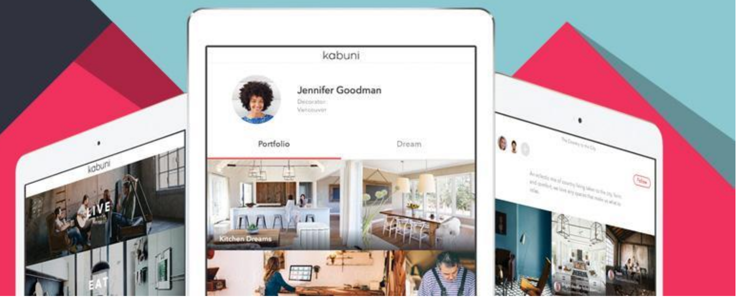

9 May 2016

Non-Offering Final Prospectus

Kabuni Ltd (ASX: **KBU**) ("Kabuni," or "the Company") filed a non-offering final long form prospectus ("Prospectus") with the British Columbia Securities Commission on 6 May 2016.

The sole purpose of this Prospectus is to allow the Company to become a reporting issuer under applicable securities legislation in the province of British Columbia.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company.

For and on behalf of the Board

Tony King
Executive Chairman

BOARD & MANAGEMENT

Mr Tony King
EXECUTIVE CHAIRMAN

Mr Neil Patel
MANAGING DIRECTOR

Mr Matthew Hehman
NON-EXECUTIVE DIRECTOR

Mr Nik Ajagu
NON-EXECUTIVE DIRECTOR

Mr Nathan Sellyn
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti
COMPANY SECRETARY

REGISTERED OFFICE
Level 1
35 Richardson Street
West Perth WA 6005

POSTAL ADDRESS
PO Box 1440
West Perth WA 6872

CONTACT DETAILS
Tel: +61 8 9212 0105

WEBSITE
investor.kabuni.com

SHARE REGISTRY
Security Transfer Registrars
770 Canning Highway
Applecross
Pert WA 6153
Tel: 08 9315 2333

ASX CODE
KBU

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

FINAL PROSPECTUS

<u>Non-Offering Prospectus</u> **May 6, 2016**

KABUNI LTD.

No securities are being offered or sold pursuant to this prospectus

This non-offering final long form prospectus (this Prospectus) is being filed with the British Columbia Securities Commission solely for the purpose of allowing Kabuni Ltd. (Kabuni or the Company) to become a reporting issuer under applicable securities legislation in the province of British Columbia. Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company.

The ordinary shares of the Company (the Shares) are listed on the Australian Stock Exchange (ASX) under the symbol “KBU”. The closing price of the Shares on the ASX on May 5, 2016 was A$0.14 (C$0.13).

An investment in start-up technology issuers involves a significant degree of risk. An investment in securities of the Company should only be made by persons who can afford the total loss of their investment. See “*Risk Factors*”.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

The Company is incorporated under the laws of a foreign jurisdiction. Furthermore, some of the Directors and officers of the Company reside outside of Canada. The Company and each of Anthony King, Matthew Hehman, Nikolas Ajagu and Aaron Bertolatti have appointed Cassels Brock & Blackwell LLP, Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 as its or their agent for service of process in Canada. Investors are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The Company’s registered office is at 35 Richardson Street, West Perth, Western Australia 6005, Australia. The head office of Kabuni Technologies, the Company’s principal operating subsidiary, is located at 111 - 375 Water Street Vancouver, British Columbia V6B 5C6.

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ABOUT THIS PROSPECTUS

The Company is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not authorized anyone to provide investors with additional or different information. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus.

Unless otherwise noted or the context otherwise indicates, "Kabuni" and the "Company" refer to Kabuni Ltd. and its subsidiaries. Certain capitalized terms and phrases used in this Prospectus are defined in the "Glossary of Terms" beginning on page 81.

Third Party Information

This Prospectus includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Prospectus, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Prospectus are not guaranteed and the Company does not make any representation as to the accuracy of such information.

Intellectual Property

This Prospectus includes trademarks, trade names and material which is subject to copyright, such as "Kabuni™" which are protected under applicable intellectual property laws and are the property of Kabuni. Solely for convenience, the Company's trademarks, trade names and copyrighted material referred to in this Prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, the Company's rights to these trademarks, trade names and copyrights. See "*Description of the Business — Intangible Properties*". All other trademarks used in this Prospectus are the property of their respective owners.

Website

The Company maintains a website at http://investor.kabuni.com. The reference to the website in this Prospectus is intended to be an inactive textual reference only. The information contained on, or that can be accessed through, the Company's website is not part of this Prospectus and is not incorporated by reference herein.

CURRENCY PRESENTATION

References in this Prospectus to "C$" are to Canadian dollars, references in this Prospectus to "A$" are to Australian dollars and references in this Prospectus to "US$" are to US dollars. The financial statements included herein are reported in Australian dollars.

The following table reflects the low, high average and closing rates of exchange in Canadian dollars for one Australian dollar during the periods noted, based on the Bank of Canada nominal noon spot rate of exchange.

	Years ended August 31		
	2015	**2014**	**2013**
High..........	1.0210	1.0344	1.0696
Low..........	0.9388	0.9392	0.9216
Average..........	0.9679	0.9939	1.0150
Closing..........	0.9388	1.0145	0.9392

	Four months ended December 31 2015	Three months ended November 30 2014
High..........	1.0112	1.0210
Low..........	0.9180	0.9588
Average..........	0.9550	0.9860
Closing..........	1.0083	0.9739

On May 5, 2016, the Bank of Canada nominal noon spot exchange rate for the purchase of one Australian dollar using Canadian dollars was C$0.96 (C$1.00 = A$1.04). Investors should be aware that foreign exchange rate fluctuations are likely to occur and that the Company does not make any representation with respect to future currency values. Investors should consult their own advisors with respect to the potential risk of currency fluctuations.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements or information (collectively, forward-looking statements) that relate to the management of the Company's current expectations and views of future events. The forward-looking statements are contained principally in the sections titled "*Prospectus Summary*", "*Description of the Business*", "*Use of Funds*", "*Management's Discussion and Analysis*" and "*Risk Factors*".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- expectations regarding revenue, expenses and operations;
- anticipated cash needs and the need for additional financing;
- the ability to protect, maintain and enforce intellectual property rights;
- third-party claims of infringement or violation of, or other conflicts with, intellectual property rights;

- the timing and use of Company assets including working capital;
- plans for and the timing of expansions of the Company's solutions and services;
- the service mix and revenue allocation between services;
- pricing for services and products;
- industry growth rates;
- future growth plans;
- service adoption rates by users;
- the acceptance by customers and the marketplace of new technologies and solutions;
- the ability to attract new users and maintain and increase usage by existing users;
- the ability to attract and retain personnel;
- expectations with respect to advancement in technologies;
- the Company's competitive position and expectations regarding competition;
- potential not-for-profit and charity partners and associated expenditures;
- evolution in the Company's operating structure as well as the involvement of subsidiaries and related parties;
- regulatory developments and the regulatory environments in which the Company operates; and
- anticipated trends and challenges in the Kabuni Business (as defined herein) and the markets in which the Company operates.

Forward-looking statements are based on certain assumptions and analysis made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although management believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, prospective purchasers of the Company's securities should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include, among others, risks related to:

- limited operations, no revenue generating history, and continuing losses;
- negative operating cash flow and ongoing cash flow requirements;
- the need to access substantial additional capital;
- the need to enhance and promote the Company's brand in order to expand its userbase;
- dependence on highly skilled personnel and competition to attract such highly skilled personnel;
- dependence on certain third-party supplier relationships to fulfill product orders;
- significant competition in the online home design industry;
- technical operations infrastructure failures and shortages;
- dependence on interior designers adopting and using Kabuni's services;
- users' propensity for purchasing services;
- user acceptance of product introductions and changes;
- defects or disruptions in new or improved services;
- dependence on third-party cloud storage providers;
- the compatibility and interoperability of mobile operating systems and web browsers;
- third-party licensed software;
- reliance on search engines and social networking sites;
- unsolicited "spam" communications on the Platform (as defined herein);

- management's prioritization of development at the expense of short-term operating results;
- creation and defence of intellectual property;
- social network platform changes;
- the acquisition and preservation of key domain names;
- future regulatory requirements;
- foreign currency fluctuations;
- the sufficiency of insurance coverage;
- the regulation of commercial emails;
- user expansion rates;
- business fluctuations;
- seasonality;
- interior design industry changes;
- the Company's international operations;
- user acceptance of the Company's pricing model;
- changes to the regulation or functioning of the internet;
- US and other data privacy protections laws and regulations;
- the maintenance and protection of users' confidential information;
- hackers and other surreptitious activities on the Platform;
- e-commerce fraud;
- Share price volatility;
- liquidity for the Shares;
- domestic and international taxation; and
- the costs and regulations associated with being a public company.

Although the forward-looking statements contained in this Prospectus are based upon what management believes are reasonable assumptions, these risks, uncertainties, assumptions and other factors could cause the Company's actual results, performance, achievements and experience to differ materially from its expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Kabuni Business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "*Risk Factors*".

Potential investors should read this Prospectus with the understanding that the Company's actual future results may be materially different from what it expects.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Company and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Please refer to the ‘‘Glossary of Terms’’ of this Prospectus for a list of defined terms used herein.

The Company

Kabuni is an Australian company publicly traded on the ASX. Through its operating subsidiaries, Kabuni Technologies and Kabuni USA, Kabuni operates a North American-based SaaS and e-commerce platform in the home design space that enables independent design home design professionals to grow their business through an omni-channel retail experience. The Platform is designed to provide Designers with effective tools to grow their businesses, and to inspire Clients to add beauty and value to their homes.

Kabuni is at an early stage of operations and has yet to earn material revenue. The Company intends to generate revenue primarily from selling Home Products in the Platform’s online marketplace and charging set fees for processing transactions made through Merchant Accounts. User accounts are currently free to Clients and Designers, but Kabuni may consider offering additional or premium features for subscription fees in the future.

See “*Description of the Business*” for additional information.

Kabuni operates within the online retail home furnishings industry and the interior design industry. Management believes that Kabuni is well-positioned to take advantage of the market opportunity in the growing online retail home furnishings industry, by focusing on Designers through the Platform which offers tools aimed at solving many of the challenges currently faced by Designers. Among others, the Platform offers Designers the ability to collaborate with their Clients online, with access to a full product range of home furnishings and with Kabuni handling the logistics of payment collection and product delivery.

Kabuni believes that well-positioned in the industry as a result of its features to help Designers, its incentive program to profit share, the collaborative aspect of its Platform, the unique product offerings from Artisans, the Platform’s integration ability and ability to scale up, the unique Design Studio and HoloMAX Technology, and its social responsibility.

See “*Description of the Business – Competitive Conditions*” for additional information.

Business Objectives and Milestones

The Company’s business objectives are to:

(a) further develop, improve and deliver enhancements to the Platform;
(b) grow the number of Designers and Clients using the Platform, and grow the number of e-commerce transactions that are concluded through the Platform;
(c) develop operations at its first Community Design Studio in Vancouver, British Columbia, growing the number of members at the Community Design Studio; and

(d) expand, refine and improve its product selection, by developing further relationships with product suppliers and growing the number of artists and artisan merchants that are signed up to sell products on the Platform.

See "*Use of Funds – Business Objectives and Milestones*" for additional information.

Selected Consolidated Financial Information

On August 24, 2015, the Company acquired Kabuni Technologies (for further details, see "*Description of the Business – History - Acquisition of Kabuni Technologies*", below). The Acquisition was a reverse take-over (RTO) for accounting purposes with (a) the Company being the legal acquirer and the reverse takeover acquiree for accounting purposes, and (b) Kabuni Technologies being the legal acquiree and the RTO acquirer for accounting purposes. Accordingly, the historical financial data presented in this Prospectus data for the years ended prior to the Acquisition or the year during which the Acquisition occurred is that of Kabuni Technologies. The historical financial data for periods completed after the Acquisition is that of the Company.

The following table presents the summary historical financial data of Kabuni Technologies or the Company, as the case may be, at the dates and for the periods indicated. The summary historical consolidated financial data of Kabuni Technologies for the years ended August 31, 2015, 2014 and 2013 are derived from the audited consolidated annual financial statements of Kabuni Ltd. for the financial year ended August 31, 2015 attached hereto as Schedule A and the audited consolidated annual financial statements of Kabuni Technologies for the financial years ended August 31, 2014 and 2013 attached hereto as Schedule B. The summary historical consolidated financial data for the Company for the four months ended December 31, 2015 and the three months ended November 30, 2014 are derived from the unaudited condensed consolidated interim financial statements, which are attached hereto as Schedule C. The information set forth below should be read in conjunction with *"Selected Consolidated Financial Information", "Management's Discussion and Analysis"* and the consolidated financial information and related notes included elsewhere in this Prospectus.

	Year ended August 31		
	2015 (A$)	**2014 (A$)**	**2013 (A$)**
Loss and comprehensive loss	(12,334,351)	(837,708)	-
Basic and diluted loss per share	(0.10)	(0.02)	-
Total assets	8,867,818	22,815	490
Total liabilities	939,674	588,957	-

	Four months ended December 31 2015 (A$)	**Three months ended November 30 2014 (A$)**
Loss and comprehensive loss	(2,192,192)	(222,446)
Basic and diluted loss per share	(0.02)	(0.01)
Total assets	6,601,407	66,593
Total liabilities	698,660	817,510

Risk Factors

There are certain risks associated with the business of Kabuni and with an investment in its securities including the following: limited operations, no revenue generating history, and continuing losses; negative operating cash flow and ongoing cash flow requirements; the need to access substantial additional capital; the need to enhance and promote the Company's brand in order to expand its userbase; dependence on highly skilled personnel and competition to attract such highly skilled personnel; dependence on certain third-party supplier relationships to fulfill product orders; significant competition in the online home design industry; technical operations infrastructure failures and shortages; dependence on interior designers adopting and using Kabuni's services; users' propensity for purchasing services; user acceptance of product introductions and changes; defects or disruptions in new or improved services; dependence on third-party cloud storage providers; the compatibility and interoperability of mobile operating systems and web browsers; third-party licensed software; reliance on search engines and social networking sites; unsolicited "spam" communications on the Platform; management's prioritization of development at the expense of short-term operating results; creation and defence of intellectual property; social network platform changes; the acquisition and preservation of key domain names; future regulatory requirements; foreign currency fluctuations; the sufficiency of insurance coverage; the regulation of commercial emails; user expansion rates; business fluctuations; seasonality; interior design industry changes; the Company's international operations; user acceptance of the Company's pricing model; changes to the regulation or functioning of the internet; US and other data privacy protections laws and regulations; the maintenance and protection of users' confidential information; hackers and other surreptitious activities on the Platform; e-commerce fraud; Share price volatility; liquidity for the Company's Shares; shareholder protection under Australian law may differ from Canada; the costs and regulations associated with being a public company; and the Company does not anticipate declaring cash dividends. The risks and uncertainties described above are those Kabuni currently believes to be material, but they are not the only ones faced by Kabuni. If any of the foregoing risks, or any other risks and uncertainties that Kabuni has not yet identified, that Kabuni currently considers not to be material or of which Kabuni is not aware, actually occur or become material risks, the business, prospects, financial condition, results of operations and cash flows of Kabuni, and the value of the securities of Kabuni, may be materially and adversely affected. See "*Risk Factors*".

Prospective investors should carefully consider the information set forth under the heading "Risk Factors", "Description of the Business" and the other information included in this Prospectus before deciding to invest in the securities of Kabuni.

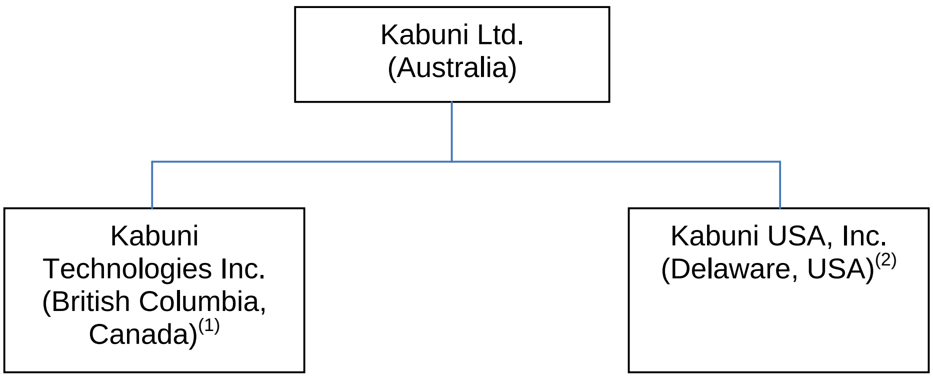
CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the Australian *Corporations Act 2001* on May 11, 2012, as "Magnolia Resources Limited". On August 25, 2015, the Company changed its name to "Whole New Home Ltd." and on November 13, 2015, the Company changed its name to "Kabuni Ltd." The Company was listed on the ASX on October 30, 2012, and its Shares trade on the ASX under the symbol KBU. The Company's registered office is at 35 Richardson Street, West Perth, Western Australia 6005, Australia. The head office of Kabuni Technologies, the Company's principal operating subsidiary, is located at 111 - 375 Water Street Vancouver, British Columbia V6B 5C6.

Intercorporate Relationships

The following chart shows the current Kabuni ownership structure:



Notes:

(1) Kabuni Technologies Inc. (Kabuni Technologies), was incorporated under the *Business Corporations Act* (British Columbia), on August 23, 2013, under the name PDT Technologies Inc. On September 9, 2015, it changed its name to Kabuni Technologies Inc. Kabuni Technologies is wholly owned by Kabuni.

(2) Kabuni USA, Inc. (Kabuni USA), was incorporated under the laws of Delaware, USA, on December 22, 2015. Kabuni USA is wholly owned by Kabuni.

DESCRIPTION OF THE BUSINESS

Kabuni is an Australian company publicly traded on the ASX under the symbol "KBU". Kabuni's business is to operate an Internet-based Software-as-a-service (SaaS) and e-commerce platform (the Platform) for the online home design industry (the Kabuni Business). The Kabuni Business is carried on through Kabuni's wholly-owned subsidiaries, Kabuni Technologies and Kabuni USA.

The Platform is designed to provide independent home design professionals (Designers) with effective tools to grow their businesses, and to inspire Designers' clients (Clients) to add beauty and value to their homes. To use the software on the Platform, Designers and Clients register for a user account with Kabuni and then access the Platform through one of many channels, such as an application for mobile devices or Kabuni's web site.

The Platform has two main functions. First, the Platform creates a forum for Designers to showcase their design ideas, find new Clients and collaborate with Clients on home design projects. Second, the Platform hosts an online marketplace, where Designers and their Clients can purchase home décor, home furnishings and related products (Home Products) from either Kabuni (which purchases said products from suppliers at wholesale prices for re-sale) or directly from artisan merchants who register for "merchant accounts" (Merchant Accounts). The Platform also engages Clients in Kabuni's philanthropic efforts, by giving Clients the option, when they pay for products, to select a charitable organization that will receive a donation of a pre-determined portion of Kabuni's profits from the sale. The Platform remains under development, and Kabuni has planned releases which will include all of the features described above early in the next quarter.

Kabuni is at an early stage of operations and has yet to earn material revenue. The Company intends to generate revenue primarily from selling Home Products in the Platform's online marketplace and charging set fees for processing transactions made through Merchant Accounts. User accounts are currently free to Clients and Designers, but Kabuni may consider offering additional or premium features for subscription fees in the future.

Kabuni was originally established as a natural resource company with the purpose of acquiring, exploring and developing mineral deposits in Australia and overseas. The Company's principal activities previously focused on mineral exploration on its Oldham Range Project located in central Western Australia, approximately 320 kilometres northeast from Wiluna. In light of difficult market conditions in the mining and exploration sector, the Company began evaluating investment opportunities outside the resources industry and eventually transitioned into the online home design industry.

History

Acquisition of Kabuni Technologies

On August 24, 2015, the Company completed the acquisition (the Acquisition) of Kabuni Technologies (formerly PDT Technologies Ltd.), the principal operating entity of the Company's current Platform, which is a SaaS and e-commerce business for the online home design industry. Concurrently with the Acquisition, the Company completed the Public Offer (see "-*Public Offer*", below). The Company acquired 100% of the issued capital of Kabuni Technologies pursuant to a share sale agreement dated May 28, 2015, as amended on August 24, 2015, among the Company, as buyer, the Sellers, and the Sellers' Representative (the Share Sale Agreement).

The Sellers were the founders of Kabuni Technologies and together held approximately 72% of the issued shares of Kabuni Technologies. Pursuant to the Share Sale Agreement, the Company also entered into short-form sale agreements with all of the other shareholders of Kabuni Technologies (the Other Shareholders), and agreed to purchase all of their shares in Kabuni Technologies on the basis of one Share for each share held in Kabuni Technologies.

As consideration for the Acquisition, the Company issued a total of 42,634,366 Shares and 37,463,826 performance shares in the capital of the Company (Performance Shares and together with the Shares, the Consideration Securities) to the Sellers, the Other Shareholders and certain persons who were designated by the Sellers to receive Consideration Securities, in satisfaction of certain obligations owed by Kabuni Technologies to those persons or as incentives to certain employees of Kabuni Technologies (the Consideration Share Subscribers). Of the Consideration Securities (a) 35,576,818 Shares were issued to the shareholders of Kabuni Technologies (the Sellers and the Other Shareholders) (b) 7,057,548 Shares were issued to the Consideration Share Subscribers and (c) 37,463,826 Performance Shares were issued to the Sellers, the Consideration Share Subscribers and certain Directors in connection with the Acquisition (see "*Performance Shares to Directors*", below). The Consideration Share Subscribers included certain corporate advisors involved with the facilitation and negotiation of the Acquisition, to whom 4,257,547 Shares and 2,520,732 Performance Shares were issued.

Each of the Sellers and the Consideration Share Subscribers, and a majority of the Other Shareholders, were persons in Canada at the time of completion of the Acquisition. As at the date of this Prospectus, approximately 28% of the Shares and 89% of the Performance Shares are held by persons in Canada. In connection with the Acquisition, the holders of Shares of the Company who reside in Canada (other than Manitoba) became subject to an indefinite restriction on the resale of their Shares under National Instrument 45-102 – *Resale of Securities*. Accordingly, the Company is filing this Prospectus in order to become a reporting issuer under applicable securities legislation in the province of British Columbia. The Company is not currently seeking a listing of its Shares in Canada.

At a general meeting of the Company held on July 20, 2015 (AET), the shareholders of the Company approved (a) the change in nature and scale of the activities of the Company resulting from the Acquisition, (b) the issue of the Consideration Securities and the Convertible Note Shares, (c) the issue of the Shares and Listed Options pursuant to the Public Offer, (d) the change of the Company's name to "Whole New Home Limited", and (e) the appointment of Messrs Nimesh (Neil) Patel, Nathan Sellyn and Nik Ajagu to the Board of Directors (Board). The Company subsequently changed its name to "Kabuni Ltd." See "*Corporate Structure – Name, Address and Incorporation*".

Since the Acquisition involved a change in the nature and scale of the Company's activities, the ASX required that the Company re-comply with its listing requirements. Accordingly, the Shares and the Listed Options were admitted to quotation and reinstated for trading on the ASX on September 3, 2015 (AET).

Each of the Sellers, the Other Shareholders and the Consideration Share Subscribers acknowledged that the Consideration Securities would be escrowed and subject to escrow agreements in accordance with the requirement of the ASX prior to completion of the Acquisition. See "*Securities Subject to Contractual Restrictions on Transfer"* for further details.

As required by the Share Sale Agreement, the Company entered into a loan agreement dated May 28, 2015 with Kabuni Technologies (the Company Loan Agreement). Pursuant to the Company Loan Agreement, the Company advanced Kabuni Technologies a working capital loan of A$750,000 to meet operational expenses in the period prior to completion of the Acquisition, of which A$750,000 is outstanding at the date hereof, secured by a first ranking security interest over all of Kabuni Technologies' present and after acquired personal property. Interest on the loan is calculated at 6% per annum and payable on maturity. The loan is repayable on or before June 30, 2016.

In order to meet its operational expenses in the period prior to completion of the Acquisition, Kabuni Technologies entered into an A$680,000 loan (Working Capital Loan Agreement) on June 25, 2015 with Wimalex Pty Ltd, J & J Bandy Nominees Pty Ltd and Seefeld Investments Pty Ltd. The loan was repaid in full following completion of the Acquisition and no amounts currently remain outstanding thereunder.

Convertible Notes

Between March 6, 2015 and July 2, 2015, Kabuni Technologies issued a series convertible notes to sophisticated and professional investors residing outside of Canada, for total proceeds of A$1,420,000 (the Convertible Notes). The funds raised from the Convertible Notes were used by Kabuni Technologies for general working capital purposes.

The Convertible Notes were originally convertible into common shares of Kabuni Technologies. On June 30, 2015, the Convertible Notes were amended in order to convert into Shares. In connection with the Acquisition, the Company satisfied the repayment terms of the Convertible Notes by issuing 15,523,810 Shares to the Convertible Note holders (the Convertible Note Shares). Repayment of A$620,000 of the Convertible Notes was satisfied by the issue of 8,857,143 Shares (conversion price of A$0.07 per Share) and repayment of A$800,000 of the Convertible Notes was satisfied by the issue of 6,666,667 Shares (conversion price of A$0.12 per Share).

Public Offer

Concurrently with the Acquisition, the Company completed: (a) a public offer of 35,000,000 Shares at an issue price of A$0.20 each for aggregate proceeds of A$7,000,000, and (b) a public offer of 12,000,000 Listed Options at an issue price of A$0.005 per Listed Option for aggregate proceeds of A$60,000 (collectively, the Public Offer). The purpose of the Public Offer was to (a) meet the requirements of ASX to re-comply with the ASX's admission requirements, (b) to raise funds for the continued development of the Kabuni Business, (c) to meet the expenses of the Public Offer; and (d) provide administration expenditure and working capital for the Company.

Performance Shares to Directors

On August 25, 2015 (AET), the Company issued 666,666 Shares and 1,333,334 Performance Shares to Nathan Sellyn and Nik Ajagu, each of whom was appointed as a Director in connection with the Acquisition. The 1,333,334 Performance Shares are included in the 37,463,826 Performance Shares that were issued in consideration for the Acquisition (see "-*Acquisition of Kabuni Technologies*", above).

The Performance Shares issued to Directors are classified by ASX as restricted securities and are required to be held in escrow for up to 24 months from the date of reinstatement. See "*Securities Subject to Contractual Restriction on Transfer*" for further details.

For a summary of the terms and conditions attaching to the Performance Shares, see "*Description of Securities – Performance Shares*", below.

Material Events Subsequent to the Acquisition

Rebranding of Kabuni Business

Following the Acquisition, on September 25, 2015 (AET), the Company announced that it had rebranded the Kabuni Business, which was previously operating under the name "Whole New Home", and on November 13, 2015, the Company changed its name to "Kabuni Ltd." The goal of the rebranding of the Company's business was to create a stronger, more distinctive brand that better reflected the Company's strategic vision. In connection with the rebranding, the Company's Canadian operating subsidiary was renamed from "PDT Technologies Inc." to "Kabuni Technologies Inc."

Agreement with American Society of Interior Designers

On November 19, 2015 (AET), the Company announced that its subsidiary, Kabuni Technologies, signed a corporate sponsorship agreement with the American Society of Interior Designers (ASID), effective October 1, 2015. The sponsorship agreement grants Kabuni the exclusive title of ASID "Premier Partner" in Kabuni's industry sector and management believes that this partnership establishes the Company as a strong player in the American design industry, by creating a formal association with a well-established organization that represents substantial purchasing power. The agreement has a one-year term, with a right to extend for an additional year at Kabuni's option. The consideration payable by Kabuni Technologies was US$100,000.

Development of the Business of the Company Prior to the Acquisition

From the date of its incorporation on May 11, 2012 to the date of completion of the Acquisition, the Company's sole material business activity was to conduct mineral exploration on the Oldham Range Project located in central Western Australia, approximately 320 kilometres northeast from Wiluna.

