing (12) mountable to a seat post (14) of a bicycle (15). A camera (24) is provided within the housing (12) and a tail light (26) is provided within the housing (12) such that when the housing (12) is secured to the seat post (14), the tail light (26) provides illumination directed rearwardly of the bicycle (15) and the camera (24) is directed rearwardly of the bicycle (15) to capture images.

Country/ Jurisdiction	Application Number	Patent Number	Filing Date	Status	Renewal Date	Expiry Date
Australia (provisional)	201390068	N/A	1 Mar 2013	Closed (PCT filed)	N/A	N/A
Patent Cooperation Treaty Designated for: All States	PCT/AU2014/000185 Published as WO2014/131086	N/A	27 Feb 2014	Completed	N/A	N/A
Australia	2014223307	2014223307	27 Feb 2014	Pending	27 Feb 2018	27 Feb 2034
Australia	2015101126 (Innovation)	2015101126	27 Feb 2014	Certified	27 Feb 2017	27 Feb 2034
Japan	2015-559395	Not allocated yet	27 Feb 2014	Pending	Not yet set	27 Feb 2034
USA	14/770372	Not allocated yet	27 Feb 2014	Pending	Not yet set	27 Feb 2034
United Kingdom	1517181.2	Not allocated yet	27 Feb 2014	Pending	Not yet set	27 Feb 2034

Title: Bicycle Camera and Bicycle Camera System

Inventors: Kingsley Fiegert and Andrew Hagen

Applicant: Federation Enterprises (WA) Pty Ltd

Abstract

A bicycle camera (10) comprising a housing (14) mountable to handlebar of a bicycle. A camera (23) is provided within the housing (14) directed to capture images outwardly through a first aperture (18) in a first end wall (16) of the housing (17) and a headlight (22) is provided within the housing (14) to illuminate outwardly through a second aperture (19) in the first end wall (16) of the housing (14). The first end wall (16) includes first and second sides (42, 43) and first and second ends (44, 45) such that the distance between the first and second sides (42, 43) is less than the distance between the first and second ends (44, 45) and wherein the first and second apertures (18, 19) are located on axis parallel to the first and second sides (42, 43).

Country	Application Number	Patent Number	Filing Date	Status	Renewal Date	Expiry Date
Australia	2015900560 (provisional)	N/A	18 Feb 2015	Completed	N/A	N/A
Patent Cooperation Treaty Designated for: All States	PCT/AU2016/050109 Published as WO2016/131104	N/A	17 Feb 2016	Pending	N/A	N/A

Title: Mounting Bracket
Inventors: Kingsley Fiegert and Andrew Hagen
Applicant: Federation Enterprises (WA) Pty Ltd

Country	Application Number	Patent Number	Filing Date	Status	Renewal Date	Expiry Date
Australia	2016902539 (provisional)	N/A	28/6/2016	Pending	N/A	N/A

6. Trade Marks

- 6.1. Trade marks are a sign used in the course of trade to distinguish the goods and/or services of one trader from those of another trader. Trade marks are therefore an indicator of origin and/or characteristic(s) of goods and/or services provided by or authorised by the trade mark owner.
- 6.2. Trade marks include distinctive words, devices, symbols, logos, phrases, colours, aroma, and shape of product.
- 6.3. Trade mark applications in Australia undergo examination on absolute (descriptiveness) and relative (prior existing marks) grounds.
- 6.4. Once registered, trade marks typically require two elements for maintenance:
 - 6.4.1. continued use and
 - 6.4.2. renewal every ten years.
- 6.5. Many jurisdictions, such as the USA, require periodic filing of evidence of use of the trade mark in that jurisdiction for the claimed/registered goods and/or services. Failure to maintain use can result in lapsing of the trade mark registration.
- 6.6. Unlike registered patents, designs, and even copyright, registered trade marks can last perpetually providing they are used in respect of the goods/services for which they are registered, and renewed.
- 6.7. Like patents, trade mark protection can be sought overseas under the Paris Convention relying on a 6 month priority period. However, unlike patents, national/overseas trademarking can be sought even if the trade mark has been used prior to filing (subject to no prior third party rights existing).
- 6.8. Overseas trade mark protection is often sought using the Madrid Protocol system. The Madrid Protocol provides for a centralised administrative process (akin to the PCT system for patents), with subsequent national/regional entry into pre-designated jurisdictions. Subsequent jurisdictions can be added to an existing Madrid Protocol international registration.
- 6.9. If no objection is received from a designated country within a prescribed period of 12 months (18 months for some countries), the trade mark is automatically deemed registered for that country.
- 6.10. For countries not party to the Madrid Protocol, direct (Paris Convention or non-Paris Convention) applications can be filed and have to comply with the local national requirements for registration.
- 6.11. The following trade marks are pending or registered in the name of Cycliq at the identified trade marks offices, as shown in the following tables:

Plain Word Mark: FLY6

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1569660/ 1569660	27 July 2013/ 20 Feb 2014	Registered	27 July 2023	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras
International (Madrid Protocol) Designated for US and China	1201785/ 1201785	10 Dec 2013	US registered CN refused	10 Dec 2023	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras

Plain Word Mark: CYCLIQ

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1645755/ 1645755	10 Sep 2014/ 9 April 2015	Registered	10 Sep 2024	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras
International (Madrid Protocol) Designated for US, EU and China	1256600/ 1256600	13 Feb 2015	Registered in US, EU, China	13 Feb 2025	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras

Plain Word Mark: FLY12

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1672549/ 1672549	4 Feb 2015/ 2 Sep 2015	Registered	4 Feb 2025	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras

Logo Mark:



Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1770501	12/05/2016	Accepted	TBC	Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information

Logo Mark:



Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1770497	12/05/2016	Accepted	TBC	Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information



Logo Mark:

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1771500	12/05/2016	Accepted	TBC	Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information



Logo Mark:

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1770498	12/05/2016	Accepted	TBC	Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information

Plain Word Mark: FLY SMART

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1770499	12/05/2016	Accepted	TBC	Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information

7. Unregistered Word Mark: CYCLIQ PLUS

7.1. Cycliq also uses CYCLIQ PLUS as an unregistered trade mark.

8. Designs

8.1. Design registrations protect the new and unique visual appearance of products or components of products. Visual appearance can be 2-dimensional, such as ornamentation provided by a printed image, or 3-dimensional, such as the physical shape of the product.

8.2. Design registration in Australia last for a maximum of 10 years, with a single renewal due at the 5th anniversary.

8.3. Australian design registrations are not automatically examined for newness and distinctiveness compared with existing prior art. Examination has to be requested. If the design successfully completes the examination process, the design registration becomes certified and is then enforceable. An unexamined design registration is not enforceable.

8.4. Most jurisdictions also provide for registration of designs, sometimes termed a 'design patent' for the visual features of the product. Australia is not party to the international design registration process via the Hague Convention, and therefore overseas design filings from Australia have to be direct, national applications, often using the 6 month Paris Convention priority period.

8.5. The maximum term of overseas design registrations varies widely, from 10 years to a maximum of 25 years (renewable in 5 year blocks) for a European Union Design Registration

8.6. Under USA legislation, protection for the shape of products falls under the USA 'Design Patent' rules governed by the US Patent and Trademarks Office (USPTO) covering ornamental inventions rather than utility/functional inventions.

Title: Bicycle Camera (FLY12)
Authors: Kingsley Fiegert and Andrew Hagen

Country	Application No.	Filing Date	Status	Renewal Date	Expiry Date
Australia	201611767/ 201611767	30 March 2016	Registered	30 March 2021	30 March 2026

Title: Bicycle Camera (FLY12)
Authors: Kingsley Fiegert and Andrew Hagen

Country	Application No..	Filing Date	Status	Renewal Date	Expiry Date
USA	29/578,974	27 September 2016	Filed	N/A	TBC
European Union	3398270	28 September 2016	Filed	TBC	TBC

9. Domain Names

9.1. A domain name is a license between the domain name registrant and relevant domain name provider that allows the registrant to exclusively use the domain name for the term of the license.