Development of the Business of Kabuni Technologies Prior to the Acquisition

From the date of its incorporation on August 23, 2013 to the date of completion of the Acquisition, Kabuni Technologies' principal activities were related to the development of the Kabuni Business and the Platform. In order to fund these development activities, Kabuni Technologies obtained loans from a related party and a third party, and raised capital through the issuance of common shares, as more particularly described below.

Financings

From the date of incorporation to the completion of the Acquisition, Kabuni Technologies completed a series of private placements of common shares in Canada, as further set out in the following table.

Date	Number of Common Shares Issued	Issue Price Per Share (C$)	Aggregate Proceeds (C$)
August 23, 2013(1)	46,000,000	0.00001	460
February 21, 2014(2)	1,727,500	0.08 - 0.13	156,500
February 21, 2014(3)	160,000	0.00001	2
August 30, 2014(2)	150,000	0.10	15,000
December 1, 2014(2)	917,000	0.10	91,700
January 16, 2015(2)	440,000	0.10 - 0.15	49,500
May 25, 2015(2)	123,480	0.15	18,522
May 25, 2015(4)	600,000	0.0001	60
July 3, 2014(2)	308,838	0.10-0.15	42,076
July 3, 2015(5)	950,000	0.00001	10

Notes:

(1) These shares were issued for nominal consideration on incorporation of Kabuni Technologies Inc, to the original shareholders of the company.

(2) These shares were issued pursuant to various private placements.

(3) These shares were issued for nominal consideration to one of the original shareholders of the company.

(4) These shares were issued for nominal consideration to an employee of Kabuni Technologies as a signing bonus.

(5) These are bonus shares that were issued to a lender in consideration for a release. See "- *Darroch Loan Agreement*", below.

(6) No brokers were involved in any of the aforesaid private placements, nor were any commissions paid. The proceeds from the aforesaid private placements were used for general working capital purposes and to fund Kabuni Technologies' ongoing development activities.

Prior to completing the Acquisition and as a condition precedent thereto, on May 25, 2015, Kabuni Technologies repurchased 15,800,000 common shares at C$0.00001 per share for aggregate consideration of C$158. The shares were returned to treasury and cancelled. Accordingly, immediately prior to the date of completion of the Acquisition, Kabuni Technologies had an aggregate of 35,576,818 common shares issued and outstanding.

Property Beacon Loan Agreement

Kabuni Technologies entered into a Loan Agreement dated as of November 30, 2013 between Kabuni Technologies, as borrower, and Property Beacon Technology Inc. (Property Beacon), as lender (the Property Beacon Loan Agreement), pursuant to which Property Beacon agreed to lend to Kabuni Technologies the sum of up to C$110,000. Mr. Nimesh (Neil) Patel, Managing Director and Chief Executive Officer and a director of Kabuni Technologies, is a majority shareholder of Property Beacon. Advances made under the Property Beacon Loan Agreement accrued interest at the rate of 8% per annum. The original maturity date for repayment of the loan was June 30, 2014. The loans were secured by a general security agreement on all of the personal property of Kabuni Technologies. The Property Beacon Loan Agreement was amended by a Loan Agreement Extension dated July 1, 2014, and a Loan Agreement Amendment and Release of Security dated June 30, 2015. Pursuant to these amendments, the maturity date was extended to June 30, 2016. In addition, the loans were amended such that the loans would no longer bear interest, and the security for the loans were released. As at the date of this Prospectus, the outstanding amount of the loan is C$82,178.

Darroch Loan Agreement

On September 18, 2014, Kabuni Technologies obtained a C$250,000 loan from Darroch Investments Ltd., a third-party lender. All amounts due under the loan were repaid in full and the loan and security were released. In consideration for the release, Kabuni Technologies settled the bonus share and bonus warrant obligations by issuing 950,000 Shares at a price of C$0.00001 per share.

Prior to completion of the Acquisition, the ongoing development activities and working capital needs of Kabuni Technologies were also funded by (a) the Convertible Notes (for further details, see "- *Convertible Notes*", above), (b) the Working Capital Loan Agreement (for further details, see "- *Acquisition of Kabuni Technologies", above*), and (c) the Company Loan Agreement (for further details, see "- *Acquisition of Kabuni Technologies"*, above).

Kabuni's Products

Overview of the Platform

Kabuni's principal product is an online SaaS and e-commerce Platform that serves as a marketplace for connecting Clients with Designers. The Platform remains under development, and Kabuni has planned releases which will include all of the features described below early in the next quarter. The following are the key features of the Platform:

- *Verification and Sign-In*: A comprehensive method to allow users to register with the Platform through both email and social media.
- *Find a Designer*: Search tools to allow Clients to connect with Designers in their local area or based on their preferences.
- *Designer Profiles*: Designers can create detailed profiles to market themselves to Clients searching for products or services.
- *Designer Communication*: A variety of communication tools to enable communication between Designers and Clients.
- *Inspiration Boards*: Inspiration Boards enable Designers to curate design ideas, home decor products, art and furnishings. Designers can create Inspiration Boards to pitch design ideas to Clients and generate income via the sale of products promoted on their Inspiration Board. Clients are expected to browse home improvement ideas and Designers' offerings by viewing Inspiration Boards and make purchases from the Inspiration Boards.
- *E-commerce System*: An e-commerce system allowing Clients to make on-line purchases of products showcased on the Inspiration Boards. The system also provides for the payment to Designers of their share sales revenues generated from their Inspiration Boards.
- *Giving Back*: Kabuni will donate a percentage of its profit generated from sales transactions to charitable organizations dedicated to combating homelessness. Kabuni selects eligible charities and, through the Platform, provides Clients with the option of selecting the charity that will receive the donation at check-out.

Customers and Revenue Model

Management believes that the Kabuni Business has two main potential revenue streams, as set out below.

E-commerce Transactions. Management anticipates that e-commerce transactions will serve as a primary source of revenue for Kabuni. These transactions result from the following process:

- a Designer selects an item from a list of available products. The Designer promotes the item to Clients via their Inspiration Board. A Client purchases the item.
- in the case of items sold by Kabuni, Kabuni purchases the item at wholesale price and re-sells it at its retail price, making a profit on the sale.
- in the case of items sold by artists or artisan merchants, Kabuni charges a fee (currently set at 30% of the sales price) for processing the transaction.
- Kabuni will allow Designers to earn income by receive a predetermined share of Kabuni's profit made in respect of a transaction for a product promoted by the Designer (currently set at 30% of Kabuni's gross profit on the transaction).

Subscription or Membership Fees. In order to drive adoption, Clients and Designers are able to currently register on the Platform for no cost. In the future, Kabuni may consider offering additional or premium features in return for the payment of subscription fees by users. Furthermore, Kabuni anticipates that it will charge a membership fee to Designers who wish to be members of its Community Design Studios. As a promotional tool, Kabuni is currently offering free memberships for a limited period to Designers to sign up as members of its Community Design Studio in Vancouver.

Suppliers and Product Shipping

In order to grow potential e-commerce revenues, Kabuni will need to provide Designers with an extensive list of quality products from which to populate their Inspiration Boards. Growing and improving the selection of products is a major area of current focus for the business. Currently, Kabuni has relationships with several key product suppliers who will provide Kabuni's Designers with a growing range of products.

Furthermore, Kabuni provides artists and artisan merchants with the ability to sign-up for a Merchant Account and sell their artwork, handcrafted or custom-made products directly on the Platform. This provides the merchants with the ability to access Designers to promote their products, as well as transaction processing services through the Platform. In return, Kabuni charges merchants a fee (currently set at 30% of the sales price of the product).

The Kabuni Business currently has over 20,000 unique products in its product catalogue, which through customization options (such as in respect of fabric type and colour), yield over 60,000 Stock Keeping Units (SKUs).

The shipping of products to Clients is carried out by third-party providers of shipping services. Where required, Clients may select premium delivery services, which include additional features such as unpacking and assembly.

Kabuni currently offers shipping of products to Canada and the US. Kabuni intends to offer shipping of products to other countries as its business grows, but no target date has yet been set for shipping to other countries.

Community Design Studio

In March, 2016, Kabuni completed the construction and opening of its first “Community Design Studio” (the Design Studio) in Vancouver, British Columbia. This 300 square metre space is open to the design community and offers a location where Designers can connect with Clients in person. Designers are able to use computer technology and touch screens in order to showcase their design ideas while accessing home decor products and a library of fabric swatches. The Design Studio also serves as a community center, offering an opportunity for designers to socialise, network and participate in professional development events. The Design Studio is intended to complement the e-commerce business, driving transactions and increasing brand awareness.

The Design Studio features HoloMAX™ 3D technology (the HoloMAX Technology), developed by H Plus Technologies Ltd. (H Plus). HoloMAX Technology provides a unique three-dimensional and holographic retail experience for Designers and Clients. This experience offers Designers with a 360-degree view of furniture in an interactive, holographic room, as well as creating a faster, more cost-efficient alternative to 3D rendering. For Clients, the HoloMAX Technology experience allows for visualization of their design solutions.

The HoloMAX Technology was developed pursuant to a Technology Development and Services Agreement dated July 3, 2015, between Kabuni Technologies and H Plus. Pursuant to this agreement, Kabuni Technologies has retained H Plus to develop and deliver the HoloMAX Technology, and to provide ongoing technical support. The first phase of development, which will see the holographic component of the technology made available to customers, is now complete. The consideration payable by Kabuni Technologies is C$150,000.

Trends

As is typical with early-stage technology companies such as the Company, losses are incurred in the growth and development stages. Management anticipates that the Company will continue to experience net losses as a result of ongoing development and general corporate and administrative costs and expenses for the foreseeable future. Given the nature of the Kabuni Business and the fact it is in an early stage of development, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated.

The Company's future financial performance is dependent on many external factors. Both the prices of, and the markets for, home design products are volatile, difficult to predict and subject to changes in domestic and international political, social and economic environments. These circumstances and events could materially affect the future financial performance of the Company. The Company is not currently aware of any trend, event or uncertainty that can reasonably be expected to have a material adverse effect on the Kabuni Business, financial condition, or operating results of the Company other than as described herein and, in particular, under the heading *"Risk Factors*".

Industry Background and Market Opportunity

Kabuni operates within the online retail home furnishings industry and the interior design industry.

Based on industry sources, the home furnishings industry generates over US$100 billion dollars in retail sales in the US annually. (Source: Census Bureau, 2016). Based on publicly available industry research, management believes that consumers are becoming increasingly willing to purchase home furnishings online and that there will continue to be a growth in online home furnishing sales in Canada and the US. Additionally, mobile commerce is growing rapidly. The proliferation of smartphones and tablets has made mobile commerce one of the fastest growing online channels. (Source: IBIS World: 2013). Management believes that the growth in mobile commerce will benefit online sales of home furnishings.

With regard to the interior design industry, industry sources indicate that interior designers in the US and Canada source annually over US$68.5 billion in value of products for their clients. (Source: American Society of Interior Designers, 2015). Based on its own sources, management believes that the interior design industry is highly fragmented, with a large portion of interior designers working as independent business owners. As such, interior designers typically depend on personal referrals to obtain clients and are subject to geographical limitations, in that their client-base is generally located in close proximity to them. Interior designers also face the challenge of having to handle the logistics of sourcing products from multiple vendors for clients, a time consuming process which limits their availability for new projects. Moreover, designers face cash-flow management issues, in dealing with the time gap between paying for the products on behalf of their clients and collecting payment. Interior designers are also faced with the challenge of having to adapt to new and emerging technologies, including the need to develop and maintain an online presence.

Management believes that Kabuni is well-positioned to take advantage of the market opportunity in the growing online retail home furnishings industry, by focusing on Designers through the Platform which offers tools aimed at solving many of the challenges currently faced by Designers. Among others, the Platform offers Designers the ability to collaborate with their Clients online, with access to a full product range of home furnishings and with Kabuni handling the logistics of payment collection and product delivery. Further, through the Platform, Designers can expand their Client base and connect with new clients located anywhere in Canada or the US. Kabuni also allows Designers to supplement their earnings and receive a predetermined share of Kabuni's profit made in respect of a transaction for a product promoted by the Designer. Kabuni intends to further develop the features of the Platform with a focus on addressing the challenges faced by Designers as the market evolves.

Competitive Conditions

This online retail home furnishings industry is highly competitive and is subject to increasing domestic and global competition which is fast-paced and fast-changing. Kabuni will compete for the attention of Clients against a range of established and emerging companies. These competitors will include other retailers, including large department stores, discount retailers and other specialty retailers offering home furnishings and other e-commerce websites, such as "Amazon", "Wayfair" and "Etsy".

Kabuni also competes against other businesses who offer the ability for Clients and Designers to collaborate and share ideas and source products, including the following:

- "*Houzz*": a web site and online community dedicated to architecture, interior design and decorating, landscape design, and home improvement.
- "*Laurel & Wolf*": a paid, online interior design service platform, with a directory of interior design professionals available for projects.

Kabuni believes that it has the following competitive advantages:

- *Features to Help Designers.* The Platform offers many features that solve some key challenges faced by Designers, including by handling the logistics of payment collection and product delivery, and by allowing Designers to expand their Client base and connect with new Clients located anywhere in Canada or the US.
- *Profit Share.* Designers are incentivised to use the Platform in order to supplement their earnings and receive a predetermined share of Kabuni's profit made in respect of a transaction for a product promoted by the Designer.
- *Collaboration*. The Platform has been designed to encourage collaboration between Designers and Clients, with a view to facilitating sales of Home Products from Kabuni's catalogue.
- *Unique Products from Artisans*. The Platform offers unique products from artists and artisans, including the ability to order custom items. These products will attract Designers and Clients to the Platform and encourage them to use it.
- *Integration Ability*. The Platform has been designed to provide third party services (such as other online tools of use for Designers), an opportunity to integrate with our platform via an Application Programming Interface (API).
- *Scalable Platform.* The Platform is designed to scale up based on demand from thousands of users to millions of users with no change to its current architecture.
- *Design Studio.* Kabuni's Design Studio offers a location where Designers can connect with Clients in person. The Design Studio is intended to complement the e-commerce business, driving transactions and increasing brand awareness.
- *HoloMAX Technology*. The HoloMAX Technology, located at the Design Studio, is a unique technology that is anticipated to attract Designers and Clients and encourage their collaboration in person while enhancing their use of the Platform.
- *Social Responsibility.* The Platform integrates the ability to engage customers who are interested in social causes, through the "Giving Back" feature of the Platform. This allows Clients to select a local charitable organization that will receive a donation at check-out.

Failure to compete effectively against current or future competitors could result in loss of users, which would in turn result in an impairment of the ability to achieve or maintain profitability for the business. For further details on the risks related to competition, see "*Risk Factors - The Company's industry is highly competitive and a failure to compete effectively would have an adverse impact on the Kabuni Business*".

Intangible Properties

Kabuni's success depends in part upon Kabuni's ability to obtain and maintain intellectual property protection for its products and technologies. The Platform is developed, in part, by a team of in-house software developers, each of whom has signed appropriate confidentiality and proprietary rights agreements. Certain aspects of the Platform are developed by third-party service providers, who are similarly required to sign appropriate confidentiality and proprietary rights agreements prior to commencing their engagement.

Insofar Kabuni's brand is concerned, Kabuni has filed for trademark protection for the "KABUNI" brand name in the US, Canada, Europe, Australia and New Zealand. Management will continue to identify key brand elements of the Kabuni Business as it grows and seek trademark protection where deemed appropriate.

For further details on the risks related to Kabuni's intellectual property, see "*Risk Factors - The Company's intellectual property is subject to limited statutory protection and third-parties may infringe such intellectual property".*

Specialized Skill and Knowledge

Kabuni's business is complex and requires a management team and employee workforce that is knowledgeable in both how the Company operates and in the online home design industry generally. The Company requires personnel with technical skills and understanding of Kabuni's technology and anticipated products. The Company believes that the current management team offers a good combination of technical, product development and managerial expertise and a strong corporate track record in the areas of business and financial management, sales and marketing, and technology. More specifically, Kabuni's key management personnel have an average of over 15 years' experience in those areas relevant to their respective positions. The market for qualified personnel is competitive due to the limited number of people with the necessary skills. See "*Risk Factors – The Company depends on highly skilled personnel to grow and operate its business, and if the Company is unable to hire, retain and motivate its personnel, the Company may not be able to grow effectively*".

Cycles

As Kabuni is at an early stage of operations and has yet to earn material revenue, Kabuni has not yet experienced any seasonal variations or cycles in its business. Management anticipates that the Kabuni Business may experience seasonal trends and fluctuations in sales from period-to-period, as is the case with other online retail businesses.

Employees

The Company currently has approximately (a) 25 employees located at its Vancouver, British Columbia, head office, and (b) 10 independent contractors located in Bangalore, India. All employees and independent contractors are under contract with Kabuni Technologies. It is anticipated that the Bangalore-based independent contractors will become full-time employees of the Company's Indian subsidiary. See "*- Foreign Operations*".

Foreign Operations

The Platform is intended to be open to users worldwide. Designers and Clients from around the world can access the Platform and collaborate on design ideas. However, Kabuni currently offers shipping of products to Canada and the US only. Accordingly, Kabuni is currently targeting and marketing to Clients both in Canada and in the US. Kabuni intends to offer shipping of products to and target customers in other countries as its business grows, but no target date has yet been set for worldwide shipping.

During the third quarter ended March 31, 2016, the Company commenced the process of opening a software development office in Bangalore, India. The office will be operated through a wholly-owned subsidiary of the Company, to be incorporated under the laws of India. The main purpose of the office will be to hire specialized software developers for the ongoing improvement and development of the Company's technology. Management expects that the subsidiary and office will be open and operational before the end of the financial year ending June 30, 2016.

USE OF FUNDS

Proceeds

As this Prospectus is a non-offering prospectus, no securities of the Company will be sold pursuant to it. Therefore, the Company will not receive any proceeds as a result of the distribution of this Prospectus. There are therefore no net proceeds for which to describe any intended principal purposes, including indebtedness, asset acquisition, receipt of net proceeds by insiders, or research and development.

Funds Available and Principal Uses of Funds

As of December 31, 2015 the Company had working capital of approximately A$5,493,731, and as of March 31, 2016, the Company had working capital of approximately A$3,700,093. The Company's working capital is comprised of net proceeds received from equity financings previously conducted by the Company, interest income and modest revenues earned to date.

Management believes that the Company's working capital is sufficient to meet its operating costs for the remainder of the 2016 calendar year and plans to raise at least a minimum of approximately A$2,000,000 to meet its operating costs for the next twelve month period. The principal purposes for which the Company's working capital is expected to be used for the next twelve month period are listed below.

Description	Estimated Costs (in A$)
Salaries and Benefits[1]	$ 2,561,813
Professional & Contract Services[2]	$ 998,286
Legal	$ 249,855
Accounting	$ 126,845
Travel	$ 224,540
Marketing Expenses	$ 310,612
Office Expenses	$ 510,679
Indian Office Expenses	$ 33,982
Design Studios Expenses	$ 296,505
Public Company Expenses	$ 330,258
Working Capital Deficiency	$(1,943,282)
	$ 3,700,093

Note 1
Salaries and Benefits

- Research & Development - Canada	$ 778,683
- Research & Development – India	$ 101,657
- Sales & Marketing	$ 794,690
- General & Administrative	$ 886,783
	$ 2,561,813

Note 2
Professional & Contract Services

- Research & Development	$ 649,015
- Sales & Marketing	$ 79,750
- General & Administrative	$ 269,521
	$ 998,286

The Company operates a continuous research and development program, whereby it releases updates to its software products and software technology Platform on a regular (2-4 week) development cycle. The Company monitors the use of the Platform from users and implements changes to respond to user feedback and improve user experience. The majority of the Company's software development is currently handled by a team of internal employees, which team is supplemented by external sub-contractors when required to increase bandwidth and accelerate the development of a certain feature. As of the date of the Prospectus, the Company's core mobile application software product and software technology platform are complete. No additional costs are required to reach commercial production for either the Company's core mobile application software product or the Company's software technology platform. The Company will continue to improve its Platform in the future according to the above described development process.

The major components of the Company's research and development program for the next twelve-month period are as follows:

Salaries & Benefits	$ 880,340
Contract Software Development Services	$ 649,015
Software Purchases	$ 22,238
Office Expenses – India Development Office	$ 29,877
Travel Expenses Software Related	$ 9,310
	$ 1,590,779

There is no commitment by the Company to use the funds exactly as listed above. The Company will be required to raise funds in order to obtain additional working capital and continue to develop the Kabuni Business and achieve its stated business objectives as further discussed below under "- *Business Objectives and Milestones"*. The Company continues to attempt to raise further funds on an ongoing basis through either equity or debt instruments as required, though not as part of this Prospectus. The Company has no assured sources of funding and there is no assurance that the Company will be able to access additional capital in order to fund its business objectives beyond the remainder of this 2016 calendar year. See "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors - The Company will require access to substantial additional capital to fund its business and may be unable to raise such capital*".

The Company has had negative operating cash flow since inception. The Company's ability to achieve and sustain positive operating cash flow will depend upon a number of factors, including, among others, the Company's ability to execute on its proposed business and commercialization plan as well as the Company's ability to create new revenue opportunities. To the extent that the Company has negative operating cash flows in future periods, the Company may need to allocate a portion of the Company's cash reserves to fund such negative cash flow. The Company may be required to raise additional funds through the issuance of equity securities, debt securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. See "*Risk Factors*".

Business Objectives and Milestones

The Company's business objectives for the next twelve month period are to:

(a) further develop, improve and deliver enhancements to the Platform (estimated costs are A$1,529,355);

(b) grow the number of Designers and Clients using the Platform (estimated costs are A$637,808), and grow the number of e-commerce transactions that are concluded through the Platform (estimated costs are A$395,776);

(c) develop operations at its first Community Design Studio in Vancouver, British Columbia (estimated costs are A$252,155), growing the number of members at the Community Design Studio (estimated costs are A$44,350); and

(d) expand, refine and improve its product selection, by developing further relationships with product suppliers and growing the number of artists and artisan merchants that are signed up to sell products on the Platform (estimated costs are A$286,537).

The Company intends to use all of its available working capital towards the achievement of the Company's business objectives as a whole, as well as to pay for general working capital for the remainder of the 2016 calendar year. See "- *Funds Available and Principal Uses of Funds*". The Company will require additional financing in order to continue to develop the Kabuni Business and further its business objectives, but there can be no assurances that sufficient financing will be available on reasonable terms or at all. See "*Risk Factors - The Company will require access to substantial additional capital to fund its business and may be unable to raise such capital*".

DIVIDENDS OR DISTRIBUTIONS

The Company has not paid dividends since its incorporation. While there are no restrictions in the Company's constitution, or pursuant to any agreement or understanding which could prevent the Company from paying dividends or distributions, the Company has limited cash flow and anticipates using all available cash resources to fund working capital and grow its business. As such, the Company has no plans to pay dividends in the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions existing at the time a determination is made.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

On August 24, 2015, the Company acquired Kabuni Technologies (for further details, see "*Description of the Business – History - Acquisition of Kabuni Technologies*", above). The Acquisition was a reverse take-over (RTO) for accounting purposes with (a) the Company being the legal acquirer and the reverse takeover acquiree for accounting purposes, and (b) Kabuni Technologies being the legal acquiree and the RTO acquirer for accounting purposes. Accordingly, the historical financial data presented in this Prospectus data for the years ended prior to the Acquisition or during which the Acquisition occurred is that of Kabuni Technologies. The historical financial data for periods commenced after the Acquisition is that of the Company.

The following table presents the summary historical financial data of Kabuni Technologies or the Company, as the case may be, at the dates and for the periods indicated. The summary historical consolidated financial data of Kabuni Technologies for the years ended August 31, 2015, 2014 and 2013 are derived from the audited consolidated annual financial statements, which are included herein. The summary historical consolidated financial data for the Company the four months ended December 31, 2015 and the three months ended November 30, 2014 are derived from the unaudited condensed consolidated interim financial statements, which are included herein. The information set forth below should be read in conjunction with *"Selected Consolidated Financial Information", "Management's Discussion and Analysis"* and the consolidated financial information and related notes included elsewhere in this Prospectus.

	Year ended August 31		
	2015 (A$)	**2014 (A$)**	**2013 (A$)**
Loss and comprehensive loss	(12,334,351)	(837,708)	-
Basic and diluted loss per share	(0.10)	(0.02)	-
Total assets	8,867,818	22,815	490
Total liabilities	939,674	588,957	-

	Four months ended December 31 2015 (A$)	**Three months ended November 30 2014 (A$)**
Loss and comprehensive loss	(2,192,192)	(222,446)
Basic and diluted loss per share	(0.02)	(0.01)
Total assets	6,601,407	66,593
Total liabilities	698,660	817,510

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis for the year ended August 31, 2015 and 2014 (the Annual MD&A) attached to this Prospectus as Schedule D should be read in conjunction with the historical consolidated financial statements of the Company and the related notes thereto included in this Prospectus. The management's discussion and analysis for the four months ended December 31, 2015 (the Interim MD&A) attached to this Prospectus as Schedule E should be read in conjunction with the historical consolidated financial statements of the Company and the related notes thereto included in this Prospectus. This discussion is current as at the date of this Prospectus. The audited consolidated annual financial statements of Kabuni Technologies and the financial information discussed in the Annual MD&A were prepared in accordance with IFRS for the years ended August 31, 2015, 2014 and 2013. The unaudited condensed consolidated financial statements of the Company and the financial information discussed in the Interim MD&A were prepared in accordance with IFRS for the four months ended December 31, 2015 and the three months ended November 30, 2014. All amounts in this discussion are expressed in Australian dollars unless otherwise identified.

Each of the Annual MD&A and the Interim MD&A contain forward-looking statements that involve numerous risks and uncertainties. Actual results of the Company could differ materially from those discussed in such forward-looking statements as a result of these risks and uncertainties, including those set forth under *"Cautionary Statement Regarding Forward-Looking Statements"* and under *"Risk Factors".*

CONSOLIDATED CAPITALIZATION

There has been no material change in the share and loan capital of the Company, on a consolidated basis, since December 31, 2015. Issuances of the Company's share capital since December 31, 2015 are fully reflected in the "Prior Sales" table, below.

DESCRIPTION OF THE SECURITIES

Issued and Authorized Share Capital

Australian companies do not have authorized share capital. There is generally no limit in the Australian Corporations Act or the constitution of the Company (the Constitution) on the power of the Board to issue Shares. However, subject to certain exceptions, the ASX Listing Rules prohibit an ASX-listed company from issuing shares or options representing more than 15% of its issued capital in any 12-month period without shareholder approval. The Shares have no nominal or par value and are recorded in the accounts of the Company at their issue price.

As of the date of this Prospectus, the Company had an aggregate of 130,309,175 Shares and 38,130,493 Performance Shares issued and outstanding

Shares

The following is a summary of the more significant rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders of the Company. Full details of the rights attaching to Shares are set out in the Company's Constitution a copy of which is available on the Company's website, *http://investor.kabuni.com* and under the Company's profile on SEDAR at *www.sedar.com.*

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 Australian Corporations Act and the Constitution of the Company.

Subject to the provisions of the Australian Corporations Act and the ASX Listing Rules, at least 28 days' notice must be given by the Company to shareholders of the calling of a meeting. A quorum for a meeting of shareholders consists of three shareholders present in person or by proxy and entitled to vote. If no quorum is present within 30 minutes of the time appointed for a meeting, the meeting if requested by shareholders shall be dissolved but in any other case shall stand adjourned until the same day in the next week at the same time and place. If no quorum is present within 30 minutes of the time appointed for such adjourned meeting, the meeting shall be dissolved.

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 each shareholder entitled to vote may vote in person or by proxy, attorney or representative. Every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote.

Dividend rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the Directors may declare a dividend in accordance with the Australian Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may from time to time pay to shareholders any interim dividend that they may determine. Subject to the rights of any preference shareholders and to the rights of the holders of any shares credited or raised under any special arrangement as to the dividend, the dividend as declared shall be payable on all Shares according to the amount paid up, or credited as paid up, on the Shares, and otherwise in accordance with Part 2H.5 of the Australian Corporations Act. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

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 determines. Subject to the rights of shareholders (if any) entitled to shares with special rights in a winding-up, all monies and property that are to be distributed among shareholders on a winding-up shall be so distributed in proportion to the shares held by them respectively irrespective of the amount paid-up or credited as paid up on the shares.