9.2. Cycliq owns the following domain name license:

Domain Name	Registrant	Renewal Date
cycliq.com	Federation Enterprises (WA) Pty Ltd	12 December 2024
cycliq.com.au	Federation Enterprises (WA) Pty Ltd	TBC

10. Confidential Information/Know-How

10.1. Confidential Information and Know-How is all information relating to the business and technology of Cycliq that is confidentially held and known only by persons within Cycliq or other persons subject to an obligation of confidence owed to Cycliq. This information generally includes:

- 10.1.1. Undisclosed formulae, designs, drawings, procedures and methods;
- 10.1.2. Accumulated skills and experience of employees and consultants of Cycliq which could assist in giving Cycliq a competitive advantage; and
- 10.1.3. Expert knowledge on the design, production and use/application of Cycliq products and of its sale, usage or disposition

10.2. Know-how and Confidential Information is protected by those equipped with such knowledge being contracted to keep such information confidential and/or by the common law tort of breach of confidence.

10.3. Know-How and Confidential Information within Cycliq includes the following:

Information	Description
Technical innovations	Product designs and drawings

10.4. The Know-How and Confidential information of Cycliq is protected by confidentiality clauses in agreements, including Consultancy Agreements and Sale and Purchase Agreement.

11. Miscellaneous IP Matters

11.1. Distribution/JV/Partner agreements: Cycliq has not entered into any distribution/JV/Partner agreements that include a licence or transfer of Cycliq intellectual property.

11.2. Valuations of the IP: No valuations of Cycliq's intellectual property have been conducted.

11.3.Previous and current litigation (actual or threatened) regarding the IP: There is no previous, current or threatened litigation in relation to Cycliq intellectual property.

11.4.Security of data and software: procedures have been implemented to ensure the security, confidentiality and integrity of data and software.

RISKS

Watermark has reviewed the Australian trade mark register for *CYLIQ*, *FLY6*, *FLY12*, *FLYSMART* and the *Q* device trade marks (Cycliq's trade marks). No trade marks of concern were identified that would otherwise prevent or restrict the use of the *CYLIQ*, *FLY6*, *FLY12*, *FLYSMART* and *Q* device trade marks listed in the tables above.

Watermark has not conducted overseas patent and trade mark searches for freedom to operate, patentability, and freedom to register the Cycliq trade marks.

Watermark has not conducted any in depth freedom to operate analysis in relation to the use of the  branded mobile Application.

Confidential information, such as client/customer lists/data, pricing, sourcing of components/products, manufacturing etc., are often at risk of loss of confidentiality e.g. by unauthorised third party access or accidental or intended (malicious) staff access. Staff (and anyone with access to the data) must be limited by employment agreements containing IP clauses explaining the person's duty regarding IP and confidential information.

Watermark

Watermark are Intellectual Property advisors and service providers to Federation Enterprises (WA) Pty Ltd.

Watermark is a group of businesses including Watermark Patent and Trade Mark Attorneys established in 1859 and with offices in Melbourne, Sydney and Perth. Watermark also includes Watermark Intellectual Property Lawyers providing legal commercial and litigation services, and Watermark Advisory Services providing R&D Tax Incentive compliance and claims services.

All Principals of Watermark are Fellows of the Institute of Patent and Trade Mark Attorneys of Australia. More information about Watermark, its Principals and practitioners, can be found at www.watermark.com.au.

Watermark was appointed in April 2016 to advise Cycliq in relation to the intellectual property residing in or directly relating to products of Cycliq, such as offered under the trading name CYCLIQ.

Some of the intellectual property listed in this report has been prepared by a third party IP service provider prior to the care and management by Watermark. The veracity of information obtained from third party sources is not guaranteed.

Neither Watermark nor any of its Principals has, or is entitled, to any shares in Federation Enterprises (WA) Pty Ltd.

This report has been prepared at the request of the directors of Cycliq, and Watermark will be paid at commercial rates for the preparation of this report.

Watermark has no involvement in the ownership, operations or management of Cycliq as a business or service offering.

Yours faithfully



Mark Pullen
Principal
On behalf of Watermark

13. CORPORATE GOVERNANCE

13.1 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.

13.2 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.

13.3 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 Cycliq 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.

13.4 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.

13.5 Identification and Management of Risk

The Board will be 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.

13.6 Ethical Standards

The Incoming Directors are committed to the establishment and maintenance of appropriate ethical standards and pursuant to a Code of conduct which has been adopted as part of the Corporate Governance which the Incoming Directors will abide by. 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 responsibilities incorporated in the Code of Conduct include protection of the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

13.7 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.

13.8 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. The current amount has been set an amount not to exceed \$350,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a 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 Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and 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. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

13.9 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.

13.10 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.

13.11 Audit Committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

13.12 Diversity Policy

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

13.13 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 expected compliance and departures from the Recommendations following Settlement of the Acquisition are set out below.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1-1.6 The Company is compliant with Recommendations 1.1 – 1.6.		
Principle 2: Structure the Board to add value		
Recommendation 2.1 The Board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	NO	(a) As the Board only consists of three (3) members, the Company does not have a Nomination Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of a Nomination Committee are currently carried out by the board. (b) The Company has adopted the Nomination Committee Charter, which will be followed by the Nomination Committee once it has been established. The Charter provides that the Committee: (i) shall comprise of at least three (3) non-executive directors, the majority of whom are independent. ; and (ii) the Committee Chairman is to be an independent Director. (iii) The Nomination Committee Charter is available online; (iv) The Board Charter provides for the disclosure of the members of each Committee. Details of the members of each Committee are provided in Annual Report; and (v) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
		attendance of Committee meetings will be provided in the Company's Annual Report.
The Company is compliant with Recommendations 2.2-2.6		
Principle 3: Act ethically and responsibly		
Recommendation 3.1		
The Company is compliant with Recommendation 3.1.		
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The Board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director, who is not the Chair of the Board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently	NO	(a) As the Board only consists of three (3) members, the Company does not have an Audit and Risk Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of the Audit and Risk Committee are currently carried out by the board. (b) The Company has adopted the Audit and Risk Committee Charter, which will be followed by the Audit and Risk Committee once it has been established. The Charter provides that: (i) The Audit and Risk Committee must have at least three (3) members, all of whom are non-executive directors, with a majority being independent; and (ii) The Chairman of the Audit and Risk Committee must not be Chairman of the Board and must also be independent; (iii) The Audit and Risk Committee Charter will be made available on the Company website at www.cycliq.com.au/brand;

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		(iv) The Board Charter requires the relevant qualifications and experience of all members to be disclosed. The Audit and Risk Committee Charter also outlines the requisite skills and experience in order to secure a position on the Audit and Risk Committee. Details of the qualifications and experience of Directors is provided in the Annual Report. (v) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report.
The Company is compliant with Recommendations 4.2-4.3.		
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1		
The Company is compliant with Recommendation 5.1.		
Principle 6: Respect the rights of security holders		
Recommendations 6.1 – 6.4		
The Company is compliant with Recommendations 6.1 – 6.4.		
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which:	NO	(a) The Board is charged with the responsibility of determining the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies. (b) As the Board only consists of three (3) members, the Company does not have an Audit and Risk Committee because it would

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
(i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.		not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of the Audit and Risk Committee are currently carried out by the board. The Company has adopted the Audit and Risk Committee Charter, which will be followed by the Audit and Risk Committee once it has been established. (i) The Audit and Risk Committee Charter states that the majority of the Committee must be independent where practical. The Audit and Risk Committee must comprise of at least three (3) members, all being non-executive directors and a majority being independent; (ii) The Chairman of the Audit and Risk Committee must not be the Chairman of the Board and must be independent. (iii) The Audit and Risk Committee Charter is available online at the Company's website. (iv) The Board Charter requires disclosure of the members of the Committee. Details of the current members are provided in the Annual Report. (v) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times each Committee met throughout the period and the individual attendances of the members at those Committee meetings. The relevant details of each Committee meeting held will be provided in the Company's Annual Report.
Recommendations 7.2 – 7.4. The Company is compliant with Recommendations 7.2-7.4.		

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The Board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	NO	(a) As the Board only consists of three (3) members, the Company does not have a Remuneration Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of the Remuneration Committee are currently carried out by the board, with the aid of an independent advisor, if required, which includes evaluating the performance of senior executives. (b) The Company has adopted The Remuneration Committee Charter, which will be followed by the Remuneration Committee once it has been established. The Remuneration Committee Charter outlines the roles and responsibilities of the Remuneration Committee and provides that: (i) The Remuneration Committee comprises of at least three (3) Directors, all of whom are independent non-executive Directors; (ii) The Remuneration Committee must be chaired by an independent Director who is appointed by the Board. (iii) The Remuneration Committee Charter is available on the Company website at www.cycliq.com.au/brand; (iv) The Board Charter requires disclosure of the members of the Committee. Details of the current members are provided in the Annual Report; (i) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
		Committee meetings will be provided in the Company's Annual Report.
Recommendations 8.2 – 8.3. The Company is compliant with Recommendations 8.2-8.3.		

14. MATERIAL CONTRACTS

14.1 HOA

The HOA dated 14 April 2016 sets out the terms upon which the Company has agreed to acquire 100% of the issued shares in Cycliq from the Cycliq Shareholders.

The material terms of the HOA are as follows:

- (a) **(Consideration):** Subject to satisfaction or waiver of the conditions precedent, in consideration for the Acquisition, the Company has agreed to issue upon Settlement, the following securities to the Cycliq Shareholders:
 - (i) 220,000,000 Shares (**Consideration Shares**); and
 - (ii) 10,000,000 Performance Shares on the terms set out in Section 15.6;

(together the **Consideration Securities**).
- (b) **(Conditions Precedent):** Settlement of the Acquisition will be subject to a number of conditions precedent, with the following still outstanding:
 - (i) the Company, Cycliq and Cycliq Shareholders obtaining all necessary shareholder and regulatory approvals in relation to the Acquisition (including, but not limited to, conditional approval for the Company's Shares to be reinstated to quotation on ASX following completion of the Acquisition, on conditions satisfactory to the Company);
 - (ii) the Company lodging a prospectus with ASIC to raise no less than \$2,500,000 via an offer of Shares pursuant to that prospectus at an issue price of a minimum of \$0.02 each so that the Company has a minimum net cash balance of at least \$3,000,000 at Settlement, or such amount as necessary to satisfy the ASX Listing Rules; and
 - (iii) to the extent required by ASX or the ASX Listing Rules, each Cycliq Shareholder entering into a restriction agreement whereby they agree to an escrow period on their Consideration Shares and the Shares issued upon exercise of the Performance Shares for a period as mandated by ASX,

(together, the **Conditions Precedent**).
- (c) **(Board changes):** The Company must cause two of the existing Directors to resign as directors at Settlement of the Acquisition. Pursuant to the Acquisition, Cycliq will appoint Messrs Hagen, Fiegert and Singleton as directors of the Company.

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

14.2 Manufacturing Services Deed

On 13 September 2016, Cycliq entered into a manufacturing services deed (**Manufacturing Services Deed**) with a head-contractor manufacturer in Hong-Kong (**Manufacturer**) whereby the Manufacturer develops the designs, specifications and prototypes of Cycliq's Fly6, Fly6(v) and Fly12 HD camera/ light products and manufactures or procures the manufacturing of the products for Cycliq. The key commercial terms of the Manufacturing Services Deed are as follows:

- (a) **(Term)**: an initial term of one year unless extended for an additional year at the sole discretion of Cycliq;
- (b) **(Product Development Services)**: if Cycliq requires the supply of product development services, Cycliq may issue a purchase order to the Manufacturer for those services at any time during the term. Following the issue of a purchase order, the parties must promptly agree the detailed specifications and or functionality requirements for the product development services and the proposed new product based on the Manufacturer's recommendations (together with the PDS schedule) in writing;
- (c) **(Manufacturing Services)**: if Cycliq requires the supply of manufacturing services at any time during the term, Cycliq may issue a purchase order to the Manufacturer stating:
 - (i) the details of the deliverables (including the type and number of products);
 - (ii) the delivery point; and
 - (iii) all other information necessary for the Manufacturer to fulfil the purchase order;
- (d) **(Subcontractors)**: the Manufacturer may engage subcontractors to perform all or part of the manufacturing services provided that Cycliq has given its prior written consent;
- (e) **(No Obligation to Purchase)**: other than in respect of a purchase order issued by Cycliq, nothing in the Manufacturing Services Deed places an obligation on Cycliq to order any particular volume of services from the Manufacturer;
- (f) **(No Exclusivity)**: the Manufacturing Services Deed does not confer upon either party any exclusivity in respect of the supply or purchase of the Manufacturer's services;
- (g) **(Manufacturer's Obligations)**: the Manufacturer and its personnel and subcontractors must ensure the products are transported, stored or used by suitability qualified, experienced, licensed and trained personnel and during the term, must obtain, maintain in force and strictly adhere to all licences, trade-warranties, authorisations, consents and approvals needed to supply and manufacture the products in accordance with the terms of the Manufacturing Services Deed. The Manufacturer must also maintain written records of the specifications for each product and copies of the final manufacturing designs, prototypes and prototype materials;

- (h) **(Product Quality)**: all products supplied by the Manufacturer to Cycliq must (among other things):
 - (i) be free from any security interest;
 - (ii) meet the specifications in all material respects;
 - (iii) be free from material defects;
 - (iv) be of merchantable quality;
 - (v) comply with all legislative requirement; and
 - (vi) be fit for purpose;
- (i) **(Risk and Title)**: risk in the products passes to Cycliq one week after the products are delivered to the delivery point and title in the products passes to Cycliq upon full payment being made for those products;
- (j) **(Intellectual Property)**: all intellectual property vests in Cycliq upon being created, discovered or coming into existence;
- (k) **(Licence)**: Cycliq grants a royalty-free licence to the Manufacturer to use the intellectual property solely for the purpose of performing its obligations under the Manufacturing Services Deed; and
- (l) **(Termination)**: Cycliq may terminate the Manufacturing Services Deed in whole or part, without cause by giving the Manufacturer 100 days' prior written notice. Either party may terminate with cause in accordance with the terms of the Manufacturing Services Deed.

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

14.3 Corporate Adviser Mandate

On 23 December 2015, Cycliq and Merchant entered into a mandate (**Corporate Adviser Mandate**) pursuant to which Merchant has agreed to act as exclusive corporate adviser to Cycliq and lead manager to the Public Offer on the following terms:

- (a) **(Term)**: an initial term of 12 months unless extended by mutual agreement;
- (b) **(Retainer)**: Cycliq has agreed to pay Merchant a monthly retainer of \$5,000 per month commencing from 23 December 2015 until such time as a successful liquidity event is completed or the Mandate is terminated;
- (c) **(Capital Raising Fee)**: Cycliq agrees to pay Merchant:
 - (i) a placement fee of 5% of the total amount raised under the Public Offer (excluding GST), being \$250,000; and
 - (ii) a management fee of 1% of the total amount raised under the Public Offer (excluding GST), being \$50,000;

- (d) **(Success Fee):** Cycliq also agrees to pay Merchant a success fee of 10,280,374 Shares and 500,000 Performance Shares (which may convert into a maximum of 10,000,000 Shares should a Performance Share Milestone be satisfied, with the exact number of Shares to be issued on conversion dependant on the conversion price at the time the Performance Share Milestone is satisfied (refer to Section 15.6(b) for further details);
- (e) **(Expenses):** Cycliq will reimburse Merchant's out-of-pocket expenses (together with any applicable GST) reasonably incurred in performing services under the Corporate Adviser Mandate;
- (f) **(Right of First Offer):** Cycliq agrees to negotiate with Merchant in good faith to engage Merchant as their exclusive corporate adviser for any capital raising, restricting transaction, acquisitions or trade sale negotiations proposed to be conducted during the term of the Corporate Adviser Mandate; and
- (g) **(Termination Rights):** either party may terminate the Corporate Adviser Mandate by giving 30 days written notice to the other party.

The Corporate Adviser Mandate otherwise contains terms considered standard for an agreement of this nature.