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 Australian Corporations Act or the ASX Listing Rules.

Variation of rights

Pursuant to Section 246B of the Australian 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.

Performance Shares

The following is a summary of the more significant rights, privileges and restrictions attaching to all Performance Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders of the Company. Full details of the rights attaching to Performance Shares are set out in the Company's Notice of Annual General Meeting for the meeting held on November 30, 2015 (AET).

At a general meeting of the Company held on July 20, 2015 (AET), the shareholders of the Company approved the creation of a new class of shares called "Performance Shares", on the terms and conditions set out below. An aggregate of 10,032,622 Class A Performance Shares, 10,032,625 Class B Performance Shares, 9,032,623 Class C Performance Shares, and 9,032,623 Class D Performance Shares are issued and outstanding (together referred to as the Performance Shares), for a total of 38,130,493 Performance Shares. The Performance Shares are not transferrable or assignable.

Conversion Rights

Milestone A: Each Class A Performance Share will convert into one Share upon:

(a) a minimum of 1,000 registered home designers each achieve the Canadian dollar equivalent of at least A$200 revenue, each month for three consecutive months, on or before August 30, 2016; or
(b) a minimum of 1,000 registered home designers each achieve the Canadian dollar equivalent of at least A$200 Revenue, each month for three consecutive months, and the Milestone D below is also achieved,

Milestone B: Each Class B Performance Share will convert into one Share upon:

(a) a minimum of 1,000 registered home designers each achieve the Canadian dollar equivalent of at least A$750 revenue, each month for three consecutive months, on or before December 31, 2016; or
(b) a minimum of 1,000 registered home designers each achieve the Canadian dollar equivalent of at least A$750 revenue, each month for three consecutive months, and Milestone D below is also achieved,

Milestone C: Each Class C Performance Share will convert into one Share upon:

(a) the Company achieving the Canadian dollar equivalent of at least A$20 million in revenue in any 12-month period and has a minimum of 20,000 registered home designers, on or before December 31, 2017; or
(b) the Company achieving the Canadian dollar equivalent of at least A$20 million in revenue in any 12-month period and a minimum of 20,000 registered home designers, and Milestone D below is also achieved,

Milestone D: Each Class D Performance Share will convert into one Share upon:

(a) the Company achieving the Canadian dollar equivalent of at least A$50 million in revenue in any 12-month period; and
(b) a minimum of 35,000 registered home designers.

Upon the occurrence of a change of control event in circumstances where any of Milestone A, Milestone B, Milestone C or Milestone D (together the Milestones) has not been met, that number of Performance Shares on issue that, after conversion, is up to a maximum number that is equal to 10% of the issued Share capital (as at the date of the change of control event will automatically convert into Shares on a pro rata basis to all holders).

If any Milestone is not achieved by December 31, 2018, then all Performance Shares in the class of Performance Shares attaching to that Milestone, held by each holder, will automatically consolidate into one Performance Share and will then convert into one Share.

If the conversion of Performance Shares (or part thereof) would result in any person being in contravention of section 606(1) of the Australian Corporations Act then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).

General meetings and voting

A holder of Performance Shares has the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders of the Company, and a right to attend a meeting of shareholders of the Company. Other than as required by law, a Performance Share does not entitle the holder to vote on any resolutions proposed at a meeting of shareholders of the Company.

Dividends and Participation Rights and Rights on Winding Up

A Performance Share does not entitle the holder to any dividends. There are no participating rights or entitlements inherent in the Performance Shares and holders will not be entitled to participate in new issues (such as bonus issues) or pro-rata issues of capital to the Company's shareholders. Each Performance Share entitles the holder to participate in the surplus profits or assets of the Company upon winding up, but on the basis that each holder's Performance Shares will consolidate into one Performance Share and will then convert into one Share.

Variation of Rights

The terms of the Performance Shares may be amended by the Company as necessary, but only to the extent required, to comply with ASX Listing Rules or any specific directions of ASX regarding the terms.

OPTIONS TO PURCHASE SECURITIES

Listed Options

In connection with the Public Offer, the Company issued 12,000,000 options (Listed Options) at an issue price of A$0.005 per Option to raise an aggregate of A$60,000. The Listed Options are freely transferrable and trade on the ASX under the symbol "KBUO".

Each Listed Option gives the holder thereof the right to subscribe for one Share at a price of A$0.30 until August 25, 2018 (AET). The Listed Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

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

There are no participating rights or entitlements inherent in the Listed Options and holders of Listed Options will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Listed Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least five business days after the issue is announced. This will give holders of Listed Options the opportunity to exercise their Listed Options prior to the date for determining entitlements to participate in any such issue.

Employee Options

At the Company's Annual General Meeting held on November 12, 2015 (AET), the shareholders of the Company approved an Employee Option Plan (the Option Plan), pursuant to which the Company may issue options (Employee Options) to employees, consultants and officers of the Company (Participants) and issue Shares to those Participants, if they choose to exercise their Employee Options. In the case of a Director, no Employee Options may be issued to the Director without express shareholder approval of the number and terms of the Employee Options.

The Directors, at their discretion, may issue Employee Options to Participants at any time, having regard to relevant considerations such as the Participant's past and potential contribution to the Company, and their period of employment with the Company. Participants in the Option Plan are persons who are an 'eligible participant' (as that term is defined in Australian Securities and Investments Commission Class Order 14/1000) in relation to the Company or a subsidiary of the Company, and has been determined by the Board to be eligible and participate in the Option Plan from time to time.

Employee Options must be granted for nil consideration. The exercise price of the Employee Options shall be determined by the Board, in its discretion, provided that in no event shall the exercise price be less than 80% of the average closing sale price of the Shares on ASX over the five trading days immediately preceding the date of the grant.

The maximum number of Shares issuable on exercise of outstanding Employee Options must not at any time exceed 5% of the total number of issued Shares, provided that the Board may, in its discretion, increase this percentage, subject to applicable legal and regulatory requirements.

The Board may determine the time periods or performance hurdles after which the Employee Options will vest and the percentage of Employee Options issued which will vest at each particular time. The Option Plan provides for the release of vesting conditions at the Board's discretion in the event of a change of control of the Company. An Employee Option must be exercised (if at all) not later than its expiry date and may only be exercised at any time after the Employee Option has vested. The expiry date is determined by the Board but, in any event, will be no later than five years from the date of grant of the Employee Option.

The Board may determine the treatment of Employee Options in the event of cessation of employment. The Board's policy is to provide that if a Participant ceases to an employee or consultant by reason of retirement, permanent disability, redundancy or death, the Participant is entitled to keep any vested Employee Options. Where a Participant ceases to be an employee or consultant for other reasons, the Participant has three months from that date to exercise any vested Employee Options, and any others will automatically lapse.

Employee Options are non-assignable and non-transferable, except that once vested they may be transferred pursuant to the requirements of the Australian Corporations Act.

The Board may suspend or terminate the Option Plan at any time, in which case the Company shall not make any further grants of Employee Options under the Option Plan during the suspended or terminated period. The Option Plan may be amended at any time by the Board, subject to any requirements of the Listing Rules and the Corporations Act.

Foster Options

On February 19, 2015 (AET), the Company issued 2,500,000 unlisted options to purchase Shares to Foster Stockbroking Pty Ltd. The options were issued for nil consideration, pursuant to a corporate advisory services agreement between the Company and Foster Stockbroking Pty Ltd. The options will expire on June 30, 2017 (AET). The exercise price for each option is A$0.20. The options will vest when the price of the Shares (based on a 20-day volume weighted average price), as quoted by the ASX, reaches a level of A$0.225.

The following table sets forth the number of Listed Options, Employee Options and other options to purchase Shares that are issued and outstanding as at May 5, 2016:

Name	Options Granted (#)	Exercise or Base Price (A$/Share)	Market Value of Shares Underlying Options (A$/Share)[(1)]	Expiration Date
Executive officers and past executive officers of the Company, as a group (2 Individuals)[(2)]	1,300,000	0.18	208,000	March 31, 2019 (AET)
Directors and past directors of the Company who are not also executive officers, as a group (0 Directors)	Nil	N/A	N/A	N/A
Executive officers and past executive officers of all subsidiaries of the Company, as a group (3 Individuals) [(2)]	1,020,001	0.18	163,200	March 31, 2019 (AET)
Directors and past directors of those subsidiaries who are not also executive officers of the subsidiary, as a group (0 Directors)	Nil	N/A	N/A	N/A
All other employees and past employees of the Company as a group (0 Individuals)	Nil	N/A	N/A	N/A
All other employees and past employees of subsidiaries of the Company as a group (16 Individuals) [(2)]	1,770,000	0.18	283,200	March 31, 2019 (AET)
All consultants of the issuer as a group (1 Individual) [(2)]	100,000	0.18	16,000	March 31, 2019 (AET)
Any other person or company: *Public Holders*[(3)] *Foster Stockbroking Pty Ltd.*[(4)]	 12,000,000 2,500,000	 0.30 0.20	 1,920,000 400,000	 August 25, 2018 (AET) June 30, 2017 (AET)
Total:	**18,690,001**			

Notes:

(1) The market value of the Shares underlying options calculated based on a Share price of A$0.16, being the volume-weighted average price of the Shares on the ASX for the 10-day period prior to and including May 5, 2016.

(2) Employee Options issued to employees and consultants of the Company and its subsidiary, Kabuni Technologies, under the Option Plan. See "*Options to Purchase Securities – Employee Options*", above.

(3) Listed Options issued to members of the public in connection with the Public Offer (see "*Options to Purchase Securities – Listed Options*", above).

(4) Unlisted options issued to Foster Stockbroking Pty Ltd. See "*Options to Purchase Securities – Foster Options*", above.

PRIOR SALES

The following table sets forth the issuances of Shares, and securities that are convertible or exchangeable into Shares, during the 12 months prior to the date of this Prospectus:

Date of Issuance	Type of Security	Number of Securities	Price per Security (A$)	Aggregate Issuance Price (A$)	Nature of Consideration Received
March 17, 2016[1]	Employee Options	4,190,001	0.18[2]	Nil	N/A
February 19, 2016 (AET) [3]	Options	2,500,000	0.20[2]	Nil	N/A
March 1, 2016 (AET) [4]	Shares	150,000	0.20	30,000	N/A
November 19, 2015 [5]	Shares	333,333	0.20	66,667	N/A
November 19, 2015[5]	Performance Shares	666,667	0.20	133,333	N/A
August 25, 2015[6]	Shares	666,666	0.20	133,333	N/A
August 25, 2015[7]	Shares	35,000,000	0.20	7,000,000	Cash
August 25, 2015[7]	Listed Options	12,000,000	0.005[2]	60,000	Cash
August 25, 2015	Shares	15,523,810	0.07/0.12[8]	1,420,000	N/A
August 25, 2015[9]	Shares	42,634,366	0.20[10]	8,526,873	N/A
August 25, 2015[9]	Performance Shares	37,463,826	0.20/0.00[10]	3,879,716	N/A
July 2, 2015[10]	Shares	7,750,000	0.20	1,550,000	Cash
June 24, 2015[11]	Shares	250,000	0.20	50,000	Cash

Notes:

(1) Employee Options issued to employees and consultants of the Company and its subsidiary, Kabuni Technologies, under the Option Plan. See "*Options to Purchase Securities – Employee Options*", above.

(2) This number represents the exercise price for the options.

(3) Unlisted options issued to Foster Stockbroking Pty Ltd. See "*Options to Purchase Securities – Foster Options*", above.

(4) Shares issued to S3 Consortium PTY Ltd. pursuant to a Professional Services Agreement between the Company and S3 Consortium PTY Ltd. Nil cash consideration was received.

(5) In connection with his appointment as Director, 333,333 Shares and 666,667 Performance Shares (333,333 Class A Performance Shares and 333,334 Class B Performance Shares) were issued to Matthew Hehman. Nil cash consideration was received.

(6) In connection with their appointment as Directors on completion of the Acquisition, 666,666 Shares were issued to Nathan Sellyn and Nik Ajagu. Nil cash consideration was received.

(7) Concurrently with the Acquisition, the Company completed the Public Offer of: (a) 35,000,000 Shares at an issue price of A$0.20 per Share, and (b) 12,000,000 Listed Options at an issue price of A$0.005 per Listed Option, for aggregate proceeds of A$7,060,000. For further details, see "*Description of the Business – History – Public Offer*".

(8) Upon completion of the Acquisition, 15,523,810 Convertible Note Shares were issued to the holders of the Convertible Notes, in satisfaction of the repayment terms of the Convertible Notes. Repayment of A$620,000 of the Convertible Notes was satisfied by the issue of 8,857,143 Shares (being a conversion price of C$0.07 per Share) and repayment of A$800,000 of the Convertible Notes was satisfied by the issue of 6,666,667 Shares (being a conversion price of A$0.12 per Share). Nil cash consideration was received. For further details, see "*Description of the Business – History – Convertible Notes*".

(9) In consideration for the Acquisition, the Company issued 42,634,366 Shares and 37,463,826 Performance Shares to the Sellers, the Other Shareholders, the Consideration Share Subscribers and certain Directors, pursuant to the Share Sale Agreement. This includes 1,333,334 Performance Shares (333,333 Class A Performance Shares and 333,334 Class B Performance Shares each) that were issued to Directors, Nathan Sellyn and Nik Ajagu. For further details, see "*Description of the Business – History – Acquisition of Kabuni Technologies*".

(10) In consideration for the Acquisition and pursuant to the Share Sale Agreement, the Company issued to the Sellers, the Other Shareholders, the Consideration Share Subscribers and certain Directors: 42,634,366 Shares, each valued for financial statement purposes at A$0.20; 9,699,289 Class A Performance Shares, each valued for financial statement purposes at A$0.20; 9,699,291 Class B Performance Shares, each valued for financial statement purposes at A$0.20; 9,032,623 Class C Performance Shares, without book value; and 9,032,623 Class D Performance Shares, without book value. No cash was received as consideration for the securities described above. For further details, see "*Description of the Business – History – Acquisition of Kabuni Technologies*".

(11) This represents the issue of Shares pursuant to the exercise of 7,750,000 unlisted options that expired on June 30, 2015, at an exercise price of A$0.20, for total gross proceeds to the Company of A$1,550,000 (excluding underwriting fees). The options were fully underwritten by CPS Capital Group Pty Ltd.

(12) This represents the issue of Shares pursuant to the exercise of 250,000 unlisted options expiring June 30, 2015, at an exercise price of A$0.20, for total gross proceeds to the Company of A$50,000.

TRADING PRICE AND VOLUME

The Shares are listed and posted for trading on the ASX under the symbol "KBU". The following table sets forth the price ranges and volume of the Shares as reported by the ASX for the months indicated.

Month	High (A$)	Low (A$)	Volume
May 1 to 5, 2016	0.140	0.130	92,200
April 2016	0.190	0.140	3,655,300
March 2016	0.170	0.120	711,685
February 2016	0.150	0.115	965,544
January 2016	0.145	0.105	825,912
December 2015	0.155	0.130	992,400
November 2015	0.175	0.140	2,328,998
October 2015	0.185	0.150	1,288,532
September 2015	0.230	0.165	6,389,437
August 2015	0.230	0.230	nil
July 2015	0.230	0.200	1,235,258
June 2015	0.245	0.200	2,204,726
May 2015	0.225	0.140	372,494

The closing price of the Shares on the ASX on May 5, 2016 was A$0.14.

The Listed Options are listed and posted for trading on the ASX under the symbol "KBUO". The following table sets forth the price ranges and volume of the Shares as reported by the ASX for the months indicated.

Month	High (A$)	Low (A$)	Volume
May 1 to 5, 2016	0.040	0.040	nil
April 2016	0.040	0.040	15,000
March 2016	0.050	0.040	100,000
February 2016	0.040	0.040	13,336
January 2016	0.041	0.039	1,160,413
December 2015	0.040	0.039	120,000
November 2015	0.040	0.040	101,238
October 2015	0.040	0.040	101,669
September 2015[(1)]	N/A	N/A	N/A
August 2015	N/A	N/A	N/A
July 2015	N/A	N/A	N/A
June 2015	N/A	N/A	N/A
May 2015	N/A	N/A	N/A

Notes:

(1) The Listed Options were admitted for quotation on the ASX on September 3, 2015 in connection with the Public Offer. There was no trading in the Listed Options prior to October, 2015.

The closing price of the Listed Options on the ASX on May 5, 2016 was A$0.40.

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets forth the number and percentage of Shares and Performance Shares that are held in escrow as of May 5, 2016. The terms and conditions of the Shares and Performance Shares held in escrow are governed by the ASX Listing Rules and agreements between the Company and the respective shareholders. There is no entity acting as escrow agent.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Shares(1)(3)	46,301,031	36%
Performance Shares(2)(3)	38,130,493	100%

Notes:

(1) These Shares are classified by ASX as restricted securities and are required to be held in escrow for the following periods, according to the ASX Listing Rules:
  (a) 25,540,879 Shares issued to Directors or advisors of the Company are required to be held in escrow until September 3, 2017 (AET).
  (b) 2,666,666 Shares issued to holders of Convertible Notes are required to be held in escrow until July 2, 2016 (AET).
  (c) 18,093,486 Shares issued to the Sellers and the Other Shareholders in consideration for the Acquisition of Kabuni Technologies are required to be held in escrow until August 25, 2016 (AET).

(2) These Performance Shares are classified by ASX as restricted securities and are required to be held in escrow for the following periods, according to the ASX Listing Rules:
  (a) 9,004,760 Performance Shares issued to nominees of the Sellers in connection with the Acquisition are required to be held in escrow until August 25, 2016 (AET).
  (b) 29,125,733 Performance Shares issued to Directors or advisors of the Company are required to be held in escrow until September 3, 2017 (AET).

(3) Each holder of Shares or Performance Shares that are classified by ASX as restricted securities has signed a restriction agreement in the form prescribed by the ASX (Appendix 9A to the ASX Listing Rules).

PRINCIPAL SHAREHOLDERS

To the knowledge of the Directors and officers, the only person who owns or controls, directly or indirectly, or exercises control or direction over, more than 10% of the Shares is as set forth in the table below.

Name	Type of Ownership	Number of Shares	Percentage of Class(1)
Mr. Nimesh (Neil) Patel	Registered and Beneficial	19,950,000	15.31%(2)

Notes:

(1) Based on 130,309,175 issued and outstanding Shares.
(2) 23.81% on a fully-diluted basis, assuming the conversion of the 24,605,000 Performance Shares held by Mr. Patel.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table sets forth the name, state/province and country of residence, position or offices held with the Company, date appointed, principal occupation, number and percentage of voting securities of the Company that each of the Directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as at the date of this Prospectus:

Name, Current Position, and State/Province and Country of Residence	Position Held Since	Principal Occupation	Number and Percentage of Shares Beneficially Owned or Controlled
Anthony John Whitfield King Director and Chairman of the Board Western Australia(5)(6) Australia	May 11, 2012	Managing Director of Max Capital Pty Ltd	4,625,040 Shares(1) (3.55%(2))
Nimesh (Neil) Patel Managing Director and Chief Executive Officer(5)(6) British Columbia, Canada	August 25, 2015 (AET)	Managing Director and Chief Executive Officer of the Company	19,950,000 Shares (15.31%(2))
Nathaniel Woolfe Sellyn Director(4)(5)(6) British Columbia, Canada	August 25, 2015 (AET)	Partner and Founder at Assembly Stakeholder Relations	866,666 Shares(1)(3) (0.67%(2))
Matthew Hehman Director(4)(5)(6) New South Wales, Australia	September 16, 2015 (AET)	Advisor to Bountye Inc.	333,333 Shares (0.26%(2))
Nikolas Ajagu Director(4)(5)(6) New York, United States	August 25, 2015 (AET)	Global Head of Partnerships, Facebook Advertising Technology	333,333 Shares (0.26%(2))
Aaron Bertolatti Corporate Secretary Western Australia, Australia	October, 2014	Chief Financial Officer and Company Secretary of Highfield Resources Ltd.	Nil
Timothy Cyril Fernback Interim Chief Financial Officer British Columbia, Canada	March 11, 2016	Interim Chief Financial Officer of the Company	Nil
Marc-Alexandre Poirier Chief Legal Officer British Columbia, Canada	September 9, 2015 (AET)	Chief Legal Officer of the Company	Nil
Emilia Enskaitis Director: Merchandising, Kabuni Technologies Ontario, Canada	Mar 4, 2015	Director: Merchandising of Kabuni Technologies	Nil

Name, Current Position, and State/Province and Country of Residence	Position Held Since	Principal Occupation	Number and Percentage of Shares Beneficially Owned or Controlled
Pamela Amil Reddy, Director: Community, Kabuni Technologies British Columbia, Canada	June 1, 2015	Director, Community of Kabuni Technologies	111,111 Shares (0.09%[(2)])
Parminder Singh Virk Chief Technology Officer, Kabuni Technologies British Columbia, Canada	June 1, 2015	Chief Technology Officer of Kabuni Technologies	Nil

Notes:

(1) These Shares are held in the name of Seventy Three Pty Ltd. Mr. King is a director of Seventy Three Pty Ltd, but is not a direct beneficiary of these Shares.
(2) Based on 130,309,175 issued and outstanding Shares.
(3) Mr. Sellyn is the beneficial and registered holder of 333,333 Shares. Assembly Stakeholders Relations Corp (an entity controlled by Mr. Sellyn) is the beneficial and registered holder of 533,333 Shares.
(4) Audit Committee member.
(5) Nomination Committee member.
(6) Remuneration Committee member.

Management – Directors and Officers of the Company

Below is a brief description of each Director and member of management of the Company, including their names, ages, positions, and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus and experience in the Company's industry.

As of the date of this Prospectus and other than as set out below, the Company has not entered into any other management, consulting or employment agreements with any of its management team. Except as described below, none of the persons on the management team have entered into either a non-competition or non-disclosure agreement with the Company.

Anthony John Whitfield King (age 43) – Director and Chairman of the Board

Since July 2011, Mr. King has been the Managing Director of Max Capital Pty Ltd., a securities firm specializing in capital raisings and corporate finance transactions based in Perth, Western Australia. From August 2001 until July 2011, Mr. King was employed by Grange Capital Partners. Mr. King's career has included several years of investment banking and financing experience, including periods based in London and the eastern states of Australia. Mr. King was the managing director of Stirling Minerals Limited when it acquired DMC Mining Pty Ltd (which owned 70% of the Mayoko Iron Ore Project) from Cape Lambert Resources Limited in January 2011 for A$83 million. Stirling Minerals Limited (renamed African Iron Limited) was subsequently acquired by Exxaro Resources Limited in January 2012 for approximately A$338 million. Mr. King has been a Chartered Accountant with the Institute of Chartered Accountants of Australia since 1998.

The Company and Mr. King have entered into an Executive Services Agreement whereby Mr. King is engaged as Executive Chairman of the Company. Under this agreement, Mr. King is subject to non-disclosure obligations.

Mr. King dedicates approximately 30% of his time to the Kabuni Business in his role as a director and Chairman.

Nimesh (Neil) Patel (age 41) – Managing Director and Chief Executive Officer

Mr. Patel joined Kabuni as Chief Executive Officer in July 2015, in connection with the Acquisition. Mr. Patel founded Kabuni Technologies (then PDT Technologies Inc.) in 2013 and has served as its Chief Executive Officer since 2013. Mr. Patel is an experienced entrepreneur with a track record of creating innovative technology solutions for the property sector. Prior to joining Kabuni Technologies, he was the founder and Chief Executive Officer for 5730962 Manitoba Ltd (o/a Webidiotz), an online video-creation and marketing company, from September 2008 until December 2012. Between November 2005 and July 2008 Mr. Patel was Chief Executive Officer of One Move Ltd. in the United Kingdom, an innovative app-based company that partnered with Research in Motion in 2006. Mr. Patel also acted as a director of One Move's publicly-traded parent company, OneMove Technologies Inc. (TSX-V: OM), from February 2006 until May 2008.

Kabuni Technologies and Mr. Patel have entered into an executive services agreement for Mr. Patel's role as Chief Executive Officer. Pursuant to this agreement, Mr. Patel also agrees to serve as Managing Director of the Company, for no additional consideration. Under this agreement, Mr. Patel is subject to non-competition and non-disclosure obligations.

Mr. Patel dedicates 100% of his time to the Kabuni Business as an employee in his role as Managing Director and Chief Executive Officer of the Company.

Nathaniel Woolfe Sellyn (age 33) – Director

Mr. Sellyn is currently a partner at Assembly Stakeholder Relations, a boutique investor relations firm that he cofounded in 2011. Between August 2004 and April 2011 Mr. Sellyn worked for Great Canadian Gaming Corporation where he held various roles including Director of Corporate Development and Investor Relations. Mr. Sellyn is also a co-founder and serves as Chief Creative Officer since 2011 of Brothersport Games, a sports-gaming application development studio. Mr. Sellyn earned a Bachelor of Arts degree from Princeton University.

The terms of Mr. Sellyn's engagement as non-executive director are set out in a letter of engagement between the Company and Mr. Sellyn. Under this engagement letter, Mr. Sellyn is subject to non-disclosure obligations.

Mr. Sellyn dedicates 15% of his time to the Kabuni Business in his role as a Director.

Matthew Hehman (age 33) – Director

Between November 2005 and April 2012, Mr. Hehman worked for Facebook Inc. first as a Senior Advertising Campaign Manager before becoming an Account Executive in early 2008. Since September 2014, Mr. Hehman has acted as an advisor to Bountye Inc., an Australian-based commerce marketplace technology company. He has served as a director with the Sing Me a Story Foundation since May 2011. Mr. Hehman obtained a Bachelor of Arts with a major in Economics from Stanford University.

The terms of Mr. Hehman's engagement as non-executive Director are set out in a letter of engagement between the Company and Mr. Hehman. Under this engagement letter, Mr. Hehman is subject to non-disclosure obligations.

Mr. Hehman dedicates 5-15% of his time to the Kabuni Business in his role as a Director.

Nikolas Ajagu (age 34) – Director

Mr. Ajagu has worked for Facebook Inc. since December 2007, where he holds the position of Global Head of Partnerships, Facebook Advertising Technology. At Facebook, Mr. Ajagu spun out and led the company's Media Solutions teams in North and South America, and led various operations and monetization teams responsible for designing and implementing the systems, tools, products, and processes that grew Facebook Inc. into a multibillion-dollar advertising business. In January 2014, he co-founded Code & Canvas, a San Francisco-based center for art and innovation, and in September 2014 co-founded Barrel and Ink, a creative platform for winemakers and graphic artists. Mr. Ajagu is an active guest lecturer and his organisational leadership and design models have been highlighted in case studies by academic institutions, including Harvard Business School. Mr. Ajagu is an alumnus of Palo Alto Senior High School, and holds a Bachelor of Arts degree from Princeton University**.**

The terms of Mr. Ajagu's engagement as non-executive Director are set out in a letter of engagement between the Company and Mr. Ajagu. Under this engagement letter, Mr. Ajagu is subject to non-disclosure obligations.

Mr. Ajagu dedicates 5% of his time to the Kabuni Business in his role as a Director of the Company.

Aaron Bertolatti (age 34) – Corporate Secretary

Mr. Bertolatti joined Kabuni as the Corporate Secretary in October, 2014. He has also been acting as the Chief Financial Officer for Highfield Resources Ltd., an Australian potash development company, since February, 2014. Mr. Bertolatti has acted as secretary for a number of publicly-traded companies including, presently, Orca Energy Limited, an Australia-based oil and gas exploration company, since September 2014, and Red Emperor Resources NL, another oil and gas exploration company, since September 2014. Previous secretary positions include with Voyager Resources Limited, a mineral exploration company, from September 2011 until January 2014; Wolf Petroleum Limited, an oil and gas exploration company focused on Mongolia, from May 2012 until January 2014; Caravel Energy Limited, a mineral exploration company, from December 2011 until January 2014; Highfield Resources Limited from November 2012 until February 2014; and Haranga Resources Limited, an iron ore exploration company, from November 2011 until January 2014. Mr. Bertolatti is a Chartered Accountant with the Institute of Chartered Accountants of Australia and is also an Associate of the Governance Institute of Australia. Mr. Bertolatti graduated with a Bachelor of Commerce from Curtin University of Technology.

Mr. Bertolatti provides his services through a consulting agreement with the Company.

Mr. Bertolatti dedicates 25% of his time to the Kabuni Business as an independent contractor in his role as Corporate Secretary.

Timothy Cyril Fernback (age 48) – Interim Chief Financial Officer

Mr. Fernback possesses over twenty years of experience in financing and managing public and private small-cap companies throughout North America. He has held multiple senior executive positions, including, between 1998 and 2004, oversight of the Investment Banking and Corporate Finance Divisions at Wolverton Securities, Western Canada's oldest brokerage firm. Between 1994 and 1998 he was responsible for the technology consulting practice at Discovery Capital Corporation, a prominent British Columbia venture capital firm that specializes in financing and consulting to technology based start-up ventures.

Since January 1998, Mr. Fernback has held the position of CEO and President of TCF Ventures Corp., a finance, strategy, and marketing consultancy company. Since 2014, he has served as a Regional Director for the CFO Centre, the Canadian division of the United Kingdom's market leading provider of part-time finance executives for mid-tier businesses. Mr. Fernback's other current engagements include: as President and a director of Inform Resources Corp., a resource exploration company, since May 2015; as a director of Equitas Resources Corp., a mineral exploration company, since February 2015; as President and a director of Senator Minerals Corp., a mineral exploration company, since December 2014; as President and a director of Jet Gold Corp., a mineral exploration company, since January 2014; and as President and a director of Kenna Resources Corp., a mineral exploration Company, since May 2014.

Mr. Fernback has served in executive and director positions for a number of entities including: as a director of Okanagan Capital Fund (VCC) Inc., a venture capital company, from June 2002 until January 2014; as a director of Arco Resources Corp., a mineral exploration company, from July 2014 until September 2014; and as President and a director of Golden Virtue Resources Corp., a company with no material operations, from July 2014 until September 2014.

Mr. Fernback holds an Honours B.Sc. from McMaster University, and is a graduate of the Sauder School of Business at the University of British Columbia, where he completed a MBA with a concentration in Finance. Mr. Fernback also holds a Certified Professional Accounting Designation (CPA, CMA) and is an active member of many industry and trade organizations in Vancouver.

Kabuni Technologies has entered into a consulting services agreement with a company wholly-owned by Mr. Fernback, in respect of Mr. Fernback's role and services as Interim Chief Financial Officer. Under this agreement, Mr. Fernback is subject to non-disclosure obligations.

Mr. Fernback dedicates 80 % of his time to the Kabuni Business as an employee in his role as Chief Financial Officer.

Marc-Alexandre Poirier (age 37) – Chief Legal Officer

Mr. Poirier joined Kabuni Technologies as General Counsel in June, 2015. He was appointed Chief Legal Officer of the Company in September, 2015. Prior to joining Kabuni, from February 2011 to June 2015, Mr. Poirier managed an independent business law practice based in Vancouver, British Columbia, working with start-ups and medium-sized businesses. From February 2007 to July 2010, Mr. Poirier worked in Hong Kong as an associate with Baker & McKenzie LLP, a leading global law firm, with a practice focusing on mergers and acquisitions and corporate finance. From June 2002 to December 2006, Mr. Poirier worked as a corporate and commercial lawyer at Davies Ward Phillips & Vineberg LLP, one of Canada's leading business law firms. Mr. Poirier is a member of The Law Society of British Columbia (2011) and of the *Barreau du Québec* (2002). Mr Poirier graduated with a Bachelor of Laws from the *Université Laval* (Québec City), and a *Juris Doctor* from the University of Toronto.

Kabuni Technologies and Mr. Poirier have entered into an employment agreement setting out the terms of Mr. Poirier's employment.

Mr. Poirier dedicates 100% of his time to the Kabuni Business as an employee in his role as Chief Legal Officer of the Company.

Emilia Enskaitis (age 31) – Director: Merchandising

Ms. Enskaitis joined Kabuni in March 2015 as Director: Merchandising. Prior to joining Kabuni, Ms. Enskaitis was employed by Indigo Books and Music Inc. as a Senior Buyer from April 2010 until January 2015. Ms. Enskaitis holds a diploma from Seneca College in Toronto.

Kabuni Technologies and M Ms. Enskaitis have entered into an employment agreement setting out the terms of Ms. Enskaitis' employment. Under this agreement, Ms. Enskaitis is subject to non-competition and non-disclosure obligations.

Ms. Enskaitis dedicates 100% of her time to the Kabuni Business as an employee in her role as Director: Merchandising of Kabuni Technologies.

Pamela Amil Reddy (age 35) – Director: Community

Ms. Reddy joined Kabuni as Director of Social Responsibility in December 2014. She was appointed to her current role as Director: Community in June 2015. Prior to joining Kabuni, Ms. Reddy acted as Program Director for the Urban Native Youth Association in Vancouver from October 2013 until November 2014. From May 2012 until October 2013, Ms. Reddy acted as Program Manager for Quality Program Services in Vancouver, which followed her position as Provincial Community Developer with BC Housing Management Commission from January 2008 until April 2012. Ms. Reddy has a degree in English Literature from Simon Fraser University.

Ms. Reddy dedicates 100% of her time to the Kabuni Business as an employee in her role as Director: Community of Kabuni Technologies.

Parminder Singh Virk (age 60) – Chief Technology Officer

Mr. Virk was appointed Chief Technology Officer for Kabuni as of March 2016, having served Kabuni as Head of Technology from July 2015 until March 2016. Between March 2013 and September 2014, Mr. Virk acted as Chief Executive Officer of AlphaSafe Deposit Box Inc., a company engaged in automated deposit boxes. Between February 2004 and August 2012, Mr. Virk acted as Chief Technology Officer and Chief Operating Officer of OneMove Technologies Inc., a company engaged in app-based moving management, which became a publicly reporting entity in March of 2006. Mr. Virk is a member of the Association of Professional Engineers of British Columbia. He holds a Bachelor of Science in Electric and Electronic Engineering from Aston University in the United Kingdom.

Kabuni Technologies and Mr. Virk have entered into an employment agreement setting out the terms of Mr. Virk's employment.

Mr. Virk dedicates 100% of his time to the Kabuni Business as an employee in his role as Chief Technology Officer of the Company.

Term of Office of Directors

The maximum term of office of the Directors is three years. Article 18.2 of the Constitution requires that one-third of the Directors must retire at each annual general meeting, and any other Director not in such one-third who has held office for three years or more must retire from office. A retiring Director is eligible for re-election.

The term of office of the executive officers expires at the discretion of the Board.

Aggregate Ownership of Securities

As at the date of this Prospectus, the Directors and executive officers of the Company and Kabuni Technologies as a group beneficially own, directly or indirectly, or exercise control over 26,219,483 Shares collectively representing 20.12% of the 130,309,175 Shares that are issued and outstanding.

Conflicts of Interest

The Directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises, any director in a conflict will disclose his interest and abstain from voting on such matter at a meeting of the Board.

To the best of the Company's knowledge, and other than as disclosed in this Prospectus, there are no existing or potential material conflicts of interest among the Company and its Directors or executive officers, other than certain of the Directors and executive officers also serve as directors and officers of other companies and subsidiaries.

Cease Trade Orders and Bankruptcies

To the Company's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Company is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any person or company, including the Company, that:

(a) was subject to (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**order**") that was issued while the director or executive officer or promoter was acting in the capacity of a director, the chief executive officer or the chief financial officer thereof; or

(b) was subject to an order that was issued after the director or executive officer or promoter ceased to be a director, the chief executive officer or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

To the Company's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

On September 18, 2014, Parminder Singh Virk, Chief Technology Officer of Kabuni Technologies, made an assignment into bankruptcy under the laws of Canada. On February 24, 2016, pursuant to an order of the Supreme Court of British Columbia, Mr. Virk was granted an absolute discharge from the bankruptcy.

Penalties or Sanctions

To the Company's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following discussion describes the significant elements of the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to the Chief Executive Officer and Chief Financial Officer and each of the three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity during the financial year ending June 30, 2016, whose total annual compensation (individually) exceeds C$150,000 (collectively, the "**Named Executive Officers**" or "**NEOs**"). The NEOs are:

(a) Nimesh (Neil) Patel, Managing Director and Chief Executive Officer
(b) Timothy Cyril Fernback, Interim Chief Financial Officer
(c) Marc-Alexandre Poirier, Chief Legal Officer
(d) Linda Lee, former Chief Financial Officer (from October 2015 to March, 2016).

Overview

The Board has adopted a written remuneration policy to determine the compensation for the Directors and executive officers. Given that the Company remains at an early stage of development, the Board's overall approach to compensation remains subject to change and will continue to evolve as the Company grows and develops its business. Accordingly, the discussion contained in this Prospectus reflects the current practice with respect to compensation.

Further, to fulfil its corporate governance responsibilities with respect to remuneration, the Board has established a Remuneration Committee. Currently, the full Board performs the function of the Remuneration Committee. For further information regarding the powers and responsibilities of Remuneration Committee, see "*Audit Committee and Corporate Governance – Compensation*", below.

The Board, acting in its capacity as Remuneration Committee, makes decisions regarding salaries, annual bonuses and equity incentive compensation for the executive officers and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer, the Chief Financial Officer and the other executive officers. The Board further administers the incentive compensation and benefit plans, discharging any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans.

Compensation Objectives

Pursuant to the remuneration policy, the Company's compensation policies and practices are designed to:

(a) align executive remuneration with shareholder interests;
(b) retain, motive and reward appropriately qualified executive talent for the benefit of the Company;
(c) to achieve a level of remuneration that reflects the competitive market in which the Company operates;
(d) to ensure that individual remuneration is linked to performance criteria if appropriate; and
(e) to ensure that executives are rewarded for both financial and non-financial performance.

The Board aims to satisfy these objectives through the adoption of a compensation program for executive officers that combines base remuneration, which is market related, with performance-based remuneration which is determined on an annual basis. Given the early stage of development, the Board has not yet established a comparator group for the purposes of benchmarking. All market comparisons reflect an informal assessment and are based on the Board's knowledge and experience in executive compensation matters. No formal benchmarking has been undertaken.

Overall remuneration decisions are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Company and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance and relevant comparative information.

Compensation Components

In accordance with the remuneration policy, compensation currently consists primarily of three elements: base salary, cash bonus and long-term equity incentives. Each element of compensation is described in more detail below.

Base Salary

A primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for attracting and retaining qualified executive officers. The amount payable to an executive officer is determined based on the scope of his or her responsibilities and prior experience, while taking into account and informal evaluation of competitive market compensation for similar positions and overall market demand for such executives at the time of hire.

Base salaries are reviewed annually and increased for merit reasons, based on the executive officer's success in meeting or exceeding Company and individual objectives. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of the executive officer's role or responsibilities, as well as for market competitiveness.

Cash Bonus Plan

As at the date hereof, the Board has not approved any formal cash bonus plan. The Board may consider implementing such a plan in the future. *Ad hoc* cash bonuses may be paid from time to time if deemed appropriate by the Board, based on the attainment of particular objectives.

Long-Term Equity Incentives

Equity-based awards are a variable element of compensation that allow executive officers to be rewarded for their sustained contributions to the Company. Equity awards reward continued employment by an executive officer, with an associated benefit to Kabuni of attraction of employees, continuity and retention. Executives may participate in Share, performance rights and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the Board considers it appropriate to retain flexibility to issue Shares, performance rights and options to executives outside of approved schemes in exceptional circumstances.

The Company has adopted an Option Plan, pursuant to which the Company may issue Employee Options to employees, consultants and officers of the Company to purchase Shares (see "*Options to Purchase Securities – Employee Options*", above). The Board believes that Employee Options will provide management with a strong link to long-term corporate performance and the creation of shareholder value. The Board does not award Employee Options according to a prescribed formula or target but instead takes into account the individual's position, current base salary, informal assessment at comparable market salaries, ability to affect profits and the individual's historic and recent performance and the value of the awards in relation to other elements of the executive's total compensation. The Board takes previous grants of Employee Options into consideration when considering new grants of Employee Options.

Risks Associated with Company's Compensation Policies and Practices

Given that the Company remains at an early stage of development and the fact that the Board's overall approach to compensation remains under development, the Board has not formally assessed the risks associated with the Company's compensation policies and practices. However, given the limited elements of compensation paid to date, the Board does not believe there are currently any risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the company.

Policy on Purchase of Financial Instruments

Given that the Company remains at an early stage of development, the Board has not currently adopted a policy regarding the purchase by NEOs or Directors of financial instruments for hedging purposes in connection with equity securities granted as compensation or held, directly or indirectly, by the NEO or Director.

Summary Compensation Table

To the extent determinable, the following table sets forth information regarding compensation anticipated to be paid to the Named Executive Officers for the financial year ending June 30, 2016. As the Company was not a reporting issuer in previous financial years, summary compensation information is not included for those years.

Name and principal position	Year	Salary (A$) (1)	Share-based awards (A$)	Option-based awards (A$)	Non-equity incentive plan compensation: Annual incentive plans (A$)	Non-equity incentive plan compensation: Long-term incentive plans (A$)	All other compensation (A$)	Total compensation (A$)
Nimesh (Neil) Patel Managing Director and Chief Executive Officer	Ending June 30, 2016	192,382	Nil (2)	Nil	Nil	Nil	Nil.	192,382
Timothy Cyril Fernback Interim Chief Financial Officer	Ending June 30, 2016	51,974	Nil	Nil	Nil	Nil	Nil.	51,974
Marc-Alexandre Poirier Chief Legal Officer	Ending June 30, 2016	166,384	Nil (2)	74,749	Nil	Nil	2,600(3)	243,733
Linda Lee Former Chief Financial Officer(4)	Ending June 30, 2016	154,417	Nil	Nil	Nil	Nil	Nil.	154,417

Notes:

(1) All amounts in this table have been converted from Canadian dollars to Australian dollars based on the Bank of Canada daily noon exchange rate quoted by the Bank of Canada on March 1, 2016: C$1.00 = A$1.0399. Represents the annualized base salary expected to be paid to such NEO in the year ended June 30, 2016. Actual salary paid for the fiscal year ended June 30, 2016 may be different than this amount.

(2) In connection with the completion of the Acquisition, on August 25, 2015 (AET), certain employees of Kabuni were granted Performance Shares. Among others, Mr. Patel received 24,605,000 Performance Shares (comprising 6,151,250 Class A, B, C and D Performance Shares), and Mr. Poirier received 434,964 Performance Shares (comprising 108,741 Class A, B, C and D Performance Shares). The Performance Shares will convert into Shares if certain performance milestones are achieved (for further details, see "*Description of Securities - Performance Shares*", above). Kabuni Technologies has ascribed a nominal amount to the fair value of the Performance Share awards on the grant date, for purposes of determining the value of the employment benefit received by employees. The nominal fair value was determined based on the following factors: (a) the Performance Shares are subject to significant restrictions, including that they are non-voting, non-participating and carry no right to proceeds on liquidation, and (b) the Performance Shares are subject to forfeiture if the milestones are not achieved, and there is a real possibility that the Performance Share milestones will never be achieved, considering the lack of proven historical results of the Kabuni Business. The fair value for compensation purposes is different than the accounting fair value of the Performance Shares, determined in accordance with IFRS 2 *Share-based Payments*. As set out in the Company's financial statements for the four months ended December 31, 2016, the Company has attributed A$0.20 (the issue price in connection with the Public Offer) to the Class A Performance Shares and the Class B Performance Shares and a *nil* value to the Class C Performance Shares and Class D Performance Shares on the grounds that the Company believes that the probability of achieving Milestones A and B is high. Using this methodology, the fair value of the award of Performance Shares is: A$2,460,500 in the case of Mr. Patel and A$43,496 in the case of Mr. Poirier.

(3) A one-time cash bonus of A$2,600 was paid to Mr. Poirier in September, 2015, following completion of the Acquisition.

(4) Ms. Lee acted as Chief Financial Officer of Kabuni from October, 2015 to March, 2016, pursuant to an executive employment agreement with Kabuni Technologies. The amount in this table includes all amounts payable to Ms. Lee in connection with the termination of her employment with Kabuni Technologies.

Incentive Plan Awards

To the extent determinable, the following table sets forth information regarding awards granted to the Named Executive Officers for the financial year ending June 30, 2016 that are currently outstanding.

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price (A$)**	**Option expiration date**	**Value of unexercised in-the-money options (A$)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested (A$)**	**Market or payout value of vested share-based awards not paid out or distributed (A$)**
Nimesh (Neil) Patel Managing Director and Chief Executive Officer	Nil	N/A	N/A	N/A	24,605,000 Performance Shares(1)	3,936,800 (2)	Nil
Timothy Cyril Fernback Interim Chief Financial Officer	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Marc-Alexandre Poirier Chief Legal Officer	1,000,000	0.18	March 31, 2019 (AET)	Nil	434,964 Performance Shares(1)	69,594 (2)	Nil
Linda Lee Former Chief Financial Officer	Nil	N/A	N/A	N/A	Nil	N/A	N/A

Notes:

(1) In connection with the completion of the Acquisition, a number of employees of Kabuni Technologies were granted Performance Shares. More specifically, Mr. Patel received 24,605,000 Performance Shares (comprising 6,151,250 Class A, B, C and D Performance Shares), and Mr. Poirier received 434,964 Performance Shares (comprising 108,741 Class A, B, C and D Performance Shares). The Performance Shares will convert into Shares if certain performance milestones are achieved (for further details, see "*Description of Securities - Performance Shares*", above).

(2) This assumes that all Performance Shares are converted into Shares and is calculated based on a Share price of A$0.16, being the volume-weighted average price of the Shares on the ASX for the 10-day period prior to and including May 5, 2016.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination and Change of Control Benefits

Other than as set out below, there are no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in responsibilities of the Named Executive Officer following a change in control of the Company.

Nimesh (Neil) Patel – Under the employment agreement between Kabuni Technologies and Neil Patel, Kabuni Technologies may not terminate the employment, except for cause, for an initial term of three years, commencing on July 31, 2015 and ending on July 31, 2018. Thereafter, Kabuni Technologies may terminate Mr. Patel's employment at any time by making a lump sum payment equal to (a) six months of base salary (currently, C$185,000 per annum), plus (b) a sum equal to 10% of this amount. If there is a "Change of Control", Mr. Patel may terminate his employment at his option and receive a lump sum payment equal to (a) 12 months of base salary (currently, C$185,000 per annum), plus (b) a sum equal to 15% of this amount. "Change of Control" includes (i) the acquisition by another person of 40% or more of the Company's outstanding voting securities, (ii) a sale of all or substantially all of the assets of the Company, (iii) the merger of the Company with other entity, or (iv) the liquidation, dissolution or winding-up of the Company. The receipt of the aforesaid payments is conditional upon the prior execution of a release and indemnity by Mr. Patel in favour of Kabuni Technologies.

Linda Lee - Ms. Lee provided her services through an employment contract which the parties mutually agreed to terminate in March 2016, with termination to be effective after a certain transition period. All amounts payable to Ms. Lee in connection with the termination of her employment with Kabuni Technologies are included in the "- *Summary Compensation Table*", above."

Marc-Alexandre Poirier - Under the employment agreement between Kabuni Technologies and Marc-Alexandre Poirier, Kabuni Technologies may not terminate the employment, except for cause, for an initial term of 12 months, commencing on June 14, 2015 and ending on June 15, 2016. Thereafter, Kabuni Technologies may terminate Mr. Poirier's employment at any time by giving three months' notice.

Estimated Incremental Payments on Change of Control and Termination Without Cause

The following table provides details regarding the estimated incremental payments from the Company to the Named Executive Officers on termination without cause, assuming that termination will occur on June 30, 2016.

	Nimesh (Neil) Patel (A$)[1]	**Linda Lee[4] (A$)**	**Marc-Alexandre Poirier (A$)**	**Timothy Cyril Fernback**
Amounts due for early termination prior to end of fixed term	400,795[2]	-	-	-
Severance Payment	105,810[3]	-	45,756[5]	-
TOTALS	506,605	-	45,756	-

Notes:

(1) All amounts in this table have been converted from Canadian dollars to Australian dollars based on the Bank of Canada daily noon exchange rate on March 1, 2016: C$1.00 = A$1.0399.

(2) This represents a payment of 25 months' of base salary, from July 1, 2016 to July 31, 2018, the end of the initial term under Mr. Patel's fixed term employment agreement.

(3) This represents a severance payment of (a) six months of base salary (currently, C$185,000 per annum), plus (b) a sum equal to 10% of this amount.

(4) Ms. Lee acted as Chief Financial Officer of Kabuni from October, 2015 to March, 2016, pursuant to an executive employment agreement with Kabuni Technologies. All amounts payable to Ms. Lee in connection with the termination of her employment with Kabuni Technologies are included in the "- *Summary Compensation Table*", above.

(5) This represents a severance payment of three months of base salary (currently, C$160,000 per annum.)

The following table sets forth details regarding the estimated incremental payments from the Company to the Named Executive Officers on change of control if the executives elected to terminate their employment, assuming a triggering event occurs on June 30, 2016.

	Neil Patel (A$)[1]	**Linda Lee (A$)**	**Marc-Alexandre Poirier (A$)**	**Timothy Cyril Fernback (A$)**
Amounts due	221,239[1]	-	-	-

Notes:

(1) All amounts in this table have been converted from Canadian dollars to Australian dollars based on the Bank of Canada daily noon exchange rate on March 1, 2016: C$1.00 = A$1.0399

(2) This represents a severance payment of (a) 12 months of base salary (currently, C$185,000 per annum), plus (b) a sum equal to 15% of this amount.

DIRECTOR COMPENSATION

The Directors' compensation program is designed to attract and retain qualified individuals to serve on the Board.

The Constitution provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting of shareholders. The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

All non-executive Directors are currently paid an annual stipend of A$15,000. There are currently no separate attendance fees or fees payable for chairing any committee. The fees are subject to annual review by the Board. The maximum aggregate amount which has been approved to be paid to non-executive Directors is currently set at A$150,000 per annum.

All Directors are entitled to be paid their traveling and other out-of-pocket expenses reasonably incurred by them in connection with the affairs of the Company.

In addition to the annual fees referred to above, with the approval of the shareholders of the Company given at the meetings held on July 20, 2015 (AET) and November 30, 2015 (AET), all non-executive Directors have been granted, as incentive securities (a) 333,333 fully-paid Shares, (b) 333,333 Class A Performance Shares, and (c) 333,334 Class B Performance Shares.

Executive Directors are not entitled to receive any additional compensation, including Employee Options, in their capacity as Directors.

Director Compensation Table

To the extent determinable, the following table sets forth information regarding all amounts of compensation provided or to be provided to the Directors for the financial year ending June 30, 2016. As the Company was not a reporting issuer in previous financial years, compensation information is not included for those years.

Name[1]	Fees Earned (A$)	Share-based awards (A$)	Option based awards (A$)	Non-equity incentive plan compensation (A$)	Pension value (A$)	All other compensation (A$)	Total (A$)
Anthony John Whitfield King Director and Chairman of the Board	72,500[2]	-	-	-	-	-	72,500
Nathaniel Woolfe Sellyn Non-Executive Director	12,788[3]	66,667 [4]	-	-	-	-	79,455
Matthew Hehman Non-Executive Director	12,788[3]	66,667 [4]	-	-	-	-	79,455
Nikolas Ajagu Non-Executive Director	12,788[3]	66,667 [4]	-	-	-	-	79,455
Cameron Pearce Director (until September 16, 2015)	5,000	-	-	-	-	-	5,000

Notes:

(1) Nimesh (Neil) Patel is also a Director, but does not receive any additional compensation for his or her services as a Director. Relevant disclosure regarding compensation is fully reflected in the Summary Compensation Table (see above, under "*Executive Compensation*").

(2) Under an Executive Services Agreement between Mr. King and the Company, Mr. King is entitled to receive a fee A$75,000 per annum for his services as executive chairman.

(3) Each of the non-executive Directors is entitled to a fee of A$15,000 per annum for his services as Director.

(4) This represents the award to each of the non-executive Directors of (a) 333,333 Shares, (b) 333,333 Class A Performance Shares, and (c) 333,334 Class B Performance Shares. The fair value of the 333,333 Shares has been calculated based on the Public Offer price of A$0.20 per Share, for a total of A$66,667. A *nil* fair value has been ascribed to the Class A and Class B Performance Shares for purposes of completing this table, for the same reasons as those set out in Note (1) to the Summary Compensation Table (see above, under "*Executive Compensation*").

Incentive Plan Awards

The following table sets forth information regarding awards granted or anticipated to be granted to the Directors for the financial year ending June 30, 2016. As the Company was not a reporting issuer in previous financial years, award information is not included for those years. None of these awards have vested as at the date of this Prospectus.

	Option-based Awards				**Share-based Awards**		
Name[(1)]	**Number of securities underlying unexercised options (#)**	**Option exercise price (A$)**	**Option expiration date**	**Value of unexercised in-the-money options (A$)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested (A$)**	**Market or payout value of vested share-based awards not paid out or distributed (A$)**
Anthony John Whitfield King Director and Chairman of the Board	-	-	-	-	-	-	-
Nathaniel Woolfe Sellyn Non-Executive Director	-	-	-	-	666,667 Performance Shares[(2)]	106,667 [(3)]	0
Matthew Hehman Non-Executive Director	-	-	-	-	666,667 Performance Shares[(2]	106,667 [(3)]	0
Nikolas Ajagu Non-Executive Director	-	-	-	-	666,667 Performance Shares[(2]	106,667 [(3)]	0

Notes:

(1) Information regarding incentive plan awards to Nimesh (Neil) Patel, Managing Director and Chief Executive Officer, are set out in the Incentive Plan Awards table under "*Executive Compensation*", above.

(2) Each of the non-executive Directors have received, in connection with their appointment to the Board, 666,667 Performance Shares (comprising 333,333 Class A Performance Shares, and 333,334 Class B Performance Shares). The Performance Shares will convert into Shares if certain performance milestones are achieved (for further details, see "*Description of the Securities - Performance Shares*", above).

(3) This assumes that all Performance Shares are converted into Shares and is calculated based on a Share price of A$0.16, being the volume-weighted average price of the Shares on the ASX for the 10-day period prior to and including May 5, 2016.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors, executive officers, employees, former directors, former executive officers or former employees of the Company or any of its subsidiaries, and none of their respective associates, is or has within 30 days before the date of this Prospectus or at any time since the beginning of the most recently completed financial year been indebted to the Company or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or any of its subsidiaries.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The primary purpose of the Audit Committee is to assist the Board in order to oversee the Company's accounting and financial reporting processes and the preparation and auditing of the Company's financial statements. The Audit Committee is responsible for monitoring and reviewing the integrity of the Company's financial reporting, and reviewing the internal financial control system and risk management framework and systems.

The Audit Committee also reviews and reports to the Board on the following matters: (a) assessment of whether external reporting is consistent with Board members' information and knowledge and is adequate for shareholder needs; (b) assessment of the management processes supporting external reporting; (c) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners; (d) recommendations for the appointment or, if necessary, the removal of the external auditor; (e) assessment of the performance and independence of the external auditors; and (f) the results of the review of risk management framework and internal control systems, including consideration of whether the Company has a material exposure to any particular risks.

The Audit Committee has the right, for the purposes of performing its duties, to maintain direct communication with the Company's external auditors and Board, to inspect all books and records of the Company and its affiliates, to seek any information it requires from any employee of the Company and its affiliates and to retain outside counsel or other experts.

The Audit Committee is required to meet at least once per quarter and is comprised of three Directors.