14.4 Strategic Adviser Mandate

On 12 January 2016, Cycliq and Nameo Pty Ltd (**Nameo**) entered into a mandate (as amended) (**Strategic Adviser Mandate**) pursuant to which Nameo has agreed to act as a strategic adviser to Cycliq on the following terms:

- (a) **(Term):** an initial term of 12 months unless extended by mutual agreement;
- (b) **(Strategic Adviser Fee):** Cycliq agrees to provide Nameo with 7,500,000 Shares for strategic advisory services;
- (c) **(Success Fee):** Cycliq also agrees to pay Nameo a success fee of 4,112,150 Shares and 200,000 Performance Shares (which may convert into a maximum of 4,000,000 Shares should a Performance Share Milestone be satisfied, with the exact number of Shares to be issued on conversion dependant on the conversion price at the time the Performance Share Milestone is satisfied (refer to Section 15.6(b) for further details);
- (d) **(Expenses):** Cycliq will reimburse Nameo's out-of-pocket expenses (together with any applicable GST) reasonably incurred in performing services under the Strategic Adviser Mandate; and
- (e) **(Termination Rights):** either party may terminate the Strategic Adviser Mandate by the giving of 30 days written notice to the other party.

The Strategic Adviser Mandate otherwise contains terms considered standard for an agreement of this nature.

14.5 Letter of Engagement – John Turner

On 12 September 2016, Cycliq entered into a letter of engagement with John Turner pursuant to which Mr Turner is engaged as Chief Financial Officer of Cycliq. The material terms of the letter of engagement are as follows:

- (a) **(Term):** Mr Turner's employment commences on 13 October 2016 and will continue until validly terminated in accordance with the terms of the letter of engagement;
- (b) **(Termination):** all termination actions are in accordance with and provided under the NES. Either party may terminate Mr Turner's employment at any time by providing written notice. In addition, Cycliq may terminate Mr Turner's employment without notice or compensation following serious misconduct;
- (c) **(Remuneration):** Mr Turner will receive an annual base salary of \$175,000 (exclusive of superannuation). Mr Turner's remuneration is subject to review each year and conditional upon company financial performance as well as individual performance; and
- (d) **(Expenses):** Cycliq will reimburse Mr Turner for any reasonable expenses incurred in the course of his employment.

The letter of engagement otherwise contains terms and conditions considered standard for an agreement of its nature.

14.6 Letter of Engagement – Jeroen van Zon

On 31 March 2016, Cycliq entered into a letter of engagement with Jeroen van Zon, pursuant to which Mr van Zon is engaged as Marketing Manager of Cycliq. The material terms of the letter of engagement are as follows:

- (a) **(Term):** Mr van Zon's employment commences on 4 April 2016 and will continue until validly terminated in accordance with the terms of the letter of engagement;
- (b) **(Termination):** all termination actions are in accordance with and provided under the NES. Either party may terminate Mr van Zon's employment at any time by providing written notice. In addition, Cycliq may terminate Mr van Zon's employment without notice or compensation following serious misconduct;
- (c) **(Remuneration):** Mr van Zon will receive an annual base salary of \$110,000 (exclusive of superannuation). Mr van Zon's salary is subject to review each year and is conditional upon company financial performance as well as individual performance; and
- (d) **(Expenses)** Cycliq will reimburse Mr van Zon for any reasonable expenses incurred in the course of his employment.

The letter of engagement otherwise contains terms and conditions considered standard for an agreement of its nature.

14.7 Letter of Engagement – Graeme Klass

On 28 July 2016, Cycliq entered into a letter of engagement with Graeme Klass pursuant to which Mr Klass is engaged as Software Manager of Cycliq. The material terms of the letter of engagement are as follows:

- (a) **(Term):** Mr Klass' employment commences on or about 24 August 2016 and will continue until validly terminated in accordance with the terms of the letter of engagement;
- (b) **(Termination):** all termination actions are in accordance with and provided under the NES. Either party may terminate Mr Klass' employment at any time by providing written notice. In addition, Cycliq may terminate Mr Klass' employment without notice or compensation following serious misconduct;
- (c) **(Remuneration):** Mr Klass will receive an annual base salary of \$120,000 (exclusive of superannuation). Mr Klass' remuneration is subject to review each year and conditional upon company financial performance as well as individual performance; and
- (d) **(Expenses):** Cycliq will reimburse Mr Klass for any reasonable expenses incurred in the course of his employment.

The letter of engagement otherwise contains terms and conditions considered standard for an agreement of its nature.

14.8 Non-exclusive Distribution Agreements

Cycliq has entered into two non-exclusive distribution agreements (**Agreements**) with KHS Inc. and Hans Johnson Properties Inc. (**Distributors**) pursuant to which the Distributors have agreed to market and distribute Cycliq products within the United States of America (**United States**) on the following terms and conditions:

- (a) **(Term):** the term of the non-exclusive distribution agreements with KHS Inc. and Hans Johnson Properties Inc. will continue until 10 June 2016 and the end of November 2016 respectively unless extended. Cycliq and KHS Inc. have continued to act in accordance with the terms of the distribution agreement since 10 June 2016;
- (b) **(Extension of Term):** the Distributors can request an extension of the term of the agreements between 60 and 30 days from the end of the term;
- (c) **(Specific rights and duties):** Cycliq is not obligated to sell or continue supplying Cycliq products to the Distributors for any period of time, and the Distributors must provide Cycliq with a stockist list every two months from the date of entry into the agreements;
- (d) **(Distributors' best efforts):** the Distributors will:
 - (i) market Cycliq on a competitive basis at their own expense;
 - (ii) actively market, advertise and promote Cycliq products at their sole cost and expense, throughout the United States;

- (iii) maintain a complete selection of Cycliq product lines in adequate quantities to service the market in the United States; and
- (iv) provide the following resources, at their sole cost and expense to comply with their best efforts obligation:
 - (A) appropriate number of properly trained employees;
 - (B) appropriate facilities, equipment and office/warehouse space to stock inventory;
 - (C) promotion materials and recourses for the promotion of Cycliq; and
 - (D) an initial promotion plan for the term of the agreements;
- (e) **(Geographical market limitation):** the Distributors agree to limit the distribution, marketing and sale of Cycliq products in the United States to independent bicycle, parts and accessory dealers. The Distributors must not market and sell Cycliq products to any known 'online only' retailers;
- (f) **(Assignment):** the Distributors must not assign all or any of their rights in the agreements without the prior written consent of Cycliq;
- (g) **(Title):** the Distributors shall not directly or indirectly dispute or attack Cycliq's exclusive right and title to the trademarks and or intellectual property, or become a party (without Cycliq's permission) directly or indirectly to any proceedings disputing or impairing the value of Cycliq's right to title and trademarks;
- (h) **(Termination):** either party may terminate the agreements by written notice if the other party commits a material breach and has failed to remedy such breach within 30 days of written notice requiring it to do so; and
- (i) **(Rights upon termination):**
 - (i) the Distributors must:
 - (A) deliver all Cycliq related documents and materials in their possession to Cycliq; and
 - (B) perform such future actions required by Cycliq to protect its right, title and interest.
 - (ii) Cycliq shall have the right to;
 - (A) repurchase any part or all of the entire Distributors' inventory of Cycliq products at the price the Distributors purchased them; and
 - (B) allow the Distributors to sell their inventory of Cycliq products within the United States within a specified time period.

The non-exclusive distribution agreements otherwise contain terms consideration standard for their nature.

14.9 Exclusive Distribution Agreement (Singapore and Puerto Rico)

Cycliq has entered into two exclusive distribution agreements with OTP Corp (Puerto Rico) and Boon Bike Supply Pte Ltd (Singapore) pursuant to which the distributors have agreed to market and distribute Cycliq products within Puerto Rico and Singapore (respectively) on similar terms and conditions as the non-exclusive distribution agreements except that:

- (a) **(Exclusive distributorship):** Cycliq agrees to utilise the services of the distributors on an exclusive basis, for the distribution of Cycliq products within Puerto Rico and Singapore (as applicable);
- (b) **(Term):** the term of the exclusive distribution agreements are for one year from the date of entry; and
- (c) **(Specific rights and duties):** Cycliq is not obligated to sell or continue supplying Cycliq products to the distributors for any period of time and the distributors must provide a stockist list every two months from the date of entry into the agreements.