Composition of Audit Committee and Independence

The members of the Company's audit committee are:

Member	Independence[1]	Financial Literacy[2]
Nathaniel Woolfe Sellyn (chair)	Independent	Financially literate
Matthew Hehman	Independent	Financially literate
Nikolas Ajagu	Independent	Financially literate

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's board of directors, reasonably interfere with the exercise of a member's independent judgement.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's present audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Nathaniel Woolfe Sellyn

Mr. Sellyn has a diversity of experience with publicly reporting companies, including through his position as a partner of a boutique investor relations firm since 2011, and as Director of Corporate Development and Investor Relations with Great Canadian Gaming Corporation. Mr. Sellyn has over a decade of experience reviewing and analyzing financial statements.

Matthew Hehman

Mr. Hehman worked with Facebook Inc. between 2005 and 2012, most recently in the position of Sales Account Executive. Mr. Hehman has experience analyzing and working with financial statements. Mr. Hehman also has a sophisticated understanding of social and web-based businesses, experience that is directly applicable to the Company.

Nikolas Ajagu

Mr. Ajagu has worked with Facebook Inc. since 2007, most recently as Global Head of Advertising Technology Partnerships. During his time with Facebook Inc. Mr. Ajagu led operations and support functions responsible for pre-sales, account management, campaign management, and post-sales functions. Mr. Ajagu has worked with financial reporting systems and financial statements. Mr. Ajagu has a sophisticated understanding of social and web-based revenue models, experience that is directly applicable to the Company.

For additional details regarding the education, experience and financial literacy of the members of the Audit Committee, see "*Directors and Executive Officers – Management – Directors and Officers of the Company*", above.

Pre-approval Policies and Procedures for Audit Services

It is intended that the Audit Committee will establish a practice of approving audit and non-audit services provided by the external auditor. The Audit Committee intends to delegate to its Chair the authority, to be exercised between regularly scheduled meetings of the Audit Committee, to pre-approve audit and non-audit services provided by the independent auditor. All such pre-approvals would be reported by the Chair at the meeting of the Audit Committee next following the pre-approval.

External Auditor Service Fees

For (i) each of the financial years ended June 30, 2015 and June 30, 2014, the Company incurred fees to its external auditors, Stantons International Securities Pty Ltd., and (ii) each of the financial years ended August 31, 2015 and August 31, 2014, Kabuni Technologies incurred fees to its external auditors, Davidson & Company LLP, as follows:

Description	**2015 (A$)(1)**	**2014 (A$)**
Stantons International		
Audit Fees(2)	18,555	18,203
Audit – Related Fees(3)	-	-
Tax Fees(4)	-	-

Description	2015 (A$)[1]	2014 (A$)
Stantons International		
All Other Fees[5]	-	-
Davidson & Company LLP		
Audit Fees[2]	62,784	19,108
Audit – Related Fees[3]	-	-
Tax Fees[4]	2,703	-
All Other Fees[5]	10,155[6]	-

Notes:

(1) All amounts in this table have been converted from Canadian dollars to Australian dollars based on the Bank of Canada daily noon exchange rate on March 1, 2016: C$1.00 = A$1.0399.

(2) "Audit Fees" means the aggregate fees incurred by the external auditor(s) for the last fiscal year for audit services.

(3) "Audit-Related Fees" means the aggregate fees incurred for the last fiscal year for assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the financial statements and are not reported under clause (2) above, including assistance with specific audit procedures on interim financial information.

(4) "Tax Fees" means the aggregate fees incurred in the last fiscal year for professional services rendered by the external auditor for tax compliance, tax advice and tax planning.

(5) "All Other Fees" means the aggregate fees incurred in the last fiscal year for products and services provided by the external auditor, other than the services reported under clauses (2), (3) and (4), above.

(6) These fees relate to corporate advisory services provided by Davidson & Company LLP.

Audit Committee Charter

The Board has adopted the Audit Committee charter that sets out the roles and responsibilities of the Audit Committee, as attached hereto as Schedule F.

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company.

The following sets forth the Company's disclosure of its corporate governance practices in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") as they relate to the corporate governance guidelines set forth in National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**").

The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Board will monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

Board of Directors

NI 58-101 provides that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the company, other than interests and relationships arising from holding shares or securities in the company. In addition, where a company has a significant shareholder, NI 58-101 provides that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. The independent directors should exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

Currently, the Board is comprised of five Directors, namely Anthony John Whitfield King, Nimesh (Neil) Patel, Nathaniel Woolfe Sellyn, Matthew Hehman and Nikolas Ajagu, of which each of Nathaniel Woolfe Sellyn, Matthew Hehman and Nikolas Ajagu, being a majority of the Board, is considered independent for the purposes of NI 58-101. Anthony John Whitfield King is the Chair of the Board and is not considered to be an independent Director as he is an executive Director and Nimesh (Neil) Patel is not considered to be an independent Director as he is the Chief Executive Officer. The Company holds regularly scheduled Board meetings at least four times per year. The Board may meet independently of management as needed.

In connection with the Acquisition, all existing Directors of the Company other than Mr. King were replaced. The following table sets for the attendance of the current Directors at the seven Board meetings held since the date of the Acquisition.

Name of Director	**Number of Meetings in Attendance**
Anthony John Whitfield King	8 of 8
Nimesh (Neil) Patel	8 of 8
Nathaniel Woolfe Sellyn	7 of 8
Matthew Hehman(1)	6 of 8
Nikolas Ajagu	5 of 8

Note:

(1) Mr. Hehman was appointed to the Board on September 16, 2015 (AET). There have been 6 meetings since his appointment.

Directorships

None of the directors are currently directors of other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction.

Article 18.2 of the Constitution requires that one-third of the Directors must retire at each annual general meeting, and any other Director not in such one-third who has held office for three years or more must retire from office. A retiring Director is eligible for re-election. The Company does not impose term limits on its Directors as it takes the view that term limits are an arbitrary mechanism for removing Directors which can result in valuable, experienced Directors being forced to leave the Board solely because of length of service. Instead, the Company believes that Directors should be assessed based on their ability to continue to make a meaningful contribution. The Company's annual performance review of Directors assesses the strengths and weaknesses of Directors and, in its view, is a more meaningful way to evaluate the performance of Directors and to make determinations about whether a Director should be removed due to under-performance.

Board Mandate

The Board is responsible for the general supervision of the management of the Kabuni Business as well as for the oversight and review of the strategic planning process of the Company. The Board will discharge its responsibilities directly and through its committees, which consist of the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board meets regularly to review the business operations, corporate governance and financial results of the Company. The Board has adopted the mandate attached hereto as Schedule G.

Position Descriptions

The Company does not currently have written position descriptions for the Chief Executive Officer, the Chairman of the Board, or for the Chair of each of the committees. The Board intends to develop a written position description for the Chief Executive Officer, which will set out the Chief Executive Officer's key responsibilities, including duties relating to strategic planning, operational direction, interaction with the Board and communication with shareholders. The Board intends to adopt a written position description for the Chairman of the Board which will set out the Chairman's key responsibilities, including duties related to Board meetings, shareholders' meetings, director development and communication with shareholders and regulators. The Board also intends to adopt a written position description for each committee chairman which will set out each committee chairman's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee. These descriptions will be reviewed annually by the Board.

Orientation and Continuing Education

The Company intends to develop an orientation program for the Directors to assist new directors with understanding the role of the Board and its committees, the contribution that directors are expected to make to the Board and the nature and operation of the Kabuni Business. The Company also intends to develop a continuing education program for all Directors to enable Directors to maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Kabuni Business remains current. The Nomination Committee has responsibility for overseeing the design and implementation of any such programs for Directors.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics (the "**Code**") for the Directors, executive officers and employees. The Code will be available under the Company's profile at www.sedar.com. The Code constitutes written standards that are designed to deter wrongdoing and promote: (i) honest and ethical conduct; (ii) avoidance of conflicts of interest, including disclosure of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest; (iii) full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, securities regulatory authorities and in other public communications made by the Company; (iv) compliance with applicable governmental laws, rules and regulations; (v) the prompt reporting to the Audit Committee or a supervisor of violations of the Code; and (vi) accountability and responsibility by all Directors, officers and employees for adherence to the Code.

The Audit Committee monitors compliance with the Code and recommend disclosures with respect thereto. Accordingly, the Audit Committee will be responsible for, among other things, reviewing the Code with a view to complying with all applicable rules and regulations, receiving regular reports from management with respect to compliance with the Code, and satisfying itself that management has established a system to disclose the Code (and any amendments thereto) to the extent required.

Nomination of Directors

The Board has adopted a Nomination Committee to carry out the responsibilities delegated by the Board relating to the Company's director nominations process and procedures. The Nomination Committee is required to meet at least once per year and is comprised of all five Directors, a majority of whom are “independent” within the meaning of applicable Canadian securities laws. Currently, all Directors are the members of the Nomination Committee and Anthony John Whitfield King is the chair. The Board encourages an objective nomination process by soliciting the views of all Directors on the skills and experience required by the Board and by ensuring that all Directors have an equal opportunity to nominate candidates and debate the relative merits of all proposed candidates. Given the majority of the Board is independent, the Board believes that these fulsome discussions and participation ensure an objective nomination process. In addition, any candidate whose appointment could involve a potential conflict of interest is voted on by those directors that are not related to the conflict in question.

The Nomination Committee is responsible for, among other things: ensuring that the Board has the appropriate blend of directors with the necessary skills, expertise, relevant industry experience and diversity. In that regard, the Nomination Committee shall: (a) regularly review the size and composition of the Board and consider any appropriate changes; (b) identify and assess necessary and desirable director skills and competencies and provide advice on the skills and competency levels of Directors with a view to enhancing the Board; (c) make recommendations on the appointment and removal of Directors; (d) regularly review the time required from non-executive Directors and whether non-executive Directors are meeting that requirement; (e) regularly review the Company's Diversity Policy and make decisions as to any strategies required to address Board diversity; and (f) regularly review and consider and note the relative proportion of women and men at all levels of the economic group controlled by Company.

In making recommendations to the Board regarding individuals qualified to become directors, the Nomination Committee will consider: (i) any selection criteria approved by the Board from time to time, including the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competencies and skills that the Board considers each existing Director to possess; (iii) the competencies and skills each new nominee would bring to the boardroom; and (iv) the diversity of the board composition, including gender considerations.

In carrying out its responsibilities, the Nomination Committee has the authority to retain a firm to assist in identifying director candidates.

Compensation

The Board has adopted a Remuneration Committee to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation of the Company. The Remuneration Committee is required to meet at least once per year and is comprised of all five Directors, a majority of whom are “independent” within the meaning of applicable Canadian securities laws. Currently, all Directors are the members of the Nomination Committee and Anthony John Whitfield King is the chair. To encourage an objective compensation process, the Board promotes open and candid discussion among its independent Directors, and the independent Directors are encouraged to ask questions and to review related matters. Given the majority of the Board is independent, the Board believes that these fulsome discussions and participation ensure an objective compensation process. In addition, any matter which could pose a potential conflict of interest is voted on by those directors that are not affected by the conflict in question.

The Remuneration Committee assists the directors in their oversight of executive and director compensation, including with respect to: (i) reviewing and approving compensation of the senior executives and non-executive Directors; (ii) recommending to the Board long-term incentive-based plans and equity-based plans; (iii) reviewing compensation disclosure in public documents; (iv) reviewing risks related to compensation programs.

With regards to the Chief Executive Officer’s compensation, the Compensation Committee is responsible for: (i) reviewing and approving the corporate goals and objectives relevant to the Chief Executive Officer compensation; (ii) evaluating the Chief Executive Officer’s performance in light of those corporate goals and objectives; and (iii) determining (or making recommendations to the Board with respect to) the Chief Executive Officer’s compensation level based on this evaluation.

Other Board Committees

Other than as disclosed herein, there are no committees of the Board as of the date of this Prospectus.

Assessments

The Nomination Committee will develop a process for assessing, on an annual basis, the performance and effectiveness of the Board, the committees of the Board and the individual contributions of each Director. This process to consider the solicitation and receipt of comments from directors and the competencies and skills each individual director is expected to bring to the Board and whether they have devoted sufficient time in fulfilling their duties as directors.

Diversity

Kabuni is committed to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of diverse skills and talent from its Directors, executive officers and employees. With this in mind, the Company has adopted a written diversity policy (the Diversity Policy) that is available for viewing on the Company’s website at http://investor.kabuni.com.

As stated in the Diversity Policy, Kabuni believes that diversity involves recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives, including persons with co-existing domestic responsibilities. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal factors. Kabuni values the differences between its people and the contribution these differences make to the Company.

Pursuant to the Diversity Policy, it is the responsibility of the Board to foster an environment where individual differences are respected; the ability to contribute and access employment opportunities is based on performance, skill and merit; and inappropriate attitudes, behaviours and stereotypes are confronted and eliminated. As such, the Board proactively monitors Kabuni's compliance with the Diversity Policy, which includes conducting an annual review of objectives set under the Diversity Policy and the Company's progress in achieving them.

Kabuni currently has no women on the Board. However, the Company realizes the potential benefits from new perspectives that could be gained through increasing diversity within the Board's ranks. In keeping with the Diversity Policy, Kabuni hopes to foster greater diversity in the composition of its Board going forward, and ensure that the Company maintains an appropriate mix of skills and talents to achieve its business goals. The Company is committed to providing equal opportunities with respect to employment and employment conditions, including hiring, training and career advancement. In seeking candidates for appointment to the Board, the Company considers individuals' age, gender, ethnicity, cultural background, and other personal factors, as well as their integrity and character, insight into and knowledge of the Kabuni Business and the online home design industry, and general business acumen.

Kabuni recognizes the value in maintaining a diverse team of executive officers to strengthen leadership and decision-making. In making a executive appointments, Kabuni takes a similar approach to appointments to the Board; the Company considers candidates' character, professional qualifications, and overall merit, as well as gender and geographic diversity.

Kabuni does not adhere to any specific targets or quotas in determining the representation of women in Board membership. The Board does not believe that targets or quotas set forth in a formal policy necessarily result in the identification or selection of the best candidates. Kabuni is currently in an early stage of its development and, given that the Company currently has few employees, the application of measurable objectives in relation to gender diversity at various levels of the Kabuni Business is not considered to be appropriate or practical. The Board will review this position on an annual basis and will implement measurable objectives for increasing diversity as and when the Directors find them to be in the Company's best interests.

Women hold zero out of the five positions on the Board (0%) and two of the six positions as executive officers in Kabuni and Kabuni Technologies (33.33%).

RISK FACTORS

An investment in the Shares, in the event that the Shares are offered for sale at some time in the future, should be considered highly speculative due to the nature of the Company's business and the present stage of development. An investment in the Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to other information contained in this Prospectus, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations and other risks and uncertainties affecting the Company's business could potentially arise or become material in the future.

The Company has a limited operating and revenue generation history, is not profitable, and may never become profitable

Kabuni is a start-up company, has a limited operating history and there is no assurance that future operations will result in revenues or profits. Kabuni Technologies, the principal operating entity of the Kabuni Business, was incorporated on August 23, 2013. Since then, Kabuni Technologies' principal activities were related to the development of its business and the Platform. Kabuni is in the process of establishing partnerships and relationships, and building brand recognition with users of Kabuni's technology. As a result, Kabuni has no history of material revenue generation. Kabuni has experienced losses in the past, and may not achieve or sustain profitability in the future. If sufficient revenues to operate profitably cannot be generated, operations may be suspended or cease.

The Platform is targeting a new and developing market, and elements of the Company's business strategy are new and subject to ongoing development. There is no guarantee that the commercialization of the Platform will be successful, or that the Company's target audience of Designers and Clients will use or continue to use the Platform. The Company anticipates that it will take several years to achieve positive cash flow from operations. There can be no assurance that there will be continued or increased demand for the Company's products or services, or that the Company will become profitable. The Company has encountered and continues to encounter risks and difficulties frequently experienced by growing businesses in rapidly changing industries, including increasing and unforeseen expenses as the Company continues to develop the Platform. If the Company does not manage these risks successfully, its business, results of operations and prospects will be harmed.

The Company has negative operating cash flow

The Company has limited financial resources. To date, Kabuni has experienced negative operating cash flow. Kabuni expects to continue to incur losses unless and until such time as the Kabuni Business generates sufficient revenues to fund its continuing operations. The Company has no history of earnings, and there is no assurance that the Kabuni Business will generate earnings, operate profitably or provide a return on investment in the future.

The Company will require access to substantial additional capital to fund its business and may be unable to raise such capital

The Company's business strategy will require substantial expenditure and there can be no guarantees that the Company's existing cash reserves and funds generated over time by the Kabuni Business will be sufficient to successfully achieve any or all of the objectives of the Company's business strategy, and in particular, those objectives set out under "*Description of the Business – Business Objectives and Milestones*" and "*Use of Funds*". Further funding of projects will be required by the Company to support ongoing activities and operations, including the need to develop new services or enhance its existing service, enhance its operating infrastructure and to acquire complementary businesses. Accordingly, the Company will need to engage in equity or debt financing to secure additional funds. If the Company is unable to obtain debt or equity to fund expansion, there can be no assurance that the Company will have sufficient capital resources to meet its stated objectives in order to carry on the Kabuni Business, or that it will be able to obtain additional resources on terms acceptable to the Company or at all.

Any additional equity financing may be dilutive to the Company's existing shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. If the Company is unable to raise capital if and when needed, this could delay or suspend the Company's business strategy and would have a material adverse effect on the Company's business, results of operations and financial condition.

If the Company is unable to maintain and promote its brand, its business and operating results may be harmed.

The Company believes that maintaining and promoting its brand is critical to expanding its user base. The successful commercialisation of the Kabuni Business and operating brands depends on the strength of the Company's reputation in the marketplace, which will be built on the trust of consumers. The failure to maintain that trust may damage the Kabuni Business and harm the ability to maintain or expand the base of Platform users and participating product and service suppliers. There is no certainty that the Company's brand or any alternative brand created to operate the Kabuni Business will be successfully commercialised in the marketplace.

Trust in the integrity and quality of the brand created by business operations will play a significant role in the Company's ability to attract new paid memberships and participating service providers. Maintaining consumer trust and enhancing the brand will depend largely on the Company's ability to maintain commitment to and reputation for placing a priority on the interests and protection of Platform users. If existing or potential users perceive the Kabuni Business is not focused primarily on facilitating informed design decisions, the Company's reputation and the strength of its brand will be adversely affected. Complaints or negative publicity about sales and business practices, services, personnel and customer service, irrespective of their validity, and data privacy and security issues could diminish consumers' confidence in the service provided by the Kabuni Business and have a material adverse effect on the Company's business, results of operations and financial condition.

Trust in the brand created by the Company, whether through the Kabuni brand or an alternate branding strategy in the future, will also suffer if the quality and integrity of the Designers that appear on the Platform are not maintained. Kabuni does not independently monitor or validate the identity and background of Designers who utilize the platform. As the Kabuni Business expands, there may be an increase in the number of unqualified Designers using the Platform. If these individuals are unable to be effectively identified and removed, the overall quality of offering will decrease, reputation as a source of trusted design information may be harmed, and both Clients and product and service suppliers may be deterred from using the Platform.

Maintaining and enhancing the Company's brand may require it to make substantial investments, and these investments may not achieve the desired goals. If the Company fails to successfully promote and maintain its brand or if the Company incurs excessive expenses in this effort, this may have a material adverse effect on the Company's business, results of operations and financial condition.

The Company depends on highly skilled personnel to grow and operate its business, and if the Company is unable to hire, retain and motivate its personnel, the Company may not be able to grow effectively.

The recent developments of the Kabuni Business have been in large part due to the talent, effort and experience of its senior management team, in particular the leadership of Nimesh (Neil) Patel, Managing Director and Chief Executive Officer. The loss of any key member of senior management, including Mr. Patel, could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's future success will depend upon its continued ability to identify, hire, develop, motivate and retain highly skilled personnel, including senior management, engineers, designers, product managers, sales representatives, and user support representatives. The Company's ability to execute efficiently is dependent upon contributions from its employees, including its senior management team. In addition, there may occasionally be changes in the senior management team that may be disruptive to its business. If the Company's senior management team, including any new hires that the Company may make, fails to work together effectively and to execute on its plans and strategies on a timely basis, this have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's growth strategy also depends on its ability to expand its organization with highly skilled personnel. Identifying, recruiting, training and integrating qualified individuals will require significant time, expense and attention. In addition to hiring new employees, the Company must continue to focus on retaining its best employees. While the Company believes it has implemented a number of incentive programs for both current and potential employees, competition for highly skilled personnel is intense. The Company may need to invest significant additional amounts of cash and equity to attract and retain new employees, and the Company may never realize returns on these investments. If the Company is not able to effectively add and retain employees, its ability to achieve its strategic objectives will be adversely impacted, and this will have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is highly dependent on third-party supplier relationships to fulfil product orders

The Company currently proposes to operate a significant amount of its operations through a series of contractual relationships with third party service and product providers, including agreements with suppliers of home furnishings and shipping service providers. However, Kabuni has not yet entered into any binding supply agreement with any supplier, and no supplier is under any binding obligation to fulfil any order of Kabuni. As the Kabuni Business develops, the Company intends to enter into supply agreements, on customary terms for agreements of their nature, including as to product and delivery standards. Artisan merchants who wish to offer products for sale on the Platform are required to agree to certain standard terms and conditions regarding their use of the Platform, including as to product and delivery standards.

Arrangements with product suppliers and artisan merchants carry a risk that the third parties do not adequately or fully comply with their respective contractual rights and obligations. Increasing and maintaining relationships with these suppliers and merchants will be critical to the success of the Kabuni Business. If current suppliers or merchants were to stop selling their products, the Kabuni Business may not be able to procure alternatives from other suppliers or merchants in a timely and efficient manner and on acceptable terms, or at all. Furthermore, if the Company is unable to continue to expand its network of suppliers and merchants, the resulting impact on the quality of the product and service offering (including the ability of the Company to increase the number of products offered) could have a material adverse effect on the Company's business, results of operations and financial condition, forcing a change in business strategy.

The Company's industry is highly competitive and a failure to compete effectively would have an adverse impact on the Kabuni Business

The online home design industry is highly competitive and 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, it 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 Kabuni's projects and business.

Failure to compete effectively against current or future competitors could result in loss of users, which would in turn result in an impairment of the ability to achieve or maintain profitability. The Company cannot provide any assurance that Kabuni will be able to compete effectively for users against existing or new competitors, and the failure to do so could result in a failure to increase Kabuni's user base, increased marketing expenses, or diminished brand strength, any of which would have a material adverse effect on the Company's business, results of operations and financial condition.

If the Company fails to effectively manage its technical operations infrastructure, its users may experience service outages and delays in the further deployment of its services, which may adversely affect its business.

The Company is expecting significant growth in the number of users being added to the Platform. The Company seeks to maintain sufficient excess capacity in its operations infrastructure to meet the needs of all of its users. The Company also seeks to maintain excess capacity to facilitate the rapid provisioning of new user deployments and the expansion of existing user deployments. In addition, the Company needs to properly manage its technological operations infrastructure in order to support version control, changes in hardware and software parameters and the evolution of its services. Despite the fact that the Company has taken a number of steps to allow its infrastructure to handle significant increases in demand, it may in the future experience website disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in user usage and denial of service issues. In some instances, the Company may not be able to identify the cause or causes of these performance problems within an acceptable period of time, which may harm the Company's reputation and operating results. Furthermore, although the Company has a number of disaster recovery measures, if it does not accurately predict its infrastructure requirements, its existing users may experience service outages that may subject the Company to financial penalties, financial liabilities and user losses. If the Company's operations infrastructure fails to keep pace with increased sales, users may experience delays as the Company seeks to obtain additional capacity, which could adversely affect the Company's reputation and have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's ability to build a user base for its services and the Company's future operating success are heavily dependent on designers' continued use of the Company's Internet-based services

Internet usage for commerce – especially by interior designers and other interior design industry participants that have historically relied upon other means of advertising to and communicating with potential Clients – requires a willingness to learn and accept new ways of conducting business. For example, individual interior designers who belong to larger interior design firms may have access to established advertising and product sourcing channels and other in-house resources, and, consequently, may be reluctant or slow to adopt new technologies that may result in their existing infrastructure becoming obsolete. To the extent that interior designers and interior design industry participants do not consider the Platform to be a useful or viable commercial medium, the Company may be unable to develop a revenue-generating user base. The success of the Platform and the Company's resulting ability to generate revenues from the sale of products through the platform are substantially dependent on Internet usage by users on the Platform. Even if the Company can establish a user base, there can be no guarantee that users will be willing to purchase products through the platform, which would also limit Kabuni's revenue generating abilities.

The Company's ability to attract new users and retain existing users will depend in large part on whether the Company can continue to improve and enhance the functionality, performance, reliability, design, security and scalability of the Platform. The Company may experience difficulties with software development that could delay or prevent the development, introduction, or implementation of new solutions and enhancements. Software development involves a significant amount of time for research and development, and it can take months to update, code and test new and upgraded solutions and integrate them into the Platform. The continual improvement and enhancement of the Platform requires significant investment, and the Company may not have the resources to make such an investment. To the extent that the Company is unable to improve and enhance the functionality, performance, reliability, design, security and scalability of the Platform in a manner that responds to interior design professionals and interior design industry participants' evolving needs, this may have a material adverse effect on the Company's business, results of operations and financial condition.

The Company may also fail to attract future users or retain existing users or increase sales as a result of a number of other factors, including, but not limited to:

- reductions in the Company's current or potential users' spending levels;
- competitive factors affecting the Platform and services, including the introduction of competing platforms, discount pricing and other strategies that may be implemented by competitors;
- the Company's ability to execute on its growth strategy and operating plans; and
- changes in the Company's relationships with third parties, including partners, third-party developers, payment processers and product suppliers.

Additionally, the Company anticipates that its growth rate will decline over time to the extent that the number of interior design professionals and interior design industry participants using the Platform increases, and the Company achieves higher market penetration rates. To the extent that the Company's growth rate slows, the Company's business performance will become increasingly dependent on the Company's ability to retain existing users.

The Platform and future changes to the Platform could fail to attract or retain users or generate revenue.

The Company's ability to retain, increase and engage the Company's user base and to increase the Company's revenue will depend heavily on the Company's ability to develop technology. The Company may introduce significant changes to the existing platform or develop and introduce new and unproven features. If new or enhanced features fail to engage users, the Company may fail to attract or retain users or to generate sufficient revenue, operating margin, or other value to justify the Company's investments, and the Company's business may be adversely affected. In the future, the Company may invest in new technology and initiatives to generate revenue, but there is no guarantee these approaches will be successful. If the Company is not successful with new approaches to monetization, the Company may not be able to maintain or grow its revenue as anticipated or recover any associated development costs, and this may have a material adverse effect on the Company's business, results of operations and financial condition.

Defects or disruptions in the rollout of the Company's new products and product enhancements could diminish demand for the Company's service, adversely affect the Company's reputation or subject the Company to substantial liability.

Like many Internet-based companies, the Company provides frequent incremental releases of software updates and functional enhancements. Such new versions frequently contain undetected errors when first introduced or released. Errors in the Platform or service may be detected in the future. In addition, users may use the Platform in unanticipated ways that may cause a disruption in service for other users. Since Designers use the Platform for important aspects of their business, any errors, defects, disruptions in service or other performance problems with the platform could hurt the Company's reputation and may damage Designers' businesses. Further, if the Company suffers extended periods of unavailability for the platform, there would be a negative impact on the Company's reputation. Although the Company attempts to limit liability via the Company's terms of use, any errors, defects, disruptions in service or other performance problems with the Platform could result in litigation against the Company, and such litigation could result in substantial, material liability for the Company, as well as material legal expenses.

Interruptions or delays in service from third-party cloud storage providers for the Platform, or the loss or corruption of cloud-based data, would impair the delivery of the Company's service and harm its business.

The Company currently serves users from third-party cloud storage providers based both within and outside of the US. The use of cloud storage providers results in less direct control over the Platform and data. Such third parties may also be vulnerable to security breaches and compromised security systems, which could adversely affect the Company's reputation and result in litigation or liability. Additionally, interruptions in the Company's service, or loss or corruption of data, may reduce the Company's revenue; cause the Company to issue credits or pay fees; and adversely affect the Company's ability to retain existing users and attract new users. The Company's business will also be harmed if existing users and potential users believe that the Company's technology is unreliable.

Mobile devices are increasingly being used to conduct commerce, and if the Platform does not operate effectively when accessed through those devices, Designers and their Clients may not be satisfied with the Company's services, which could harm business.

The Company depends on the interoperability of the Platform with third-party mobile devices and mobile operating systems as well as web browsers that the Company does not control. Any changes in such devices, systems or web browsers that degrade the functionality of the Platform or give preferential treatment to competitive services could adversely affect usage of the Platform. Effective mobile functionality is integral to the Company's long-term development and growth. In the event that users have difficult accessing and using the Platform on mobile devices, this may have a material adverse effect on the Company's business, results of operations and financial condition.

The Company employs third-party licensed software for use in or with its services, and the inability to maintain these licenses or errors in the software the Company licenses could result in increased costs, or reduced service levels, which would adversely affect the Company's business.

The Company's services incorporate certain third-party software obtained under licenses from other companies. The Company anticipates that it will continue to rely on such third-party software and development tools in the future. Although the Company believes that there are commercially reasonable alternatives to the third-party software the Company currently licenses, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of the software used in the Company's services with new third-party software may require significant work and require substantial investment of the Company's time and resources. Also, to the extent that the Company's services depend upon the successful operation of third-party software in conjunction with its own software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of the Company's services, delay new services introductions, result in a failure of the Company's services, and injure the Company's reputation. The Company's use of additional or alternative third-party software would require the Company's to enter into additional license agreements with third parties.

The Company relies on search engines and social networking sites to attract a significant portion of its users. If the Company is not able to generate traffic to its website through search engines and social networking sites, the Company's ability to attract new users may be impaired.

Many of the Company's users learn about the Platform through visiting the Company's website via internet search engines, such as Google, and advertisements on social networking sites, such as Facebook. The prominence of the Company's website in response to internet searches is a critical factor in attracting potential users to the Platform. If the Company's website is listed less prominently or fails to appear in search results, visits to the Company's website and, correspondingly, use of the Platform could decline significantly.

Similarly, many users locate the Platform through the Company's advertisements on social networking sites. If the Company's advertisements are listed less prominently or fail to appear on social networking sites for any reason, use of the Platform, could decline significantly.

Additionally, if the price of marketing the Platform over search engines or social networking sites increases, the Company may incur additional marketing expenses or may be required to allocate a larger portion of its marketing budget to search engine marketing, which could adversely affect business and operating results. Furthermore, competitors could bid on the search terms that the Company uses to drive traffic to its website. In addition, search engines and social networking sites may change their advertising policies from time to time. If any change in these policies delays or prevents the Company from advertising the Platform through these channels, it could result in reduced traffic to the Company's website and use of the Platform. As well, new search engines or social networking sites may develop, particularly in specific jurisdictions and if the Company is not able to achieve prominence through advertising or otherwise, the Company may not achieve significant traffic to its website through these new platforms and this may have a material adverse effect on the Company's business, results of operations and financial condition.

Spam by users could diminish user experience on the Platform, which could damage the Company's reputation and deter current and potential users from using the Company's products and services.

"Spam" on the Platform refers to a range of abusive activities that are prohibited by the Company's terms of use for those accessing the platform, and is generally defined as unsolicited actions that negatively impact other users with the general goal of drawing user attention to a given account, site, product or idea. This includes posting large numbers of unsolicited mentions of a user, duplicate feeds, misleading links (e.g., to malware or click-jacking pages) or other false or misleading content, and aggressively following and un-following accounts, adding users to lists, sending unsolicited invitations, reposting feeds and favoriting feeds to inappropriately attract attention. While the Company actively monitors usage of the features of the Platform, if the Company is unable to effectively manage spam on the platform, the Company's reputation for delivering relevant content could be damaged, user engagement could decline, and operational costs could increase.

The Company prioritizes product innovation and user experience over short-term operating results, which could adversely affect the Company's potential revenues and operating results.

The Company encourages employees to develop and help launch new and innovative features. The Company focuses on improving the user experience for the Platform and on developing new and improved functionality for the users of the platform. The Company prioritizes innovation and the experience for users over short-term operating results. The Company frequently makes decisions related to the platform that may reduce short-term operating results if the Company believes that the decisions are consistent with goals to improve the user experience and performance for users, which could improve operating results over the long term. In addition, the Company's focus on the user experience could negatively impact relationships with existing or prospective users. Delay in further developing the Platform or expanding services increases the risk that competitors may become established and may negatively impact the Company's relationship with both current and prospective users. This could result in a loss of users and platform partners, which would harm the Company's revenues and operating results.

The Company's intellectual property is subject to limited statutory protection and third-parties may infringe such intellectual property

The Company has filed for trademark protection for the "KABUNI" brand name in the US, Canada, Europe, Australia and New Zealand. Except as aforesaid, the Company does not currently have any patent or trademark protection of its intellectual property and it is not yet known whether it will be in fact possible to obtain any patent or trademark protection of Kabuni intellectual property and registration of associated trademarks in the future. If any patents or trademarks are registered in the future, they may not provide the Company with any competitive advantages, or may be challenged by third parties. Third parties may infringe or misappropriate the Company's trademarks or other intellectual property rights or may challenge the validity of the Company's trademarks or other intellectual property rights, which could have a material adverse effect on the Company's business, results of operations and financial condition. The actions that the Company takes to protect its trademarks, patents, software, data and other proprietary rights may not be adequate. Litigation may be necessary to enforce or protect the Company's intellectual property rights, protect its trade secrets or determine the validity and scope of the proprietary rights of others.

The Company uses a combination of open source and third party licensed software to develop its own software and network platform, and relies on its ability to protect its intellectual property rights adequately. The Company relies on the copyright it has in its software code and its intellectual property being kept confidential within the organisation to protect its trade secrets. If the Company fails to protect its intellectual property secrets, competitors may gain access to its technology which could have a material adverse effect on the Company’s business, results of operations and financial condition.

The Company’s digital content is not protected by any registered copyrights or other registered intellectual property. Rather, digital content is protected by statutory and common law rights, user agreements that limit access to and use of business data and by technological measures. Compliance with use restrictions is difficult to monitor, and the Company’s proprietary rights in its digital content databases may be more difficult to enforce than other forms of intellectual property rights.

The Company cannot ensure that it will be able to prevent infringement of its intellectual property rights or misappropriation of its proprietary information. Any infringement or misappropriation could harm any competitive advantage the Company currently derives or may derive from its proprietary rights. Third parties may assert infringement claims against the Company. Any such claims and any resulting litigation could subject the Company to significant liability for damages. An adverse determination in any litigation of this type could require the Company to change its tradename or branding, to design around a third party's intellectual property or to license alternative technology from another party. In addition, litigation may be time-consuming and expensive to defend and could result in the diversion of the Company’s time and resources. Any claims from third parties may also result in limitations on the Company’s ability to use the intellectual property subject to these claims.

Some of the Company’s products and services are dependent upon social media models that are susceptible to change.

Several of the Company’s key products and services utilize a social media model akin to those seen in Facebook, Twitter and LinkedIn (user profiles, news feeds and the like). This social media model has proven very popular, as the success of those and other services illustrates. However, there is no guarantee that this model will remain popular. If a different model of interacting with the Internet were to become popular, interest in social media models generally, or the Company’s social media model in particular, might decrease, and this could result in decreased usage of Kabuni’s products and services.

The establishment of the Company’s brand on the Internet is dependent on the acquisition of domain names, which are regulated by Internet regulatory bodies

Kabuni Technologies currently holds, and intends to acquire, various domain names in order to establish its brand on the Internet. Domain names generally are regulated by Internet regulatory bodies. If the ability to use a domain name in Canada or any other country is lost, the Company could be forced to incur significant additional expense to market the Kabuni Business, including the development of a new brand and the creation of new promotional materials, which could have a material adverse effect on the Company’s business, results of operations and financial condition. The regulation of domain names in Canada and in foreign countries is subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars, or modify the requirements for holding domain names. As a result, the Company may not be able to acquire or maintain the domain names that utilize its brand names or trade names under which it operates the Kabuni Business, in all of the countries in which the Company wishes to conduct business in the future.

The Company's operations may become subject to additional regulatory requirements

Kabuni's operations may become subject to additional regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Company's profitability. In addition, if regulators took the view that Kabuni had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of pecuniary penalties. This could lead to significant reputational damage and adversely impact upon the financial position and financial performance of the Company. Kabuni intends to offer its services throughout the world. Regulatory changes could see Kabuni being required to hold a licence in some of these jurisdictions or otherwise comply with local regulations. This could preclude Kabuni from offering certain services in these jurisdictions until such a licence has been obtained, or may require Kabuni to comply with a range of regulatory requirements. Any such increase in the costs and resources associated with the regulatory compliance in these jurisdictions could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is subject to foreign currency fluctuations which may materially affect its financial position and operating results

Kabuni's revenues, costs and expenses will largely be denominated in US or Canadian dollars, whereas the Company has raised capital and reports in Australian dollars. As a result of the use of these different currencies, the Company is subject to foreign currency fluctuations which may materially affect its financial position and operating results. For example, a depreciation of the US or Canadian dollar relative to the Australian dollar may result in lower than anticipated revenue, profit and earnings as a result of the translation of earnings into Australian dollars. Furthermore, since the majority of the Company's costs are incurred in Canadian dollars, a weakening of the Australian dollar relative to the Canadian dollar would result in an increase in costs when translated to Australian dollars. Although the Company implements certain strategies to hedge against foreign currency fluctuation risk, there can be no assurance that the Company's strategies will be successful in mitigating this risk.

The Company's insurance coverage may not be adequate to cover substantial losses or liabilities

Although Kabuni maintains commercial general liability insurance, the Company faces various risks in connection with Kabuni and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company will need to review its insurance requirements periodically. If Kabuni incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, this may have a material adverse effect on the Company's business, results of operations and financial condition.

Federal, state and foreign laws impose certain obligations on the senders of commercial emails, which could minimize the effectiveness of the Company's services, limit the Company's ability to market to prospective users and impose financial penalties on the Company for noncompliance.

Canada's anti-spam legislation (CASL) establishes certain requirements for commercial email, short message service (SMS), social media and instant messaging messages and specifies penalties for the transmission of commercial messages that are intended to deceive the recipient as to source or content. The US CAN-SPAM Act establishes certain requirements for commercial email messages and specifies penalties for the transmission of commercial email messages that are intended to deceive the recipient as to source or content. CASL and the CAN-SPAM Act, among other things, obligate the sender to provide recipients with the ability to opt out of receiving future messages from the sender. In addition, some US states have passed laws regulating commercial email practices that are significantly more punitive and difficult to comply with than the CAN-SPAM Act. Other countries, such as those in the European Union and Asia, may have analogous laws and regulations. The ability of recipients of messages from users of the Platform to opt out of receiving messages may minimize the effectiveness of the Company's services. In addition, noncompliance with CASL, the CAN-SPAM Act or other applicable laws and regulations carries significant litigation, regulatory investigation, liability and related risks. If the Platform or e-mails generated therefrom were found to be in violation of CASL or the CAN-SPAM Act or similar state or international laws regulating the distribution of commercial messages, whether as a result of violations by the Company or if the Company was deemed to be directly subject to and in violation of these requirements, then the Company could incur significant penalties. In addition, significant litigation and investigation-related expenses and any inquiries might impact the deliverability of the Company's commercial email. This would have a material adverse effect on the Company's business, results of operations and financial condition and significantly harm the Company's reputation. The Company could also be required to change one or more aspects of the way its business operates, which could impair the Company's ability to attract and retain users or could increase operating costs.

The Company cannot accurately predict expansion rates and the impact these rates may have on its future revenue and operating results.

In order for the Company to improve its operating results and continue to grow the Kabuni Business, it is important for the Company to continue to attract new users and expand the deployment of the Platform to existing users. To the extent the Company is successful in increasing its user base, it could incur increased losses because the costs associated with attracting new users are generally incurred up front, while revenue is recognized rateably over the term of a contract for services. Alternatively, to the extent the Company is unsuccessful in increasing its user base, the Company could also incur increased losses as the costs associated with marketing programs and new products intended to attract new users would not be offset by incremental revenue and cash flow. Furthermore, if the Company's users do not expand their use of the Platform, the Company's revenue may grow more slowly than the Company expects. All of these factors could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's quarterly results may fluctuate significantly and may not fully reflect the underlying performance of its business.

The Company's quarterly operating results, including its levels of revenue, gross margin, profitability, cash flow and deferred revenue, may vary significantly in the future, and period-to-period comparisons of its operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. The Company's quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of the Company's control and, as a result, may not fully reflect the underlying performance of the Company's business. Fluctuations in quarterly results may negatively impact the value of the Company's securities. Factors that may cause fluctuations in the Company's quarterly financial results include, but are not limited to:

- the ability to attract new users;
- retention rates;
- the timing of recognition of revenue;
- the amount and timing of operating expenses related to the maintenance and expansion of the Company's business, operations and infrastructure;
- general economic, industry, and market conditions;
- increases or decreases in the number of features in the Company's services;
- changes in the Company's pricing policies or those of the Company's competitors; and
- the timing and success of new services and service introductions by the Company and its competitors or any other change in the competitive dynamics of the Company's industry, including consolidation among competitors, users, or strategic partners.

Seasonality may cause fluctuations in the Company's potential revenue, operating expenses and operating results.

As Kabuni is at an early stage of operations and has yet to earn material revenue, Kabuni has not yet experienced any seasonal variations or cycles in its business. Management anticipates that the Kabuni Business may experience seasonal trends and fluctuations in sales from period-to-period, as is the case with other online retail businesses.

Declines in, or changes to, the interior design industry could have a material adverse effect on the Company's business, results of operations and financial condition.

The Kabuni Business and financial performance are affected by the health of, and changes to, the interior design industry, particularly in the US and Canada. Interior design industry patterns are affected by economic conditions, and tend to decline or grow more slowly during periods of slow growth or economic downturns. A decrease in the demand for interior design services could lead to reductions in user traffic on the Platform and reductions in product sales through the platform. In addition, the Company may become subject to rules and regulations in the interior design industry that may restrict or complicate the Company's ability to deliver services. These changes would have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is subject to certain risks associated with international operations.

The Company intends to expand the Platform internationally and conduct business in various countries throughout the world. Certain risks are inherent in international operations, including without limitation: (1) vigorous regulation of the Internet and user-generated content on social media platforms; (2) difficulty complying with a variety of ever-changing foreign laws and regulations, some of which may conflict with one another, including among others tax, labour, employment and anti-bribery laws, among others; (3) varying foreign laws and regulations for e-commerce and the interior design industry; (4) difficulty enforcing agreements, intellectual property rights and collecting receivables through certain foreign legal systems; (5) complexities of managing a multinational organization; (6) general economic and political conditions, natural disasters, social upheaval, war or terrorist activities in countries where the Company operates; (7) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and (8) longer payment cycles for foreign users or advertisers than for users or advertisers in the US and Canada. If the Company does not respond adequately to these risks, it could have a material adverse effect on the Company's business, results of operations and financial condition.

If the prices the Company charges for its services are unacceptable to its users, its operating results will be harmed.

As the market for the Company's services matures, or as new or existing competitors introduce new products or services that compete with the Company's, the Company may experience pricing pressure and be unable to retain existing users or attract new users at prices that are consistent with its pricing model and operating budget. If this were to occur, it is possible that the Company would have to change its pricing model or reduce its prices, which could have a material adverse effect on the Company's business, results of operations and financial condition.

Changes in laws and regulations related to the Internet or changes in the Internet infrastructure itself may diminish the demand for the Company's services, and could have a negative impact on the Company's business.

The future success of the Kabuni Business depends upon the continued use of the Internet as a primary medium for commerce, communication and business services. Domestic or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the Internet as a commercial medium. Changes in these laws or regulations could require the Company to modify its services in order to comply with these changes. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the internet or commerce conducted via the Internet. These laws or charges could limit the growth of Internet-related commerce or communications generally, or result in reductions in the demand for Internet-based services such as the Company's.

In addition, the use of the Internet and, in particular, the cloud as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of Internet activity, security, reliability, cost, ease of use, accessibility, and quality of service. The performance of the Internet and its acceptance as a business tool have been adversely affected by viruses, worms, and similar malicious programs, and the Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the Internet is adversely affected by these issues, demand for the Company's services could suffer.

The Company is subject to Canadian, US and foreign data privacy and protection laws and regulations as well as contractual privacy obligations, and failure to comply could result in fines, damages and harm to the Company's reputation and business.

The Company is subject to the data privacy and protection laws and regulations adopted by federal, state, provincial and foreign governmental agencies. Data privacy and protection is highly regulated in some jurisdictions, and may become the subject of additional regulation in the future. Privacy laws restrict storage, use, processing, disclosure, transfer and protection of non-public personal information, including credit card data, provided to the Company by users. The Company strives to comply with all applicable laws, regulations, policies and legal obligations relating to privacy and data protection. However, it is possible that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or the Company's practices. Any failure, or perceived failure, by the Company to comply with federal, state, provincial or international laws, including laws and regulations regulating privacy, data or consumer protection, could result in proceedings or actions against the Company by governmental entities or private parties.

The regulatory framework for privacy and data protection issues worldwide is evolving, and various government and consumer agencies and public advocacy groups have called for new regulation and changes in industry practices, including some directed at providers of mobile and online resources in particular. In addition, as the Company expands operations globally, compliance with regulations that differ from country to country may also impose substantial burdens on the Kabuni Business. In particular, the European Union has traditionally taken a broader view as to what is considered personal information and has imposed greater obligations under data privacy regulations. In addition, individual European Union member countries have discretion with respect to their interpretation and implementation of the regulations, which has resulted in variation of privacy standards from country to country. Complying with any additional or new regulatory requirements could force the Company to incur substantial costs or require the Company to change business practices in a manner that could compromise its ability to effectively pursue growth strategies. The Company is subject to the privacy and data protection-related obligations in its contracts with users and other third parties. The Company may be contractually liable to indemnify and hold harmless users from the costs or consequences of inadvertent or unauthorized disclosure of data that the Company stores or handles as part of providing services. Finally, the Company is also subject to contractual obligations and other legal restrictions with respect to the collection and use of data, and the Company may be liable to third parties in the event the Company is deemed to have wrongfully used or gathered data.

Any failure by the Company, or a third-party contractor providing services to the Company, to comply with applicable privacy and data protection laws, regulations, self-regulatory requirements or industry guidelines, contractual privacy obligations or internal privacy policies, may result in fines, statutory or contractual damages, litigation or governmental enforcement actions. These proceedings or violations could force the Company to spend significant amounts in defense or settlement of these proceedings, impose monetary liability, distract management, increase costs of doing business, and adversely affect the Company's reputation and the demand for its products and services.

If the security of users' confidential information stored in the Company's systems is breached or otherwise subjected to unauthorized access, the Company's reputation may be severely harmed and the Company may be exposed to liability.

Possession and use of personal information in the Company's operations subjects the Company to risks and costs that could harm its business and reputation. Although the Company uses security and business controls to limit access and use of personal information, a third party may be able to circumvent those security and business controls. This could result in a breach of the privacy of an interior design professional (one of the Company's users) or the interior design professional's client. In addition, errors in the storage, use or transmission of personal information could result in such breaches of privacy.

The Company believes that it takes reasonable steps to protect the security, integrity and confidentiality of the information the Company collects and store, but there is no guarantee that inadvertent (e.g., due to software bugs or other technical malfunctions, employee error or malfeasance, or other factors) or unauthorized disclosure will not occur or that third parties will not gain unauthorized access to this information despite the Company's efforts. Such attacks are growing in number and severity against companies large and small in all sectors of the economy. The Company may in the future experience successful attempts by third-parties to obtain unauthorized access to data despite security measures. Since techniques used to obtain unauthorized access change frequently, the Company and its third-party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. Any wilful or accidental security breaches or other unauthorized access could expose the Company to liability for the loss of such information, adverse regulatory action by federal and state governments, time-consuming and expensive investigation and litigation, extensive downtime of the Company's systems and other possible liabilities. If the Company's security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in the Company's software are exposed and exploited, and, as a result, a third party obtains unauthorized access to any of the users' data, the Company's relationships with its users will be severely damaged, and the Company could incur significant liability and loss of brand equity and goodwill. In addition, many jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. These mandatory disclosures regarding a security breach often lead to widespread negative publicity and may cause users to lose confidence in the effectiveness of the Company's data security measures. Any security breach, whether actual or perceived, would harm the Company's reputation, and the Company could lose users or fail to acquire new users. If the Company experiences compromises to its information technology as a result of security lapses, technical difficulties or otherwise that result in performance or availability problems of the Platform, the complete shutdown of the platform, or the loss or unauthorized disclosure of confidential information, the Company's partners or users may be harmed or lose trust and confidence in the Company. This could cause these partners and users to decrease their use of the Platform or stop using the platform in its entirety, and the Company would suffer reputational and financial harm. The Company's third-party vendors may also suspend or discontinue their relationships with the Company. Additionally, in the future, the Company could be subject to regulatory investigations and litigation in connection with security breaches or related issues, and the Company could also face regulatory fines and be liable to third parties for these types of breaches.

There can be no assurance that the limitations of liability in the Company's contracts would be enforceable or adequate or would otherwise protect the Company from any such liabilities or damages with respect to any particular claim. The Company also cannot provide assurances that the Company's general liability insurance coverage will be sufficient to cover one or more large claims or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against the Company that exceeds available insurance coverage, or the occurrence of changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on the Company's business, results of operations and financial condition.

Hackers could render Kabuni's platform unavailable and lead to an interruption in services

Kabuni will rely heavily on the availability of its online platform to attract and retain its customers. Hackers could render the platform unavailable through denial of service or other disruptive attacks. Whilst the Company will take reasonable precautions to minimise such attacks, these strategies may not be successful. Unavailability of the platform could lead to a loss of revenues whilst Kabuni is unable to provide its services. Further, it could hinder Kabuni's abilities to retain existing customers or attract new customers, which would have a material adverse impact on growth of the Kabuni Business.

E-commerce fraud, if not adequately controlled, could have a negative impact in Kabuni's business

Incidents of fraud reported in the e-commerce market can undermine trust in the efficacy of online services, which may have a negative impact on Kabuni's business. If Kabuni fails to adequately control fraudulent credit card transactions, the Kabuni Business may face civil liability, diminished public perception of its security measures and significantly higher credit card-related costs, each of which could have a material adverse effect on the Company's business, results of operations and financial condition.

The market price of the Shares may be volatile, and investors could lose all or part of their investment.

The market price of the Shares following listing may be highly volatile, and could be subject to wide fluctuations in response to various factors, some of which are beyond the Company's control and may not be related to its operating performance.

Fluctuations in the price of the Shares could cause investors to lose all or part of their investment because they may not be able to sell their Shares at or above the price they paid. Factors that could cause fluctuations in the market price of the Shares include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally or those in the Company's industry in particular;
- sales of Shares by the Company's shareholders;

- any changes in the financial projections that the Company may provide to the public, or the Company's failure to meet those projections;
- announcements by the Company or its competitors of new products or services;
- the public's reaction to the Company's press releases, other public announcements and filings with the securities commissions;
- rumours and market speculation involving the Company or other companies in its industry;
- actual or anticipated changes in the Company's operating results or fluctuations in its operating results;
- actual or anticipated developments in the Kabuni Business, its competitors' businesses or the competitive landscape generally;
- litigation involving the Company, its industry or both, or investigations by regulators into the Company's operations or those of its competitors;
- developments or disputes concerning the Company's intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by the Company or its competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to the Company's business;
- interest rates and inflation rates;
- terrorism or other hostilities;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in the management; and
- general economic conditions and slow or negative growth of the Company's markets.

In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against the Company, could result in substantial costs and a diversion of management's attention and resources.

The is no guarantee that there will be liquidity for the Shares

There can be no guarantee that there will be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which shareholders are able to sell their Shares.

The Company is an Australian company and shareholder protections differ from shareholder protections in the Canada and elsewhere.

The Company is incorporated under the laws of Australia, accordingly, is governed by the Australian Corporations Act. The Australian Corporations Act differs in certain material respects from laws generally applicable to Canadian and US corporations and shareholders, including the provisions relating to interested directors, mergers and similar arrangements, takeovers, shareholders' suits, indemnification of directors and inspection of corporation records.

The Company will incur increased costs and regulatory burden and devote substantial management time as a result of being a public company.

Prior to the filing of this Prospectus, the Company, as an ASX-listed company, was subject to the continuous disclosure reporting requirements of the ASX. However, the Company was not subject to the timely and continuous disclosure requirements of Canadian securities laws. As a reporting issuer in Canada, the Company will incur increased legal, accounting and other costs. The Company will be subject to the rules and regulations of the Canadian Securities Administrators in addition to the requirements of the ASX. The Company expects that compliance with these rules and regulations will increase legal and financial compliance costs and make some activities more time consuming and costly. In addition, the Company expects that management and other personnel will need to divert attention from operational and other business matters to devote substantial time to these reporting issuer requirements. The Company has made, and will continue to make, changes to its financial management control systems and other areas to manage its obligations as a reporting issuer, including corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. However, there can be no guarantee that these and other measures that the Company might take will be sufficient to allow the Company to satisfy its obligations as a reporting issuer on a timely basis.

The Company does not expect to declare any dividends in the foreseeable future.

The Company does not anticipate declaring any cash dividends to holders of Shares in the foreseeable future. Consequently, investors may need to rely on sales of Shares after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

PROMOTERS

Each of Mr. Anthony John Whitfield King, Chairman and Director, and Mr. Nimesh (Neil) Patel, Managing Director and Chief Executive Officer, is considered to be a "promoter" of the Company as that term is defined in the *Securities Act* (British Columbia). Except as set forth elsewhere in this Prospectus, neither of the promoters have received anything of value from the Company and neither promoter has any entitlement to receive anything of value. For information regarding the number of Shares beneficially owned, or controlled or directed, directly or indirectly, by Messrs. King and Patel, see "*Directors and Executive Officers*", above.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Since the beginning of the most recently completed financial year for which financial statements of the Company are included in this Prospectus, there have been no legal proceedings to which the Company is or was a party or of which any of its property is or was the subject of that involves claims for damages that exceeds 10% of the Company's current assets, nor are any such proceedings known to the Company to be contemplated.

Potential Legal Proceeding

On June 23, 2015, Kabuni Technologies received a letter from legal counsel to Sears Canada Inc. (Sears), alleging that it's use of the "Whole New Home" trademark infringes on certain registered trademarks owned by Sears and requiring Kabuni Technologies to, among other things, undertake to cease and desist from using the "Whole New Home" mark in connection with its business. Kabuni Technologies has retained external legal counsel to advise it in regard to this matter.

Following the Acquisition, the Company rebranded the Kabuni Business, and the name "Whole New Home" is no longer in use. Kabuni Technologies has contacted Sears and advised them of the rebrand of the Kabuni Business. In addition, Kabuni Technologies is in the process of negotiating a settlement with Sears whereby it would agree to cease using the "Whole New Home" name in consideration for a final release of all claims that Sears may have against Kabuni Technologies and its affiliates. As at the date of this Prospectus, no settlement has been reached.

If Sears were to bring an action against Kabuni Technologies and was successful, it would be entitled to damages. However, Kabuni Technologies considers that its exposure to damages in any such action would be low, on the basis that Kabuni Technologies is at an early stage of operations and did not earn material revenue from business operations and use of the "Whole New Home" branding. If Sears were successful in an action brought against Kabuni Technologies, it would also be entitled to injunctive relief with respect to the future use by Kabuni Technologies of the "Whole New Home" name. The Company considers this risk to be immaterial as a result of its decision to rebrand the Kabuni Business and adopt a new business name and trademark.

The Company may incur significant legal costs in defending any action, whether or not it ultimately prevails or a settlement is reached. Such costs would also include diversion of management's time.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below and elsewhere in this Prospectus, within the last three years, no director, executive officer or person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the Company or any associate or affiliate of the foregoing has, or has had, any material interest, direct or indirect, in any transaction prior to the date of this Prospectus or any proposed transaction that has materially affected, or is reasonably expected to materially affect, the Company or any of its affiliates.