14.10 Exclusive Distribution Agreement (Australia and New Zealand)

Cycliq has entered into an exclusive distribution agreement with B & K Holdings (QLD) Pty Ltd (trading as FE Sports) (**FE Sports**) pursuant to which FE Sports has agreed to market and distribute Cycliq products within Australia and New Zealand on similar terms and conditions to the non-exclusive distribution agreements, except for the following terms and conditions:

- (a) **(Exclusive distributorship):** Cycliq agrees to utilise the services of FE Sports on an exclusive basis, for the distribution of Cycliq products within Australia and New Zealand
 - (i) if the Distributor does not have an established distribution network and will not establish a distribution network within an area of Australia and New Zealand, Cycliq is entitled to seek a distribution partner that has an existing distribution network in that market segment;
 - (i) Cycliq must provide notice in writing to FE Sports of their intention, whereby FE Sports will have 90 days to establish a distribution network that can cover 50% of the nominated market segment;
 - (ii) If FE Sports does not achieve a distribution network in the nominated market segment, Cycliq has the right to appoint a distributor in the nominated segment;
- (b) **(Specific distributor obligations):** FE Sports shall;
 - (i) provide to Cycliq and maintain a rolling 180 day non-binding forecast of requested products; and
 - (ii) provide by 1 December each year, an annual sales and marketing plan for the ensuing calendar year which Cycliq will approve or request revisions of within 30 days of receipt;

- (c) **(Specific Cycliq obligations):** Cycliq shall;
 - (i) furnish reasonable marketing and customer support and advice in the form of answers to questions in such areas; and
 - (ii) provide marketing co-operative reimbursement (in the form of account credit) to FE Sports;
- (d) **(No competing products):** FE Sports shall not market, sell or distribute any products that are substantially similar in nature to Cycliq products; and
- (e) **(Minimum purchase commitments):** if the Distributor fails to meet the minimum purchase commitment (as agreed between the parties), Cycliq has the right to terminate the agreement.

14.11 Exclusive Distribution Agreement (United Kingdom)

Cycliq entered into an exclusive distribution agreement with Raleigh UK Ltd in November 2015 pursuant to which Raleigh UK Ltd has agreed to market and distribute Cycliq products within the United Kingdom (**UK**) on similar terms and conditions as the non-exclusive distribution agreements, except for the following terms and conditions:

- (a) **(Exclusive Distributorship):** Cycliq agrees to utilise the services of Raleigh UK Ltd on an exclusive basis for the distribution of Cycliq products within the UK;
- (b) **(Term):** the term of the agreement is for 1 year from date of entry unless either party provides written notice 180 days in advance of their desire not to renew or review of terms;
- (c) **(Specific Distributor Obligations):** Raleigh UK Ltd shall provide to Cycliq (among other things);
 - (i) a stockist list every two months from the commencement date;
 - (ii) maintain a rolling 180 day non-binding forecast of requested products; and
 - (iii) within 30 days of the commencement date, an annual sales and marketing plan for the ensuing calendar year which Cycliq will approve or request revisions within 30 days of receipt;
- (d) **(Specific Cycliq obligations):** Cycliq shall (among other things) furnish reasonable marketing and customer support and advice;
- (e) **(Warranty):** the distributor shall provide complete warranty coverage, service and administration for Cycliq products in the UK under the Cycliq warranty policy at the distributors own expense. Cycliq issues a limited warranty of 12 months; and
- (f) **(Minimum purchase commitments):** if the distributor fails to meet the minimum purchase commitment (as agreed between the parties) Cycliq has the right to terminate the agreement.

14.12 Executive Services Agreement – Andrew Hagen

The Company and Andrew Hagen have entered into an executive services agreement (**Hagen ESA**) pursuant to which Mr Hagen is appointed as “Chief Executive Officer” commencing on the date of Settlement. The material terms of the Hagen ESA are as follows:

- (a) **(Term)**: an initial term of 3 years commencing on the date of Settlement;
- (b) **(Salary)**: \$210,000 per annum plus superannuation (exclusive of Director's fees) which will be reviewed annually by the Company in accordance with the policy of the Company for the annual review of salaries;
- (c) **(Directors fees)**: \$40,000 per annum payable by the Company to Mr Hagen;
- (d) **(Performance Options)**: Mr Hagen will also be entitled to 17,200,000 Performance Options, on the terms contained in Section 15.7;
- (e) **(Expenses)**: The Company will reimburse Mr Hagen for all reasonable expenses (including travel) incurred in the performance of his duties; and
- (f) **(Termination)**: six months' notice period for termination with and without cause.

The Hagen ESA also contains various other terms and conditions that are considered standard for an agreement of this nature.

14.13 Executive Services Agreement – Kingsley Fiegert

The Company and Kingsley Fiegert have entered into an executive services agreement (**Fiegert ESA**) pursuant to which Mr Fiegert is appointed as “Chief Operating Officer” commencing on the date of Settlement. The material terms of the Fiegert ESA are as follows:

- (a) **(Term)**: an initial term of 3 years commencing on the date of Settlement;
- (b) **(Salary)**: \$210,000 per annum plus superannuation (exclusive of Director's fees) which will be reviewed annually by the Company in accordance with the policy of the Company for the annual review of salaries;
- (c) **(Directors fees)**: \$40,000 per annum payable by the Company to Mr Fiegert;
- (d) **(Performance Options)**: Mr Fiegert will also be entitled to 17,200,000 Performance Options, on the terms contained in Section 15.7;
- (e) **(Expenses)**: the Company will reimburse Mr Fiegert for all reasonable expenses (including travel) incurred in the performance of his duties; and
- (f) **(Termination)**: six months' notice period for termination with and without cause.

The Fiegert ESA also contains various other terms and conditions that are considered standard for an agreement of this nature.

14.14 Non-Executive Director Appointment Letter – Christian Singleton

The Company has entered into an appointment letter with Christian Singleton pursuant to which Mr Singleton is appointed Non-Executive Chairman of the Company, subject to Settlement, on the following terms:

- (a) **(Term):** Mr Singleton's appointment will commence on Settlement and automatically ceases at the end of any meeting at which he is not re-elected as a Director by the shareholders of the Company or otherwise ceases in accordance with the Constitution. Mr Singleton agrees to submit his resignation as a Director, if, for any reason, he becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company;
- (b) **(Remuneration):** \$50,000 per annum (plus superannuation) payable by the Company;
- (c) **(Performance Options):** Mr Singleton will also be entitled to 2,150,000 Performance Options, on the terms contained in Section 15.7; and
- (d) **(Expenses):** the Company will reimburse Mr Singleton for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

14.15 Non-Executive Director Appointment Letter – Piers Lewis

The Company entered into a non-executive director appointment letter with Piers Lewis pursuant to which Mr Lewis was appointed as a Non-Executive Director of the Company on the following terms:

- (a) **(Term):** Mr Lewis' appointment commenced on 22 February 2016 and automatically ceases at the end of any meeting at which he is not re-elected as a director by Shareholders or otherwise ceases in accordance with the Constitution. Mr Lewis agrees to submit his resignation as a director, if, for any reason, he becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company;
- (b) **(Remuneration):** a base fee of \$40,000 per annum (plus superannuation) is payable by the Company to Mr Lewis;
- (c) **(Expenses):** the Company will reimburse Mr Lewis for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

14.16 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.

14.17 Convertible Notes

Cycliq is party to various unsecured convertible note agreements dated on or around 11 January 2016, under which Cycliq issued convertible notes (**Notes**) to investors (the Cycliq Noteholders) in consideration for an aggregate amount of \$2,350,000. The Notes convert into ordinary shares on the occurrence of a liquidity event (which includes Settlement) or on the date that is 12 months after their issue (whichever occurs first). A 10% coupon rate is payable on the principal amount of each Note.