On November 30, 2013, Kabuni Technologies entered into the Property Beacon Loan Agreement with Property Beacon, a Company controlled by Nimesh (Neil) Patel, Managing Director and Chief Executive Officer of the Company. See "*Description of the Business – History - Property Beacon Loan Agreement*", above.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Company's auditor for purposes of auditing the financial statements included in this Prospectus is Davidson & Company LLP, of 609 Granville St #1200, Vancouver, BC V7Y 1G6. Going forward, the Company's auditor will be Stantons International Audit and Consulting Pty Ltd, of Level 2, 1 Walker Avenue West Perth WA 6005.

The transfer agent appointed by the Company to maintain the securities register and register of transfers for the Shares, Listed Options and Performance Shares, is Security Transfer Registrars, of 770 Canning Highway, Applecross WA 6153 Australia (Share Registry).

MATERIAL CONTRACTS

The Company does not have any material contracts, other than those contracts entered into in the ordinary course of business, except for:

(a) a restriction agreement between the Corporation, Diverse Capital Pte Ltd and Quezon Rizamor Martinez, dated August 24, 2015;
(b) a restriction agreement between the Corporation, ACNS Capital Markets Pty Ltd, Adam Priestly Belton, Craig Ian Brown and Shane Hoehock Wee, dated August 26, 2015;
(c) a restriction agreement between the Corporation, CPS Capital Group Pty Ltd, Anthony Cunningham, and Jason Peterson, dated August 25, 2015;
(d) a restriction agreement between the Corporation, Middle Earth Nominees Pty Ltd, and Franco Scullino, dated August 24, 2015;
(e) a restriction agreement between the Corporation and Clark Colin Barlow, dated August 24, 2015;
(f) a restriction agreement between the Corporation and Nikolas Ajagu, dated August 26, 2015;
(g) a restriction agreement between the Corporation and Nathaniel Woolfe Sellyn, dated August 24, 2015;
(h) a restriction agreement between the Corporation and Neil Patel, dated August 24, 2015; and
(i) a restriction agreement between the Corporation, Assembly Stakeholders Relations Corp., Nathan Sellyn and Candice Williams, dated August 24, 2015;

as described under *"Securities Subject to Contractual Restriction on Transfer".*

EXPERTS

No person or corporation who is named as having prepared or certified a report, valuation, statement or opinion described or included in this Prospectus, or whose profession or business gives authority to a report, valuation, statement or opinion described or included in this Prospectus, holds any registered or beneficial interest, direct or indirect, in the Shares or other property of the Company and no such person or corporation, or a director, officer or employee of such person or corporation, is expected to be elected, appointed or employed as a director, officer or employee or as a director, officer or employee of any of the Company's associates or affiliates.

The Company's current auditor for purposes of the financial statements included in the Prospectus is Davidson & Company LLP. Davidson & Company LLP has informed the Company that it is independent with respect to the Company within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

LEGAL MATTERS

Certain legal matters relating to this Prospectus will be passed upon on the Company's behalf by Cassels Brock & Blackwell LLP. As at the date of this Prospectus, the partners and associates of Cassels Brock & Blackwell LLP beneficially own, directly, and indirectly, less than 1% of the outstanding securities or other property of the Company, its associates or affiliates.

GLOSSARY OF TERMS

"**Acquisition**" means the acquisition by the Company of Kabuni Technologies, the principal "operating entity of the Kabuni Business.

"**AET**" means Australian Eastern Time.

"**Annual MD&A**" means the management's discussion and analysis for the years ended August 31, 2015 and 2014 attached to this Prospectus as Schedule D.

"**ASX**" means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange operated by ASX Limited (as the context requires).

"**ASX Listing Rules**" means the Listing Rules of the ASX in force and as amended from time to time.

"**Australian Corporations Act**" means the Corporations Act 2001 (Cth) and the Corporations Regulations made under it as amended from time to time.

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

"**Clients**" means individuals who use Kabuni's Platform to connect with Designers and shop for products.

"**Community Design Studio**" means a space referred to as a "Community Design Studio", where designs and customers can meet and use Kabuni's multi-channel technology offering.

"**Company**" or "**Kabuni**" means Kabuni Ltd., incorporated under the Australian *Corporations Act 2001 (ABN 28 158 307 549).*

"**Company Loan Agreement**" means the loan agreement dated May 28, 2015 between the Company, as lender, and Kabuni Technologies, as borrower.

"**Consideration Securities**" means a total of 42,636,366 Shares and 36,130,492 Performance Shares issued by the Company to the Consideration Share Subscribers pursuant to the Share Sale Agreement.

"**Consideration Share Subscribers**" means certain persons who were designated by the Sellers to receive Consideration Securities under the Share Sale Agreement, in satisfaction of certain obligations owed by Kabuni Technologies to those persons or as incentives to certain employees of Kabuni Technologies.

"**Constitution**" means the constitution of the Company.

"**Convertible Notes**" means the convertible notes issued by Kabuni Technologies to sophisticated and professional investors residing outside of Canada, for total proceeds of A$1,420,000.

"**Convertible Note Shares**" means 15,523,810 Shares issued to the holders of the Convertible Notes in satisfaction of amounts due to those holders.

“**Designers**” means independent home design professionals who register as “Designers” on Kabuni’s Platform.

“**Design Studio**” means Kabuni’s Community Design Studio, in Vancouver, British Columbia, offering a location where Designers can connect in person with Clients.

“**Directors**” means the directors of the Company.

“**Employee Options**” means options issued to Participants under the Option Plan.

“**General Security Agreement**” means the general security agreement dated July 20, 2015 by Kabuni Technologies in favour of the Company, as security for the Company Loan Agreement.

“**H Plus**” means H Plus Technologies Ltd.

“**HoloMAX Technology**” means the HoloMAX™ 3D technology developed by H Plus.

“**Home Products**” means home décor, home furnishings and related products.

“**IFRS**” means international financial reporting standards.

“**Interim MD&A**” means the management’s discussion and analysis for the four months ended December 31, 2015 attached to this Prospectus as Schedule E.

“**Kabuni Business**” means Kabuni’s business of operating an Internet-based SaaS and e-commerce platform for the online home design industry.

“**Kabuni Technologies**” means Kabuni Technologies Inc., incorporated under the British Columbia *Business Corporations Act* [SBC 2002] c. 57.

“**Kabuni**” means Kabuni Inc.

“**Kabuni USA**” means Kabuni USA, Inc., incorporated under the laws of Delaware, USA.

“**Merchant Account**” means accounts for artisan merchants who register with Kabuni to sell their products on the Platform.

“**Listed Options**” means options issued by the Company to purchase Shares in connection with the Public Offer and listed and posted for trading on the ASX under the symbol “KBUO”.

“**Option Plan**” means the Company’s Employee Option Plan.

“**Other Shareholders**” means all of the shareholders of Kabuni Technologies, other than the Sellers, each of whom agreed to sell their shares in Kabuni Technologies to the Company.

“**Participants**” means employees, consultants and officers of the Company who are participants in the Option Plan.

“**Performance Shares**” means the performance shares issued by the Company and convertible into Shares upon achievement of the relevant milestones, issued on the terms and conditions set out under “*Description of Securities – Performance Shares*”, and each of “**Class A Performance Share**”, “**Class B Performance Share**”, “**Class C Performance Share**” and

“**Class D Performance Share**” have a corresponding meaning in relation to the relevant milestone applicable to each class.

“**Platform**” means Kabuni’s Internet-based Software-as-a-service (SaaS) and e-commerce platform.

“**Public Offer**” means, collectively, (a) the public offer of 35,000,000 Shares at an issue price of A$0.20 each to raise A$7,000,000, and (b) the public offer of 12,000,000 Listed Options at an issue price of A$0.005 per Listed Option to raise A$60,000, for aggregate proceeds of A$7,060,000 completed on August 25, 2015 (AET).

“**Property Beacon**” means Property Beacon Technology Inc.

“**Property Beacon Loan Agreement**” means the Loan Agreement dated as of November 30, 2013 between Kabuni Technologies, as borrower, and Property Beacon, as lender, as amended.

“**Prospectus**” means this prospectus.

“**RTO**” means a reverse takeover transaction.

“**SaaS**” means software as a service.

“**Sellers**” means, collectively, Nimesh (Neil) Patel, Darren Battersby, Peter Miles-McKay and Eric Brian Johnson, as sellers under the Share Sale Agreement.

“**Sellers’ Representative**” means Nimesh (Neil) Patel, in his capacity as representative of the Sellers under the Share Sale Agreement.

“**Share Sale Agreement**” means the share sale agreement dated May 28, 2015, between the Company, the Sellers, and the Sellers’ Representative, pursuant to which the Company agreed to purchase 100% of the issued capital of Kabuni Technologies.

“**Shares**” means fully paid ordinary shares in the capital of the Company.

“**Stock Keeping Unit or SKU**” means an individually catalogued product.

“**US**” means the United States of America.

“**Working Capital Loan Agreement**” means the loan agreement dated June 25, 2015 between Kabuni Technologies, as borrower, and Wimalex Pty Ltd, J & J Bandy Nominees Pty Ltd and Seefeld Investments Pty Ltd., as lenders.

SCHEDULE “A”
AUDITED ANNUAL FINANCIAL STATEMENTS OF KABUNI LTD. FOR THE YEAR ENDED AUGUST 31, 2015

See attached.

Consolidated Financial Statements of

KABUNI LTD
(formerly Magnolia Resources Ltd.)

August 31, 2015 and 2014
(Expressed in Australian dollars)

INDEPENDENT AUDITORS' REPORT

To the Directors of
Kabuni Ltd. (formerly Magnolia Resources Ltd.)

We have audited the accompanying consolidated financial statements of Kabuni Ltd. (formerly Magnolia Resources Ltd.), which comprise the consolidated statements of financial position as at August 31, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Kabuni Ltd. (formerly Magnolia Resources Ltd.) as at August 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

DAVIDSON & COMPANY LLP"

Chartered Professional Accountants

Vancouver, Canada
May 6, 2016

KABUNI LTD (formerly Magnolia Resources Ltd.)
Consolidated Statements of Financial Position
(Expressed in Australian dollars)

	Note	**August 31, 2015 $**	August 31, 2014 $
Assets			
Current assets			
Cash and cash equivalents		**8,417,552**	-
Receivables	5	**132,751**	17,810
Prepaid expenses and deposits	6	**155,337**	2,329
Other assets		**5,000**	-
		8,710,640	20,139
Equipment	7	**157,178**	2,676
Total assets		**8,867,818**	22,815
Liabilities			
Current liabilities			
Bank indebtedness		**-**	2,530
Accounts payable and accrued liabilities	8	**852,823**	510,332
Loans payable	10	**86,851**	76,095
		939,674	588,957
Total liabilities		**939,674**	588,957
Shareholders' equity (deficiency)			
Share capital	11	**17,254,837**	189,529
Share subscriptions received	11	**-**	53,154
Reserves	12	**3,879,716**	-
Deficit		**(13,172,059)**	(837,708)
Cumulative translation adjustment		**(34,350)**	28,883
Shareholders' equity (deficiency)		**7,928,144**	(566,142)
Total liabilities and shareholders' equity (deficiency)		**8,867,818**	22,815

Nature and continuance of operations (Note 1)
Commitments (Note 19)
Subsequent events (Note 20)

Approved on behalf of the Board of Directors:

"Tony King"
Tony King, Executive Chairman

"Neil Patel"
Neil Patel, Managing Director

The accompanying notes are an integral part of these consolidated financial statements.

KABUNI LTD (formerly Magnolia Resources Ltd.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Australian dollars)

	Note	**For the year ended August 31, 2015 $**	For the year ended August 31, 2014 $
Revenue		**6,019**	63,106
Selling expenses		**4,325**	13,992
		1,694	49,114
Operating expenses			
Depreciation	7	**2,984**	931
Donations		**-**	9,194
General and administration		**70,230**	13,394
Interest expense		**19,835**	5,645
Listing expense	2	**8,885,899**	-
Professional and consulting services		**1,459,503**	769,365
Rent		**83,925**	18,039
Salaries, bonus and benefits		**1,133,228**	20,725
Share-based payments	11	**246,193**	16,935
Travel expenses		**190,895**	32,486
		(12,092,692)	(886,714)
Interest income		**13,094**	-
Accretion on convertible debt	9	**(175,168)**	-
Gain on derivative liability	9	**209,599**	-
Loss on settlement of accounts payable	2	**(118,999)**	-
Loss on settlement of convertible debt	9	**(47,668)**	-
Recovery of costs		**49,181**	-
Transaction costs		**(84,982)**	-
Financing fees		**(78,520)**	-
Foreign exchange loss		**(9,890)**	(108)
Loss and comprehensive loss		**(12,334,351)**	(837,708)
Other comprehensive loss			
Exchange gain (loss) on translation to Australian dollars		**(63,233)**	28,880
Net loss and comprehensive loss		**(12,397,584)**	(808,828)
Loss per share			
- basic and diluted		**$ (0.10)**	$ (0.02)
Weighted average number of shares outstanding			
- basic and diluted		**129,143,547**	47,243,699

The accompanying notes are an integral part of these consolidated financial statements.

KABUNI LTD (formerly Magnolia Resources Ltd.)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Australian dollars)

	Note	Number of Shares	Share Capital	Share Subscriptions Received	Performance Shares Reserves	Cumulative Translation Adjustment	Deficit	Total
			$	$	$	$	$	$
Balance as at August 31, 2013		46,000,000	487	-	-	3	-	490
Issuance of shares	11b	2,037,500	172,107	-	-	-	-	172,107
Share-based payments		-	16,935	-	-	-	-	16,935
Share subscriptions received		-	-	53,154	-	-	-	53,154
Loss for the year		-	-	-	-	-	(837,708)	(837,708)
Cumulative translation adjustment		-	-	-	-	28,880		28,880
Balance as at August 31, 2014		**48,037,500**	**189,529**	**53,154**	**-**	**28,883**	**(837,708)**	**(566,142)**
Issuance of shares		3,339,318	207,950	(53,154)	-	-	-	154,796
Share-based payments		-	246,193	-	-	-	-	246,193
Shares repurchased	11c	(15,800,000)	(164)	-	-	-	-	(164)
Fair value of common shares issued on reverse takeover transaction	2	36,001,000	7,200,200	-	-	-	-	7,200,200
Shares issued to advisors as finders' fee	2	4,257,547	811,509	-	-	-	-	811,509
Shares issued to directors as finders' fee	2	666,666	133,333	-	-	-	-	133,333
Shares issued on settlement of loan	11b	2,800,001	560,000	-	-	-	-	560,000
Shares issued on conversion of loan	11b	15,523,810	1,420,000	-	-	-	-	1,420,000
Performance shares issued	12	-	-	-	3,879,716	-	-	3,879,716
Public offer	11b	35,000,000	6,486,287	-	-	-	-	6,486,287
Loss for the year		-	-	-	-	-	(12,334,351)	(12,334,351)
Cumulative translation adjustment		-	-	-	-	(63,233)	-	(63,233)
Balance as at August 31, 2015		**129,825,842**	**17,254,837**	**-**	**3,879,716**	**(34,350)**	**(13,172,059)**	**7,928,144**

The accompanying notes are an integral part of these consolidated financial statements.

KABUNI LTD (formerly Magnolia Resources Ltd.)
Consolidated Statements of Cash Flows
(Expressed in Australian dollars)

	For the year ended August 31, 2015 $	For the year ended August 31, 2014 $
Cash flows from operating activities		
Loss for the year	**(12,334,351)**	(837,708)
Adjustments to reconcile non-cash items		
Depreciation	**2,984**	931
Accretion on convertible debt	**175,168**	-
Gain on derivative liability	**(209,599)**	-
Loss on settlement of accounts payable	**118,999**	-
Loss on settlement of convertible debt	**47,668**	-
Listing expense	**8,885,899**	-
Share-based payments	**246,193**	16,935
Foreign exchange	**65,285**	-
Interest expense	**19,835**	5,646
Changes in non-cash working capital		
Receivables	**(57,661)**	(2,728)
Prepaid expenses and deposit	**(153,183)**	(2,433)
Accounts payable and accrued liabilities	**254,448**	533,119
Net cash used in operating activities	**(2,938,315)**	(286,238)
Cash flows from investing activities		
Acquisition of equipment	**(153,683)**	(3,727)
Net cash used in investing activities	**(153,683)**	(3,727)
Cash flows from financing activities		
Proceeds from loans payable	**258,275**	73,847
Repayment of loans payable	**(258,275)**	-
Repayment of interest on loans payable	**(14,788)**	-
Proceeds from convertible debt	**1,420,000**	-
Transaction costs on convertible debt	**(84,982)**	-
Acquisition of Kabuni Ltd	**3,565,998**	-
Proceeds from issuance of shares	**7,154,796**	157,328
Share subscriptions received	**-**	53,154
Share issuance costs	**(513,713)**	-
Shares repurchased	**(164)**	-
Net cash provided by financing activities	**11,527,147**	284,329
Impact of exchange rate changes on cash and cash equivalents	**(15,067)**	3,106
Change in cash and cash equivalents during the year	**8,420,082**	(2,530)
Cash and cash equivalents (bank indebtedness), beginning of the year	**(2,530)**	-
Cash and cash equivalents (bank indebtedness), end of the year	**(8,417,552)**	(2,530)
Cash and cash equivalents is represented by:		
Cash (bank indebtedness)	**8,388,488**	(2,530)
Cash equivalents	**29,064**	-
	8,417,552	(2,530)

Supplement disclosure with respect to cash flows (Note 17)

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature and continuance of operations

Kabuni Ltd. ("Kabuni" or "the Company"; formerly Magnolia Resources Limited) was incorporated on May 11, 2012 under the *Corporation Act 2001* of Australia. Kabuni is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX") under the symbol KBU.

Kabuni is a North American-based SaaS and e-commerce platform in the home design space that enables independent home design professionals to grow their business through an omni-channel retail experience. Kabuni's platform enables designers worldwide to collaborate with clients anywhere in the US and Canada and earn income from the sale of home décor products and furnishings from Kabuni's catalogue through curated Inspiration Boards.

These consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. For the year ended August 31, 2015, the Company and its consolidated entities have a net working capital of $7,770,966 and accumulated deficit of $13,172,059. The Company's ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has profitable operations. Management believes the Company has sufficient working capital to maintain its operations for the upcoming year. No provision has been made in these consolidated financial statements for any adjustments to the net recoverable value of assets should the Company not be able to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

The Company's registered office is at 35 Richardson Street, West Perth, WA, Australia, 6005.

2. Reverse Takeover Transaction ("RTO")

On August 24, 2015, the Company completed its acquisition of 100% of Kabuni Technologies Inc., formerly named PDT Technologies Inc. ("Kabuni Tech.").

Under the sale share agreement ("SSA") 100% of the share capital of Kabuni Tech. was sold for the following consideration:

(a) 38,376,819 fully paid ordinary shares of the Company, consisting of:
   i. 25,550,000 shares to shareholders of Kabuni Tech.;
   ii. 10,026,818 shares to other shareholders of Kabuni Tech.; and
   iii. 2,800,001 shares to certain creditors of Kabuni Tech. to settle outstanding payables.

(b) 4,257,547 shares to corporate advisors of Kabuni Tech. who introduced and facilitated the transaction.

(c) 15,523,810 shares to holders of Kabuni Tech.'s convertible loan payable.

(d) 37,463,826 performance shares to directors, employees and advisors which will automatically convert into shares upon satisfaction of certain milestones.

The 2,800,001 shares issued to certain creditors of Kabuni Tech. were issued to settle outstanding payables in the amount of Canadian ("CAD") $420,000. The Company recognized a loss on settlement of accounts payable of $118,999 during the year ended August 31, 2015, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

(Expressed in Australian dollars)

2. Reverse Takeover Transaction ("RTO") (continued)

The 15,523,810 shares issued to holders of Kabuni Tech.'s convertible debt were issued to settle outstanding debt in the amount of $1,420,000. The Company recognized a loss on settlement of convertible debt of $47,668 during the year ended August 31, 2015, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

The acquisition of Kabuni Tech. resulted in the shareholders of Kabuni Tech. obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that two of the Company's three directors stepped down and were replaced by Kabuni Tech's. nominees. A nominee of Kabuni Tech. serves as the Managing Director and the Kabuni Tech. management team has assumed responsibility for the management of the merged entity.

Consequently, the transaction is considered a reverse take-over ("RTO"). Since the Company has become a dormant public shell, the Company does not meet the definition of a business and the acquisition is accounted for as a purchase of the Company's net assets. The purchase consideration is determined as an equity-settled share-based payment, under IFRS 2, Share-based Payments, at the fair value of the equity instruments retained by the shareholders of the Company, based on the market value of the Company's common shares on the date of the closing of the RTO.

The application of the RTO guidance has resulted in the Company (the legal parent) being accounted for as the subsidiary and Kabuni Tech. (the legal subsidiary) being accounted for as the parent entity.

As Kabuni Tech. is deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. The Company`s results of operations have been included from the date of the RTO. The legal capital of the entity continues to be that of the Company, the legal parent.

Net asset acquired:		
Cash and cash equivalents	$	2,815,998
Receivables		58,616
Other assets		5,000
Due from Kabuni Tech.		750,000
Accounts payable and accrued liabilities		(490,755)
	$	3,138,859
Purchase price of equity:		
36,001,000 common shares at $0.20 per share	$	7,200,200
Finders Fees'		
Advisor shares (4,257,547 common shares)		811,509
Additional shares to a director (666,666 common shares)		133,333
Performance shares		3,879,716
	$	12,024,758
Cost of public listing	$	8,885,899

Prior to the RTO, the Company advanced $750,000 to Kabuni Tech.

2. Reverse Takeover Transaction ("RTO") (continued)

The transaction was measured at the fair value of the shares that Kabuni Tech. would have had to issue to shareholders of the Company to give shareholders of the Company the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Kabuni Tech. acquiring the Company. The fair value of the common shares was determined based on the share value in the concurrent public offer which was $0.20 (Note 11).

During the year ended August 31, 2015, a listing fee of $8,885,899 has been charged to the statement of loss and comprehensive loss as a listing expense to reflect the difference between the fair value of the amount paid (being the number of common shares retained by the original shareholders of the Company and finders' fee shares) and the fair value of the net assets received from the Company in accordance with in IFRS 2 Share-based Payment.

3. Basis of presentation

(a) Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issue by the Board of Directors on May 6, 2016.

(b) Basis of measurement and use of estimates and judgements

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value, and are presented in Australian dollars ("AUD").

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the year. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the share-based payments and performance shares issuances in the statements of loss and comprehensive loss;
- determination of the purchase price of the Company (Note 2);
- the recognition and recoverability of deferred tax assets;
- the assumptions used to measure the fair value of the debt and equity components of convertible debentures; and
- the assumptions used to value the derivative liability arising on the convertible debentures.

4. Significant accounting policies

The consolidated financial statements are prepared on the historical cost convention. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The accounting policies have been applied consistently by the Company and its entities.

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. The subsidiaries include Kabuni Technologies Inc. in Canada; Kabuni USA, Inc. in the United States (incorporated subsequent to year end); and Stirling Mineral Pty Ltd in Australia. The Company has a 100% equity interest in all subsidiaries. All intercompany balances and transactions have been eliminated on consolidation.

Subsidiaries are fully consolidated from the date on which control is acquired.

(b) Foreign currency translation

The presentation currency of the Company is the Australian dollar. The Company considers the functional currency of its Canadian operations to be the Canadian dollar and its Australian operations to be the Australian dollar. The functional currency of each entity is determined after consideration of the primary economic environment of the entity.

Transactions denominated in foreign currencies (currencies other than the functional currency of an operation) are translated at the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date exchange rates.

On translation of entities with functional currencies other than the Australian dollar, revenue and expense items are translated at average rates of exchange where there is a reasonable approximation of the exchange rate at the dates of the transactions. Statement of financial position items are translated at closing exchange rates at the reporting date. Exchange differences on the re-translation of the foreign currency entities at closing rates together with differences between the revenue and expenses translated at average and closing rates, are recorded in the currency translation reserve in shareholders' equity (deficiency). As at August 31, 2015 Kabuni Tech is the only entity with a functional currency other than the Australian dollar. As a result, the Company records exchange differences in the currency translation reserve.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

4. Significant accounting policies (continued)

(d) Plant and equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation of the assets' cost less residual value is computed using the straight-line method over the estimated useful lives of the assets.

Equipment	5 years
Office furniture	5 years
Leasehold improvement	Term of the lease

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting year, with the effect of any changes in estimates accounted for on a prospective basis. The determination of appropriate useful lives and residual values are based on management's judgement; therefore the resulting depreciation is subject to estimation uncertainty.

Items of equipment are derecognized upon disposal or when no future economic benefits are expected to arise from their continued use. Any gain or loss arising from disposal or retirement is determined as the difference between the consideration received and the carrying amount of the asset and is recognized in profit or loss.

(e) Financial Instruments

i. Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss when incurred.

ii. Classification and subsequent measurement

The Company classifies its financial instruments into one of the following categories at initial recognition based on the nature and purpose of the instrument:

Assets
- fair value through profit or loss
- held-to-maturity
- loans and receivables
- available for sale

Liabilities
- fair value through profit or loss
- other liabilities

4. Significant accounting policies (continued)

Fair value through profit or loss

Financial assets and liabilities are classified as fair value through profit or loss when the financial asset or liability is held for trading or is designated as fair value through profit or loss upon initial recognition.

A financial asset or liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of selling or repurchasing in the near future;
- it is part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets and liabilities classified as fair value through profit or loss, which includes cash and cash equivalents, bank indebtedness and derivative liability are stated at fair value with any gains or losses arising on re-measurement recognized in profit or loss.

Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated as available for sale or are not classified in any of the other asset categories. The Company has no assets classified as available for sale.

Available for sale financial assets are stated at fair value. Changes in the fair value of monetary available for sale assets resulting from foreign exchange gains and losses, interest income calculated using the effective interest method and dividends are all recognized in profit or loss; all other changes in fair value are recognized in other comprehensive income. When an available for sale asset is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Held-to-maturity, loans and receivables, and other liabilities

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the intent and ability to hold to maturity; the Company currently has no held-to-maturity assets. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and includes receivables. Other financial liabilities include accounts payable and accrued liabilities, and loans payable.

Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest method less any impairment. The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant year using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees, transaction costs and other premiums or discounts that form an integral part of the effective interest rate) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

4. Significant accounting policies (continued)

iii. Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership to another entity.

Financial liabilities are derecognized when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statement of comprehensive loss.

(f) Impairment

i. Non-financial assets

The Company's equipment and intangible assets, if any, are reviewed for indicators of potential impairment at the end of each reporting year. Such indicators may include an adverse change in business climate, technology, or regulations that impact the industry. The determination of whether such indicators exist requires significant judgment.

If indication of impairment exists, the asset's recoverable amount is estimated to determine the extent of an impairment loss, if any. For an asset that does not generate largely independent cash inflows or for which it is not possible to estimate the recoverable amount, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of an asset or CGU is the greater of fair value less costs to sell and value in use. The determination of the recoverable amount in the impairment assessment requires estimates based on quoted market prices, prices of comparable transactions, present value or other valuation techniques or a combination thereof, necessitating management to make subjective judgments and assumptions. When calculating an assets value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the cash flows have not been adjusted.

An impairment loss is recognized when the carrying amount of an asset, or CGU, exceeds its recoverable amount. Impairment losses are recognized in profit or loss for the year. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, if any, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. The Company has no goodwill balance for any of the reporting years presented.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The reversal of an impairment loss is recognized immediately in profit or loss.

4. Significant accounting policies (continued)

ii. Financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively affected. The determination of whether such indicators exist requires significant judgment.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it has become probable that the borrower will enter bankruptcy or financial reorganization;
- the disappearance of an active market for the security; and
- significant or prolonged decline in the fair value of an available for sale equity instrument below its cost.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is directly reduced by the impairment loss with the exception of trade receivables. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Impairment losses on available for sale assets are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in unrealized gains/losses in equity, to profit or loss.

With the exception of available for sale equity instruments, if, in a subsequent year, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized. Impairment losses recognized in profit or loss on available for sale equity instruments cannot be reversed.

(g) Revenue recognition

Revenue from rendering goods and services is measured at the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities.