The Company will issue 155,000,000 Shares (at a deemed issue price of \$0.015 per Share) to the Cycliq Noteholders in consideration for the Cycliq Noteholders agreeing to the cancellation, assignment to the Company or redemption of their Notes. Accrued interest payable under the convertible note agreements will be satisfied via a cash payment of approximately \$157,127 at Settlement.

15. ADDITIONAL MATERIAL INFORMATION

15.1 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.

The Company's Shares are currently suspended from trading on the ASX and 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 \$0.02.

On 3 August 2016, ASX granted the Company a waiver from the requirement listed in (c) above, to enable the Company to issue securities for the purpose of satisfying ASX Listing Rule 2.1, Condition 2 at not less than \$0.02 per Share with all Options issued having an exercise price of not less than \$0.02 after the completion of the Acquisition. This waiver is subject to Shareholders approving the Company undertaking the Public Capital Raising at not less than \$0.02 and other conditions as set out in the Company's announcement of 5 August 2016. ASX has also granted the Company a waiver as set out in Section 15.2 below.

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).

15.2 Shareholder Approval of Essential Resolutions

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

At the General Meeting, the Shareholders approved each of the following resolutions:

- (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 Noteholder Shares;
 - (e) the issue of the Shares under the Public Offer;
 - (f) the change of name of the Company to "Cycliq Group Ltd"; and
 - (g) the election of the Incoming Directors,
- (each, an "**Essential Resolution**").

The Company also obtained approval for the participation of the Directors in the Capital Raising and approval for replacing the Company's constitution. In addition, ASX granted the Company a waiver to allow the Company to issue the Shares under the Public Offer, the Performance Shares, Consideration Securities and Noteholder Shares within 5 months from the date of the General Meeting.

15.3 Change of Name

On Settlement of the Acquisition, the Company will change its name to "Cycliq Group Ltd", 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 6.

15.4 Litigation

As at the date of this Prospectus, neither the Company nor Cycliq are 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 Cycliq.

15.5 Rights Attaching to Shares

The following is a summary of the more significant rights and restrictions that will attach to Shares. 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.

15.6 Terms of Performance Shares

(a) **Terms of Performance Shares**

- (i) **(Performance Shares):** Each Performance Share is a share in the capital of the Company.
- (ii) **(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 the Company that are circulated to the Company shareholders. Holders have the right to attend general meetings of the Company.
- (iii) **(No Voting Rights):** The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, 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.
- (iv) **(No Dividend Rights):** The Performance Shares do not entitle the Holder to any dividends.
- (v) **(Transfer of Performance Shares):** The Performance Shares are not transferable.
- (vi) **(No Rights on Winding Up):** Upon winding up of the Company, the Performance Shares may not participate in the surplus profits or assets of the Company.
- (vii) **(No Rights to Return of Capital):** A Performance Share does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (viii) **(Reorganisation of Capital):** In the event that the issued capital of the Company 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.
- (ix) **(Application to ASX):** The Performance Shares will not be quoted on ASX. If the Company is listed on the ASX at the time, upon conversion of the Performance Shares into the Company Shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Company Shares arising from the conversion.
- (x) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (viii) (Reorganisation of Capital), holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of the Company Shares such as bonus issues and entitlement issues.
- (xi) **(Amendments required by ASX):** The terms of the Performance Shares may be amended as necessary by the Company 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.

- (xii) **(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.

(b) **Conversion of the Performance Shares**

- (i) **(Milestones):** The Performance Shares convert into Shares as at the date the Company satisfies any one of the following milestones:

- (A) the Company reporting consolidated earnings before interest, tax, depreciation and amortisation of at least \$3,000,000 from the Cycliq assets and business and any derivatives thereof; or
- (B) the Company reporting consolidated revenue of at least \$30,000,000;

(each referred to as a **Milestone**), based on the Company's consolidated audited accounts, provided that the Milestones is satisfied by no later than 30 June of the fourth 4 financial year following the Issue Date (not including the financial year in which the Issue Date occurs).

- (ii) **(Conversion of Performance Shares):** In the event a Milestone is satisfied, all of the Performance Shares held by the Holder will convert into Shares and the number of Shares into which each Performance Share is converted shall be equal to:⁵

- (A) the total number of Shares that are issued upon conversion of the Performance Shares (assuming that all Performances Shares are converted), which must have an aggregate value equivalent to \$4,000,000 based a deemed issue price of the higher of:
 - (I) \$0.02; and
 - (II) the 20 day VWAP for Shares, calculated over the 20 trading days on which trades in the Company's shares are recorded immediately before a Milestone is satisfied; divided by
- (B) 10,000,000 (being the total number of Performance Shares issued at Settlement).

⁵ As set out in Section 7.11, the number of Shares that the Performance Shares will convert into will change depending on the conversion price at the time the relevant milestone is satisfied, for example a conversion price of \$0.02 will convert into 200,000,000 Shares on conversion of the Performance Shares, \$0.04 will result in the issue of 100,000,000 Shares on conversion of the Performance Shares, a conversion price of \$0.06 will result in the issue of 66,666,667 Shares on conversion of the Performance Shares, a conversion price of \$0.08 will result in the issue of 50,000,000 Shares on conversion of the Performance Shares and a conversion price of \$0.10 will result in the issue of 40,000,000 Shares on conversion of the Performance Shares.

(iii) **(Conversion on change of control)** Subject to paragraph (iv) and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

- (A) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company of not less than the closing price for the Shares on the Trading Day immediately prior to the date on which the bidder statement is issued per Share with the Bidder having received acceptances for more than 50% of the Company's shares on issue and having declared the bid unconditional;
- (B) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (C) Shareholders approving a transaction for the purposes of Listing Rule 11.2,

that number of performance shares that converts into 10% of the Shares on issue immediately following conversion under this paragraph will convert into Shares. The conversion will be completed on a pro rata basis across each class of performance shares then on issue as well as on a pro rata basis for the holders of performance shares in each class. Performance shares that are not converted into Shares under this paragraph will continue to be held by their respective holders on the same terms and conditions;

(iv) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)** If the conversion of a Performance Share would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) **(General Prohibition)** then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

- (A) Holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.
- (B) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph 2(d)(i) within seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence

of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

- (v) **(No Conversion if Milestone not achieved):** Any Performance Share not converted into a Share by 30 June of the fourth 4 financial year following the Issue Date (not including the financial year in which the Issue Date occurs) will be automatically redeemed by the Company for a sum of \$0.0000001 per Performance Share within 10 Trading Days.
- (vi) **(After Conversion):** The 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 Shares then on issue and, if the Company is listed on ASX at the time, application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (vii) **(Conversion Procedure):** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.
- (viii) **(Ranking of Shares):** The Shares into which the Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

15.7 Terms of Proposed Performance Option Plan

The Company has agreed, subject to obtaining Shareholder and ASX approval, to implement a standard Incentive Option Plan (**Performance Option Plan**) whereby it intends to issue performance options to its Directors and employees. The material terms of the Performance Option Plan are set out below.

The ASX has informed the Company that any Shares issued to Directors, Chief Operating Officer or Chief Executive Officer of the Company following the exercise of a Performance Option will be classified by ASX as restricted securities and will be required to be held in escrow for a period of up to 24 months from the date of Official Quotation.

(a) Eligibility

Participants in the Plan may be:

- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has

been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,

who is declared by the Board to be eligible to receive grants of Performance Options under the Plan (**Participants**).

(b) **Offer**

The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an offer) to apply for up to a specified number of Performance Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.

(c) **Plan limit**

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(d) **Issue price**

Unless the Performance Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.

(e) **Vesting Conditions**

A Performance Option may not vest earlier than the date 6 months from their issue date, and may otherwise be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Option.

(f) **Vesting**

The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Performance Options due to

- (i) the Participant ceasing to be a Participant due to death or total and permanent disability; or
- (ii) a Change of Control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(g) **Lapse of a Performance Option**

A Performance Option will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in the Performance Option;
- (ii) a Vesting Condition in relation to the Performance Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Performance Option (eg due to death, total and permanent disability);
- (iii) in respect of unvested Performance Option only, a Participant ceases to be a Participant, unless the Board exercises its discretion to vest the Right (eg due to death, total and permanent disability) or allow the unvested Performance Options to remain unvested after the relevant person ceases to be a Participant;
- (iv) in respect of vested Performance Options only, a relevant person ceases to be a Participant and the Performance Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be a Participant;
- (v) the Board deems that a Performance Option lapses due to fraud, dishonesty or other improper behaviour of the Participant;
- (vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Performance Option;
- (vii) the expiry date of the Performance Option; and
- (viii) the 3 year anniversary of the date of grant of the Performance Option.

(h) **Not transferrable**

Performance Options are only transferrable with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(i) **Shares**

Shares resulting from the exercise of the Performance Options shall, subject to any Sale Restrictions (refer below) from the date of issue, rank on equal terms with all other Shares on issue.

(j) **Quotation of Shares**

If Shares of the same class as those issued upon exercise of Performance Options issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

(k) **Share Sale Restrictions**

The Board may, in its discretion, determine at any time up until exercise of Performance Options, that a restriction period will apply to some or all of the Shares issued to a Participant (or their eligible nominee) on exercise of those Performance Options up to a maximum of seven (7) years from the grant date of the Performance Options.

(l) **No Participation Rights**

There are no participating rights or entitlements inherent in the Performance Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Options.

(m) **Reorganisation**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(n) **Amendments**

Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Performance Option granted under the Plan including giving any amendment retrospective effect.

15.8 Terms and conditions of proposed Performance Options

The material terms of the Performance Options to be issued under the Performance Option Plan are set out below:

(a) **Entitlement**

Each Performance Option entitles the holder to subscribe for one Share upon exercise of the Performance Option, subject to satisfaction of the vesting milestones set out in paragraph (e).

(b) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Performance Option is \$0.03 (**Exercise Price**).

(c) **Expiry Date**

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

(d) **Exercise Period**

The Performance Options are exercisable at any time on or prior to the Expiry Date subject to satisfaction of the vesting milestones set out in paragraph (e) (**Exercise Period**).

(e) **Vesting Conditions**

Exercise of the Performance Options is subject to the Holder being a full or part time employee of the Company and satisfaction of the following vesting milestones:

- (i) (**Milestone 1**): 10% of all Performance Options held by the Holder as at the date of issue of the Performance Options ("**Issue Date**") shall convert upon the execution of an agreement to sponsor either a Professional Continental o World Tour ("Pro Tour") team or event;
- (ii) (**Milestone 2**): 25% of all Performance Options held by the Holder as at the Issue Date shall convert if the Company enters into a distribution agreement for a new territory known to be significant for cycling such as South Korea, Japan or Europe;
- (iii) (**Milestone 3**): 25% of all Performance Options held by the Holder as at the Issue Date shall convert if the Company enters into a heads of agreement or agreement to:
 - (A) licence any of Cycliq's intellectual property or Big Data with a third party; or
 - (B) deliver video upload service for a third party application; or
 - (C) implements a cloud based storage/sharing service for Cycliq customers; and
- (iv) (**Milestone 4**): 40% of all Performance Options held by the Holder as at the Issue Date shall convert if the Company's Share price has a 60 day volume weighted average price of greater than or equal to \$0.05;

(each referred to as a "**Milestone**").

(f) **Notice of Exercise**

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

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each Performance Option being exercised in cleared funds (Exercise Date).

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

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

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Performance Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Options.
- (iv) If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

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

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

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

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of Performance Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Performance Options and holders will not be entitled to participate in

new issues of capital offered to Shareholders during the currency of the Performance Options without exercising the Performance Options.

(m) **Change in exercise price**

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

(n) **Unquoted**

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

(o) **Transferability**

The Performance Options are not transferable.

(p) **No other rights**

The Performance Options do not confer on the holder:

- (i) any right to vote on any resolutions proposed at a general meeting of the Shareholders;
- (ii) any entitlement to dividends;
- (iii) any right to a return of capital (whether in a winding up, upon a reduction of capital or otherwise);
- (iv) any right to participate in surplus profits or assets of the Company upon a winding up; or
- (v) any rights upon a Change of Control occurring in respect of the Company.

15.9 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:

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

- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

15.10 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:

- (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; or
- (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 any of those persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Bentleys Audit & Corporate (WA) Pty Ltd has acted as Investigating Accountant to the Company and has prepared the Independent Limited Assurance Report which is included in Section 10 of this Prospectus. The Company estimates it will pay Bentleys Audit & Corporate (WA) Pty Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bentleys Audit & Corporate (WA) Pty Ltd has received fees of approximately \$10,000 (excluding GST) from the Company for these services.

Bentleys Audit & Corporate (WA) Pty Ltd has acted as independent auditor to the Company. The Company estimates it will pay Bentleys Audit & Corporate (WA) Pty Ltd a total of \$13,000 (excluding GST) for audit services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bentleys Audit & Corporate (WA) Pty Ltd has received fees of \$41,000 (excluding GST) from the Company for audit services.

William Buck Audit (WA) Pty Ltd has acted as independent auditor to Cycliq. Cycliq estimates it will pay William Buck Audit (WA) Pty Ltd a total of \$23,550 (excluding GST) for these services. During the 24 months preceding lodgement of

this Prospectus with the ASIC, William Buck Audit (WA) Pty Ltd has received no fees from Cycliq for audit services.

Watermark has acted as intellectual property legal service providers to Cycliq. Cycliq estimates it will pay Watermark a total of \$3,993 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Watermark has received \$8,394 (excluding GST) in fees from Cycliq for these services.

Merchant Capital Markets Pty Ltd (**Merchant**) will act as lead manager to the Public Offer and has also been engaged as a corporate adviser to Cycliq. The Company and Cycliq estimate they will pay Merchant \$300,000 (excluding GST) for these services (assuming a maximum of \$5,000,000 is raised under the Public Offer). Merchant will also receive a success fee of 10,280,374 Shares and should a Performance Share Milestone be satisfied a maximum of a further 10,000,000 Shares. During the 24 months preceding lodgement of this Prospectus with the ASIC, Merchant has received fees of approximately \$40,000 (excluding GST) from Cycliq for these services and has received fees of approximately \$8,000 (excluding GST) from the Company.

Nameo Pty Ltd (**Nameo**) has acted as strategic adviser to Cycliq. Cycliq estimates it will provide Nameo with a maximum of 15,612,150 Shares for these services, this includes the maximum of 4,000,000 Shares should a Performance Share Milestone be satisfied. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nameo has received no fees from Cycliq or the Company for these services.

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 \$120,000 (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 \$40,000 (excluding GST) from the Company for legal services.

15.11 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Incoming Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Other than as set out below, each of the parties referred to in this Section 15.11:

- (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) in light of the above, only 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.

Bentleys Audit & Corporate (WA) Pty Ltd has given its written consent to being named as Investigating Accountant of the Company in this Prospectus and the Independent Limited Assurance Report in Section 10 of this Prospectus in the form and context in which the information and report are included. Bentleys Audit & Corporate (WA) Pty Ltd has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

Bentleys Audit & Corporate (WA) Pty Ltd 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 Independent Limited Assurance Report in Section 10 and the inclusion of information contained in Section 11 in the form and context in which it appears. Bentleys Audit & Corporate (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

William Buck Audit (WA) Pty Ltd has given its written consent to being named as auditor of Cycliq in this Prospectus and the inclusion of the audited financial information of Cycliq contained in Section 11 and the inclusion of information contained in the Independent Limited Assurance Report in the form and context in which it appears. William Buck Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Watermark has given its written consent to being named as intellectual property legal service providers to Cycliq in this Prospectus and the inclusion of the information contained in the Intellectual Property Report in Section 12 in the form and context in which it appears. Watermark has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Merchant has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as lead manager to the Company and corporate adviser to Cycliq in relation to the Offers.

Nameo has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as a corporate adviser to Cycliq in relation to the Offers.

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.

Cycliq has given its consent to be named in this Prospectus and to the inclusion of statements and information relating to or attributable to Cycliq contained in this Prospectus, in each case in the form and context in which they appear. Cycliq has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

15.12 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately \$498,079 (assuming maximum subscription under the Public Offer) and are expected to be applied towards the items set out in the table below:

Estimated Costs of Acquisition	Minimum Subscription (A\$2,500,000) A\$	Maximum Subscription (A\$5,000,000) A\$
ASX Fees	\$65,759	\$68,259
ASIC Fees	\$2,320	\$2,320
Legal and Due Diligence Expenses	\$120,000	\$120,000
Shareholder Meeting and Share Registry Costs	\$5,000	\$5,000
Other (including printing and mailing costs)	\$2,500	\$2,500
Public Capital Raising Fees	\$150,000	\$300,000
TOTAL	\$345,579	\$498,079

15.13 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.

15.14 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 Cycliq at www.cycliq.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.

15.15 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.

15.16 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 Securities pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.

16. 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.

Piers Lewis
Non-Executive Director
For and on behalf of
Voyager Global Group Limited

17. GLOSSARY AND INTERPRETATION

17.1 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 acquisition of 100% of the issued capital in Cycliq by the Company in accordance with the HOA.

Advisors means Merchant and Nameo.

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.

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.

Big Data means as defined in Section 8.3(l).

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

CHESS has the meaning given in Section 6.8.

Capital Raising means the fundraising for the Public Offer pursuant to this Prospectus.

Change of Control means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

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 **Voyager** or **VGR** means Voyager Global Group Limited (ACN 119 749 647).

Conditions means the conditions to the Offers set out in Section 2.4 of this Prospectus.

Consideration Offer Recipients means the Cycliq Shareholders, the Advisors and Anthony Minchin (an unrelated employee of Cycliq).

Consideration Shares has the meaning given in Section 14.1(a).

Consideration Securities has the meaning given at Section 14.1(a) 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 15.5.

Corporations Act means the Corporations Act 2001 (Cth).

Cycliq means Federation Enterprises (WA) Pty Ltd (ACN 119 804 974).

Cycliq Note or **Note** means the convertible notes held by some of the Cycliq Shareholders.

Cycliq Noteholder or **Noteholder** means a holder of a Cycliq Note.

Cycliq Shareholder means a holder of a Cycliq Share.

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

Cycliq Technology has the meaning given at Section 7.1.

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

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

General Meeting means the general meeting of the Company held on 9 September 2016, at which Shareholder approval was obtained for the matters set out in the Notice of Meeting.

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

HOA has the meaning given at Section 7.1.

Incoming Directors means Andrew Hagen, Kingsley Fiegert and Chris Singleton.

Investigating Accountant means Bentleys Audit & Corporate (WA) Pty Ltd.

Maximum Subscription means where the Minimum Subscription is achieved and the full subscriptions of an additional 125,000,000 Shares are accepted to raise a total of \$5,000,000.

Merchant means Merchant Capital Markets Pty (ABN 16 112 894 845).

Minimum Subscription means the Company receiving Valid Applications for 125,000,000 Shares to raise \$2,500,000.

Nameo means Nameo Pty Ltd (ACN 155 839 198).

Noteholder Shares means the Shares to be issued to the Cycliq Noteholders at Settlement.

Notice of Meeting means the Notice of General Meeting and Explanatory Statement of the Company dated 9 August 2016 in relation to the General Meeting.

Offers means the Public Offer and the Consideration 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.

Performance Options means Options issued on the terms and conditions set out in Section 15.7.

Performance Shares means performance shares in the capital of the Company to be issued to the Cycliq Shareholders at Settlement.

Prospectus means this replacement 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 250,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$5,000,000.

Recommendations has the meaning given in Section 13.1.

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

Section means a section of this Prospectus.

Secondary Offers means the Consideration Offer and the Noteholder Offer.

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

Share Registry means Computershare Investor Services Pty Ltd (ACN 078 279 277).

Shareholder means a holder of one or more Shares.

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

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

17.2 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”).

ANNEXURE 1 – CYCLIQ INTELLECTUAL PROPERTY

Federation Enterprises (WA) Pty Ltd - IP Summary at 28 September 2016**Patents/Patent Applications****Title: Bicycle Camera****Inventors: Kingsley Fiegert and Andrew Hagen**

Country/Jurisdiction	Application Number	Patent Number	Filing Date	Status	Renewal Date	Expiry Date
Australia (provisional)	201390068	N/A	1 Mar 2013	Closed (PCT filed)	N/A	N/A
Patent Cooperation Treaty Designated for: All States	PCT/AU2014/000185	N/A	27 Feb 2014	Completed	N/A	N/A
Australia	2014223307	2014223307	27 Feb 2014	Pending	27 Feb 2018	27 Feb 2034
Australia	2015101126 (Innovation)	2015101126	27 Feb 2014	Certified	27 Feb 2017	27 Feb 2034
Japan	2015-559395	Not yet allocated	27 Feb 2014	Pending	Not yet set	27 Feb 2034
USA	14/770372	Not yet allocated	27 Feb 2014	Pending	Not yet set	27 Feb 2034
United Kingdom	1517181.2	Not yet allocated	27 Feb 2014	Pending	Not yet set	27 Feb 2034

Title: Bicycle Camera

Inventors: Kingsley Fiegert and Andrew Hagen

Country	Application Number	Patent Number	Filing Date	Status	Renewal Date	Expiry Date
Australia	2015900560 (provisional)	N/A	18 Feb 2015	Completed	N/A	N/A
Patent Cooperation Treaty Designated for: All States	PCT/AU2016/050109	N/A	17 Feb 2016	Pending	N/A	N/A

Title: Mounting Bracket

Inventors: Kingsley Fiegert and Andrew Hagen

Country	Application Number	Patent Number	Filing Date	Status	Renewal Date	Expiry Date
Australia	2016902539 (provisional)	N/A	28 June 2015	Pending	N/A	N/A

Trade Marks

Mark: FLY6

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1569660	27 July 2013/ 20 Feb 2014	Registered	27 July 2023	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras
International (Madrid Protocol) Designated for US and China	1201785	10 Dec 2013	US registered CN refused	10 Dec 2023	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras

Mark: Cycliq

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1645755	10 Sep 2014/ 9 April 2015	Registered	10 Sep 2024	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras
International (Madrid Protocol) Designated for US, EU and China	1256600	13 Feb 2015	Registered	13 Feb 2025	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras

Mark: FLY12

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1672549	4 Feb 2015/ 2 Sep 2015	Registered	4 Feb 2025	Class 9: Cameras; Mounting devices for video cameras; Video cameras; Video cameras combined with video recorders; bicycle mounted video cameras



Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1771500	12/05/2016	Accepted	TBC	Class 9: Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information



Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1770498	12/05/2016	Accepted	TBC	Class 9: Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information



Mark:

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1770051	12/05/2016	Accepted	TBC	Class 9: Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information

Mark: **CYCLIQ**

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1770497	12/05/2016	Accepted	TBC	Class 9: Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information

Mark: FLY SMART

Country	Application No. / Registration No.	Filing Date / Registration Date	Status	Renewal Date	Classes
Australia	1770499	12/05/2016	Accepted	TBC	Class 9: Cameras; video cameras; cycle cameras; camera mounts; camera mounts for mounting cameras to cycles; video recorders and electronic cameras for recording cycling travel data and information; cameras incorporating GPS data, altimeter, barometer, accelerometer, GPS tracking device; electronic travel information display apparatus; electronic power meters for cycles; mounts for cycle power meter displays; GPS apparatus; mounts for GPS apparatus; combined camera and display screen apparatus for mounting to cycles; mounts for combined camera and lighting apparatus; combined camera and lighting apparatus for mounting to cycles; electronic apparatus for display of cycling location and cycling performance information; downloadable software applications; downloadable software applications providing location tracking and personal training and performance data and information

Designs

Title: Bicycle Camera

Authors: Kingsley Fiegert and Andrew Hagen

Country	Application No. / Registration No.	Filing Date	Status	Renewal Date	Expiry Date
Australia	201611767	30 March 2016	Registered	30 March 2021	30 March 2026
USA	29/578,974	27 Sept 2016	Filed	N/A	TBC
European Union	Not yet available	Not yet available	In progress	TBC	TBC