Revenue is earned primarily from subscriptions from the websites members. Revenues for membership are paid in advance and will be deferred and recognized as revenue over the subscription period.

4. Significant accounting policies (continued)

(h) Research and development costs

Research and development costs consist of costs incurred to develop the Company's website and mobile application to promote, advertise and earn revenue with respect to the Company's business operations. All costs are expensed as incurred unless they meet the specific criteria under IFRS for capitalization. No costs have been capitalized to date.

(i) Intangible assets

Intangible assets with finite lives are measured at cost less accumulated amortization and any accumulated impairment losses. These intangible assets are amortized on a straight-line basis over their estimated useful lives. Useful lives, residual values and amortization methods for intangible assets with finite useful lives are reviewed at least annually.

Indefinite life intangible assets are measured at cost less any accumulated impairment losses. These intangible assets are tested for impairment on an annual basis or more frequently if there are indicators that intangible assets may be impaired as described in the impairment of non-financial assets policy.

(j) Earnings (loss) per share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the year. The computation of diluted earnings (loss) per share assumes the basic weighted average number of common shares outstanding during the year is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued.

(k) Income taxes

Income tax expense comprises current and deferred tax.

Current income tax is the amount expected to be recovered from or paid to the taxation authorities based on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable from previous years.

Deferred tax assets and liabilities are recognized for tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the year that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income.

(Expressed in Australian dollars)

4. Significant accounting policies (continued)

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- goodwill; and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(l) New standards not yet adopted

The following new standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the consolidated financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018, deferred from the previously announced effective date of January 1, 2015) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 15 – *Revenue from Contracts with Customers* (effective January 1, 2018, deferred from the previously announced effective date of January 1, 2017) is a new standard to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

5. Receivables

The summary of the Company's receivables is as follows:

	August 31, 2015	August 31, 2014
Taxes receivable from governments	**$ 115,222**	$ 2,859
Other receivables	**17,529**	14,951
	$ 132,751	$ 17,810

(Expressed in Australian dollars)

6. Prepaid expenses and deposits

The summary of the Company's prepaid expenses and deposits are as follows:

		August 31, 2015		August 31, 2014
Prepaid expenses	**$**	**69,311**	$	2,329
Deposits		**86,026**		-
	$	**155,337**	$	2,329

7. Equipment

The summary of the Company's equipment are as follows:

		Equipment - Office		Equipment - Design Studio		Total
Cost						
Balance at August 31, 2013	$	-	$	-	**$**	**-**
Additions		3,727		-		**3,727**
Cumulative translation adjustment		(159)		-		**(159)**
Balance at August 31, 2014		3,568		-		**3,568**
Additions		43,857		109,826		**153,683**
Cumulative translation adjustment		1,187		2,749		**3,936**
Balance at August 31, 2015	$	48,612	$	112,575	**$**	**161,187**
Accumulated depreciation						
Balance at August 31, 2013	$	-	$	-	**$**	**-**
Depreciation expense		931		-		**931**
Cumulative translation adjustment		(39)		-		**(39)**
Balance at August 31, 2014		892		-		**892**
Depreciation expense		2,984		-		**2,984**
Cumulative translation adjustment		133		-		**133**
Balance at August 31, 2015	$	4,009	$	-	**$**	**4,009**
Carrying amount						
Balance at August 31, 2014	$	2,676	$	-	**$**	**2,676**
Balance at August 31, 2015	$	44,603	$	112,575	**$**	**157,178**

As at August 31, 2015 the design studio is not in operation. Depreciation of the related property and equipment will commence when the asset is available for use.

8. Accounts payables and accrued liabilities

		August 31, 2015		August 31, 2014
Trade payables	**$**	**561,420**	$	292,121
Accruals		**61,733**		218,211
Payroll payables		**227,600**		-
Other payables		**2,070**		-
	$	**852,823**	$	510,332

9. Convertible loan payable

In March 2015, Kabuni Tech. entered into convertible debt agreements to issue convertible notes ("First Notes") through two tranches of AUD200,000 and AUD420,000 maturing on March 16, 2016. The First Notes bear no interest and were convertible at the option of the holder at a price that is the lesser of:

i. $0.10 per share;
ii. 50% of the issuance price of share under a capital raising of a minimum of $1,500,000; or
iii. a price equating to a 65% discount to the issuance price of stock issued in the public markets if Kabuni Tech. is part of transaction to go public.

In May 2015, the Company entered into a second series of convertible notes ("Second Notes", collectively "the Notes") for a total of AUD$800,000 maturing on May 22, 2016. The Second Notes bear no interest and are convertible at the option of the holder at a price that is the lesser of:

iv. $0.10 per share;
v. 60% of the issuance price of share under a capital raising of a minimum of $1,500,000; or
vi. a price equating to a 40% discount to the issuance price of stock issued in the public markets if the Company is part of transaction to go public.

In August 2015, Kabuni Tech. completed the transaction with Kabuni and gained a public listing (Note 2), and accordingly the conversion price was set at a 40% discount to the offering price once the transaction completed.

As the Notes are denominated in Australian dollars and the function currency of Kabuni Tech is the Canadian dollar, the conversion feature is considered an embedded derivative and, collectively, the Notes and conversion feature are considered a hybrid instrument. The embedded derivative is recorded at fair value and re-measured each period with movements being recorded as a gain or loss on the statement of loss and comprehensive loss. The difference between the fair value of the derivative and the face value of the debt is allocated to the Notes. As a result, the recorded liability to repay the Notes is lower than their face value. Using the effective interest rate method the First Notes are accreted up to their face value over the term of the Notes. The effective interest rate of the Notes ranges from 55.40% to 59.70%. The Company recorded accretion expense of $175,168 prior to the conversion of the Notes. The change in the fair value of the derivative liability will be recognized as a gain on the statement of loss and comprehensive loss.

Upon initial recognition, the fair value of the derivative was determined to be $510,126 using the Black-Scholes option pricing model. This amount must be revalued at the conversion date. At the conversion date, the fair value was $300,527 determined using the Black-Scholes model with the following assumptions:

	August 24, 2015
Share Price	$0.10
Exercise Price	$0.10
Risk-free interest rate	0.32%
Expected life	0.54 – 0.75 year
Expected volatility	53.70% - 74.79%

9. Convertible loan payable (continued)

In connection with the Notes, the Company had entered into a capital raising agreement with a third party whereby the Company was required to pay a 6% commission as a finders' fee on the total face value of the debt. The total commission on the debt received was $84,982. The commission was allocated on a pro-rated basis between the convertible debt and the derivative liability based on the amounts recorded at the date of issue. The total amount allocated to the derivative liability component was expensed on the issuance date. The total amount allocated to the debt component was being amortized over the term of the Notes up to the conversion date at which time the remaining amount to be amortized was expensed. The total commission has been recognized as transactions costs on the statement of loss and comprehensive loss.

On completion of the RTO (Note 2), the Company issued 15,523,810 common shares to holders of the Notes for full settlement. In connection with the settlement the Company recognized a loss on settlement of convertible debt of $47,668 on the statement of loss and comprehensive loss which related to the difference between the fair value of the shares issued by the Company and the debt settled.

10. Loans payable

A. During the year ended August 31, 2015, Kabuni Tech. received CDN$250,000 ($258,275) (the "Principal Balance") in loan financing from a third party (the "Lender"). The loan accrued interest of 1% per month and matured on March 18, 2015 which was subsequently amended to May 20, 2015. The loan was secured by a pledge of shares of Kabuni Tech. held by certain directors and officers. In addition, the loan had the following terms:

   i. Right of conversion – the Lender has the right to convert all or any portion of the Principal Balance and accrued and unpaid interest outstanding into common shares at a conversion rate of $0.10 per share; and

   ii. Bonus shares – in consideration of the loan, Kabuni Tech. is to issue the Lender 900,000 Bonus shares and 50,000 bonus warrants. Kabuni Tech. will issue the shares on the closing of the RTO.

   In July 2015, the parties entered into an amending agreement and Kabuni Tech. settled the bonus share obligation by issuing 950,000 common shares of Kabuni Tech. at a price of $0.00001 per share. The share issuance is included in the 3,339,318 common shares issued during the year ended August 31, 2015 (Note 11).

   At August 31, 2015, the full Principal Balance and accrued interest up to repayment date of $14,788 had been repaid. The amount assigned to the conversion option feature was determined to be immaterial.

B. The Company has received a series of short-term loans from a company owned by a director and officer of the Company. These loans accrue interest at 8% per annum, compounded annually. As at August 31, 2015, the Company had loans outstanding, including accrued interest of CAD$82,179 ($86,851) (August 31, 2014 – CAD$77,403 ($76,095)). The loan was originally due on June 30, 2014, but subsequently was extended to June 30, 2015. The Company had provided a general security agreement over its assets to the lender.

   On June 30, 2015, the Company entered into an amending agreement whereas the loan was extended an additional year and will mature on June 30, 2016. As per the agreement, the loan will no longer bear interest and the lender has been released and discharged of all security that was previously held over the Company's assets.

11. Share capital

(a) Authorized

The Company has an unlimited number of authorized commons shares with no par value.

(b) Issued

On August 24, 2015, the Company completed the RTO transaction (Note 2). Concurrently with the RTO, the following transactions occurred:

- The Company completed a concurrent public offer ("Concurrent Financing") and issued 35,000,000 common shares at $0.20 for gross proceeds of $7,000,000. The Company incurred share issuance costs of $513,713 in connection with the financing. As part of the Concurrent Financing, the Company issued 12,000,000 options to investors at a price of $0.005 per option for gross proceeds of $60,000 (Note 12(b)).
- The Company issued 2,800,001 common shares to certain creditors of Kabuni Tech. to settle outstanding debt. The fair value of the shares was $560,000 based on the share price of the Concurrent Financing.
- The Company issued 15,523,810 common shares to holders of Kabuni Tech.'s convertible debt to settle outstanding debt. The fair value of the shares was $1,420,000 based on the share price of the Concurrent Financing.

During the year ended August 31, 2015, Kabuni Tech. issued 3,339,318 common shares at prices between CAD$0.00001 and CAD$0.15 for total proceeds of CAD$201,858 ($207,950). The Company recorded share-based payments of $246,193 to account for the difference between fair value of the shares issued and the consideration received.

During the year ended August 31, 2014, Kabuni Tech issued 2,037,500 common shares at prices between CAD$0.00001 and CAD$0.13 for total proceeds of CAD$171,502 ($172,107) of which $14,779 was included in receivables at August 31, 2014. The Company recorded share-based payments of $16,935 to account for the difference between fair value of the shares issued and consideration received.

(c) Shares repurchased

On May 25, 2015, under the SSA Agreement, Kabuni Tech. was required to repurchase 15,800,000 common shares at CAD$0.00001 per share for gross proceeds of CAD$158 ($164) from certain shareholders (Note 2). The shares were returned to treasury.

(d) Escrow shares

As at August 31, 2015, the Company had 52,058,177 common shares classified by the ASX as restricted securities which are being held in escrow. The common shares will be released from escrow on the following dates: 1,857,143 on March 12, 2016, 3,900,003 on April 14, 2016, 2,666,666 on July 2, 2016, 18,093,486 on August 25, 2016, and 25,540,879 on September 3, 2017.

12. Reserves

(a) Performance shares

The Company has reserved for issuance four classes of performance shares, which are to be converted to ordinary shares upon the successful completion of the following milestones:

a. Class A Performance Shares which will convert into one fully paid ordinary share upon:
   i. a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $200 Revenue, each month for 3 consecutive months, on or before 30 August 2016; or
      a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $200 Revenue, each month for 3 consecutive months, and the Milestone D is also achieved,
   ii. (Milestone A);

b. Class B Performance Shares which will convert into one Share upon:
   i. a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $750 Revenue, each month for 3 consecutive months, on or before 31 December 2016; or
      a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $750 Revenue, each month for 3 consecutive months, and Milestone D is also achieved,
   ii. (Milestone B);

c. Class C Performance Shares which will convert into one Share upon:
   i. the Company achieving the CAD equivalent of at least $20 million in revenue in any 12 month period and has a minimum of 20,000 registered home designers, on or before December 1, 2017; or
      the Company achieving the CAD equivalent of at least $20 million in revenue in any 12 month period and has a minimum of 20,000 registered home designers, and Milestone D is also achieved,
   ii. (Milestone C); and

d. Class D Performance Shares which will convert into one Share upon:
   i. the Company achieving the CAD equivalent of at least $50 million in revenue in any 12 month period; and
      a minimum of 35,000 Registered Home Designers on or before December 31, 2018,
   ii. (Milestone D).

The performance share reserve is used to record the value of the performance shares issued to the Company directors, employees and advisors based on management's assessment of the likelihood of the performance shares being converted to ordinary shares.

In connection with the RTO, management has assessed the likelihood of the Class A and B performance shares being converted into common shares to be likely, and accordingly the Company has estimated the fair value of such performance shares based on the market price of the Company's common shares at the date of the RTO. The Company has assessed the likelihood of the Class C and D performance shares being converted into common shares to be uncertain.

(Expressed in Australian dollars)

12. Reserves (continued)

During the year ended August 31, 2015, in connection with the RTO, the Company issued 37,463,826 performance shares to directors, employees and advisors of the Company for $Nil consideration. The Company recorded performance shares reserve of $3,879,716.

The performance shares issued and outstanding as at August 31, 2015 consisted of:

Performance Shares	Shares Outstanding		Fair Value
Class A	9,699,289	$	1,939,858
Class B	9,699,291		1,939,858
Class C	9,032,623		-
Class D	9,032,623		-
	37,463,826	$	3,879,716

(b) Options

As part of the Concurrent Financing, the Company issued 12,000,000 options, at an issue price of $0.005 per option, for a gross proceeds of $60,000. The options are exercisable at $0.30 within three years of issue. The gross proceeds were received by the Company prior to the completion of the RTO and were included in the cash and cash equivalents balance as part of the net assets acquired.

13. Segmented information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company's primary segment is one business, being the development of an e-commerce platform in the home design space. During the year ended August 31, 2015 the consolidated entity operated in the following Geographic Segments: Australia and Canada.

(a) Revenue and interest and other income by geographical region

		August 31, 2015		August 31, 2014
Australia	**$**	**-**	$	-
Canada		**6,019**		63,106
Unallocated items - interest and other income		**13,094**		-
Total revenue	**$**	**19,113**	$	63,106

(b) Loss and comprehensive loss by geographical region

		August 31, 2015		August 31, 2014
Australia	**$**	**(21,716)**	$	-
Canada		**(12,312,535)**		(837,708)
Total loss and comprehensive loss	**$**	**(12,334,251)**	$	(837,708)

13. Segmented information (continued)

(c) Total assets by geographical region

	August 31, 2015	August 31, 2014
Australia	**$ 8,206,807**	$ -
Canada	**661,011**	22,815
Total assets	**$ 8,867,818**	$ 22,815

14. Financial instruments and risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, and loans payable approximate their carrying values due to their short-term nature. The Company's cash and cash equivalents are measured at fair value using Level 1 inputs. The Company's derivative liability is a Level 3 financial liability.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

(a) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at August 31, 2015, the Company is exposed to foreign currency risk through its subsidiary, Kabuni Tech., which is denominated in CAD. A 10% appreciation (depreciation) of the CAD against the AUD, with all other variables held constant, would result in approximately a $25,000 decrease (increase) in the Company's loss and comprehensive loss for the year.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. As at August 31, 2015, the Company is not exposed to any significant credit risk.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the consolidated financial statements is interest expense on loans payable and interest income on Canadian dollar cash. The Company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at August 31, 2015, the Company is not exposed to any significant interest rate risk.

(Expressed in Australian dollars)

14. Financial instruments and risk (continued)

(d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

15. Capital management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of the components of shareholders' equity (deficiency).

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

16. Related parties

(a) Compensation of Key Management Personnel
Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole.

	August 31, 2015	August 31, 2014
Professional and consulting fees[1]	**$ 274,428**	$ 247,908
Salaries	**56,113**	-
Directors' fees	**10,000**	-
Performance shares[2]	**3,233,163**	-
Total	**$ 3,573,704**	$ 247,908

[1] Professional and consulting fees included contractors fees of $160,061 (August 31, 2014 - $181,338), and accounting fees of $114,367 (August 31, 2014 - $66,570) in these consolidated financial statements.

[2] Relates to 13,853,316 performance shares issued to current directors and officers of the Company and 2,312,500 performance shares issued to former directors and officers of the Company.

At August 31, 2015, there was $53,843 contractor fees (August 31, 2014 - $116,496), and $5,166 accounting fees (August 31, 2014 - $58,643) included in accounts payable and accrual liabilities that were owing to these related parties.

At August 31, 2015, there was $10,156 receivables (August 31, 2014 - $292) included in receivables that was due from an officer of the Company.

(Expressed in Australian dollars)

16. Related parties (continued)

(b) Other Transactions with Related Parties
At August 31, 2015, the Company has a loan outstanding, including accrued interest of $86,852 (August 31, 2014 - $76,095) owing to a company controlled by an officer and director of the Company. The loan bears interest at 8% per annum, and is due on June 30, 2016 (Note 10).

17. Supplemental disclosure with respect to cash flows

Significant non-cash transactions for the year ended August 31, 2015 included:

a) 40,925,213 common shares valued at $81,25,042 were issued on completion of the RTO to acquire Kabuni Ltd.'s net assets.
b) 15,523,810 common shares valued at $1,420,000 were issued concurrently with the completion of the RTO to settle Kabuni Tech.'s convertible debt.
c) 2,800,001 common shares valued at $560,000 were issued to settle outstanding payables of Kabuni Tech.

Significant non-cash transactions for the year ended August 31, 2014 included:

a) $14,779 in subscriptions receivable included in receivables relating to the issuance of 150,000 common shares issued during the year.

18. Income taxes

A reconciliation of income taxes at the statutory rates with the reported income taxes are as follows:

	For the year ended August 31, 2015	For the year ended August 31, 2014
Loss for the year	**$ (12,334,351)**	$ (837,708)
Expected income tax (recovery)	**$ (3,207,000)**	$ (218,000)
Change in statutory, foreign tax, foreign exchange rates and other	**(1,000)**	-
Non-deductible expenses arising from RTO	**2,310,000**	-
Permanent differences	**72,000**	5,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**(5,000)**	-
Change in unrecognized deductible temporary differences	**831,000**	213,000
Total income tax expense (recovery)	**$ -**	$ -

(Expressed in Australian dollars)

18. Income taxes (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	For the year ended August 31, 2015	**Expiry Date Range**	For the year ended August 31, 2014	Expiry Date Range
Temporary Differences				
Financing costs	**$ 105,000**	No expiry date	$ -	N/A
Property and equipment	**4,000**	No expiry date	1,000	No expiry date
Non-capital losses available for future period	**4,147,000**	2033 to 2035	782,000	2034
Canada	**4,125,000**	2033 to 2035	782,000	2034
Australia	**22,000**	Indefinitely	-	N/A

19. Commitments

(a) Lease Agreement

In June 2015, Kabuni Tech. entered into a binding lease agreement for the Kabuni Design Studio. Commencing July 1, 2015 the Company will pay monthly rent at a rate of CAD$10,221 (AUD$10,098). The rental agreement is for a period of three years with the option to extend for an additional three-year period. The total rent commitment, excluding operating costs, is as follows:

2015	$ 43,210
2016	131,381
2017	134,884
2018	68,318
	$ 377,793

(b) Design Studio

On December 4, 2015 Kabuni Tech. entered into an agreement with Turner Construction Company to build the Kabuni Design Studio. Under the contract, the maximum price of the contract is guaranteed not to exceed CAD$300,000 ($317,058), subject to adjustments agreed between the parties.

20. Subsequent events

(a) On October 21, 2015, Kabuni Tech. changed its fiscal year end from August 31 to June 30 to correspond to the fiscal year end of the Company.

(b) On November 12, 2015, the Company adopted a stock option plan under which the Company is authorized to grant stock options to employees, consultants, officers and directors (shareholder approval required), enabling them to acquire up to 5% of the issued and outstanding common stock of the Company. The exercise price of each option must be less than 80% of the average closing sale price of the shares on the ASX over the five trading days immediately preceding the date of grant. The options can be granted for a maximum of five years, and certain options can vest over periods of time, determined by the board of directors.

(c) On November 19, 2015 the Company issued 333,333 common shares and 666,667 performance shares to directors of the Company for $Nil consideration.

(d) On February 19, 2016, 2,500,000 stock options exercisable at $0.20 on or before August 31, 2017 were granted to advisors of the Company. The options vest when the share price (based on a 20-day volume weighted average price) of the Company, as quoted by the ASX, reaches a level of $0.225.

(e) On March 1, 2016 the Company issued 150,000 common shares to an advisor in consideration for services provided to the Company.

(f) On March 17, 2016, 4,190,001 stock options exercisable at the greater of (1) $0.18 and (2) the fair market value of the shares, defined as the average closing sale price of the shares on ASX over the 5 trading days immediately preceding the date of acceptance, on or before March 31, 2019 were granted to employees of the Company. The options will vest on September 3, 2016 (being 12-months after the date of listing on the ASX). No director or director related entity will participate in this issue.

SCHEDULE "B"
FINANCIAL STATEMENTS OF KABUNI TECHNOLOGIES INC. FOR THE YEARS ENDED AUGUST 31, 2014 AND AUGUST 31, 2013

See attached.

Financial Statements of

PDT TECHNOLOGIES INC.

August 31, 2014 and 2013
(Expressed in Australian dollars)

INDEPENDENT AUDITORS' REPORT

To the Directors of
PDT Technologies Inc.

We have audited the accompanying financial statements of PDT Technologies Inc., which comprise the statements of financial position as at August 31, 2014 and 2013 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended August 31, 2014 and the period from incorporation as at August 23, 2013 to August 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of PDT Technologies Inc. as at August 31, 2014 and 2013 and its financial performance and its cash flows for the year and period then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about PDT Technologies Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

January 16, 2015

PDT TECHNOLOGIES INC.
Statements of Financial Position
(Expressed in Australian dollars) (Unaudited)

	Note	**August 31, 2014** **$**	August 31, 2013 $
Assets			
Current assets			
Receivables		**17,810**	490
Prepaid expenses and deposits		**2,329**	-
		20,139	490
Equipment	4	**2,676**	-
Total assets		**22,815**	490
Liabilities			
Current liabilities			
Bank indebtedness		**2,530**	-
Accounts payable and accrued liabilities	9	**510,332**	-
Loans payable	5	**76,095**	-
		588,957	-
Total liabilities		**588,957**	-
Shareholders' equity (deficiency)			
Share capital	6	**189,529**	487
Share subscriptions received	6	**53,154**	-
Deficit		**(837,708)**	-
Cumulative translation adjustment		**28,883**	3
Shareholders' equity (deficiency)		**(566,142)**	490
Total liabilities and shareholders' equity (deficiency)		**22,815**	490

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

Approved on behalf of the Board of Directors:

"Neil Patel"
Neil Patel, Director

"Nathan Sellyn"
Nathan Sellyn, Director

The accompanying notes are an integral part of these financial statements.

PDT TECHNOLOGIES INC.
Statements of Loss and Comprehensive Loss
(Expressed in Australian dollars) (Unaudited)

	Note	For the year ended August 31, 2014 $	For the period from incorporation to August 31, 2013 $
Revenue		**63,106**	-
Selling expenses		**13,992**	-
		49,114	-
Operating expenses			
Depreciation	4	**931**	-
Donations		**9,194**	-
General and administration		**13,394**	-
Interest expense	5	**5,645**	-
Professional and consulting services		**769,365**	-
Rent		**18,039**	-
Salaries, bonus and benefits		**20,725**	-
Share-based payments	6	**16,935**	-
Travel expenses		**32,486**	-
		(886,714)	-
Unrealized foreign exchange (gain) loss		**(108)**	-
Loss and comprehensive loss		**(837,708)**	-
Other comprehensive gain (loss)			
Exchange gain (loss) on translating to Australian dollars		**28,880**	3
Net gain (loss) and comprehensive gain (loss)		**(808,828)**	3
Loss per share			
- basic and diluted		**(0.02)**	-
Weighted average number of shares outstanding			
- basic and diluted		**47,243,699**	1,008,219

The accompanying notes are an integral part of these financial statements.

PDT TECHNOLOGIES INC.
Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Australian dollars) (Unaudited)

	Note	Number of Shares	Share Capital $	Share Subscriptions Received $	Cumulative Translation Adjustment $	Deficit $	Total $
Balance as at August 23, 2013		-	-	-	-	-	-
Issuance of shares	6b	46,000,000	487	-	-	-	487
Cumulative translation adjustment		-	-	-	3	-	3
Balance as at August 31, 2013		**46,000,000**	**487**	**-**	**3**	**-**	**490**
Issuance of shares	6b	2,037,500	172,107	-	-	-	172,107
Share-based payments	6b	-	16,935	-	-	-	16,935
Share subscriptions received	6c	-	-	53,154	-	-	53,154
Cumulative translation adjustment		-	-	-	28,880	-	28,880
Loss for the year		-	-	-	-	(837,708)	(837,708)
Balance as at August 31, 2014		**48,037,500**	**189,529**	**53,154**	**28,883**	**(837,708)**	**(566,142)**

The accompanying notes are an integral part of these financial statements.

PDT TECHNOLOGIES INC.
Statements of Cash Flows
(Expressed in Australian dollars) (Unaudited)

	For the year ended August 31, 2014 $	For the period from incorporation to August 31, 2013 $
Cash flows from operating activities		
Loss	**(837,708)**	-
Adjustments to reconcile non-cash items		
Depreciation	**931**	-
Share-based payments	**16,935**	-
Interest expense	**5,646**	-
Changes in non-cash working capital		
Receivables	**(2,728)**	-
Prepaid expenses and deposit	**(2,433)**	-
Accounts payable and accrued liabilities	**533,119**	-
Net cash used in operating activities	**(286,238)**	-
Cash flows from investing activities		
Acquisition of equipment	**(3,727)**	-
Net cash used in investing activities	**(3,727)**	-
Cash flows from financing activities		
Proceeds from loans payable	**73,847**	-
Proceeds from issuance of shares	**157,328**	-
Share subscriptions received	**53,154**	-
Net cash provided by financing activities	**284,329**	-
Impact on exchange rate changes on cash and cash equivalents	**3,106**	-
Net change in cash during the period	**(2,530)**	-
Cash (bank indebtedness), beginning of the period	**-**	-
Cash (bank indebtedness), end of the period	**(2,530)**	**-**
Cash and cash equivalents is represented by:		
Cash	**(2,530)**	-
Cash equivalents	**-**	-
	(2,530)	-

Supplemental disclosure with respect to cash flows (Note 10)

The accompanying notes are an integral part of these financial statements.

1. Nature and continuance of operations

PDT Technologies Inc. (“PDT” or “the Company”) was incorporated on August 23, 2013 under the *Business Corporation Act* of the Province of British Columbia.

PDT creates proprietary web-based software-as-a-service (SAAS) software that connects consumers to local property goods and service providers in local markets across North America. Deleverages interior designers to inspire homeowners to add beauty and value to their homes, driving e-commerce transactions in home décor, repair and renovation.

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. As at August 31, 2014, the Company has a working capital deficit of $568,818 and accumulated deficit of $837,708. The Company’s ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has profitable operations. The Company has not yet generated positive earnings from operations and will require additional financing. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. No provision has been made in these financial statements for any adjustments to the net recoverable value of assets should the Company not be able to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these financial statements.

The Company’s registered office is Suite #200, 375 Water Street, Vancouver, British Columbia, V6B 5C6, Canada.

These financial statements were authorized for issue by the Board of Directors on January 16, 2016.

2. Basis of presentation

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were authorized for issue by the Board of Directors on January 16, 2015.

Basis of measurement and use of estimates and judgements

The financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value, and are presented in Australian dollars. The function currency of the Company is the Canadian dollar (“CDN”).

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Basis of presentation (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the inputs used in accounting for share-based compensation in the statement of operations; and
- the recognition and recoverability of the Company's deferred tax assets.

3. Significant accounting policies

(a) Foreign currency translation

The presentation currency of the Company is the Australian dollar. The Company considers the functional currency to be the Canadian dollar. The functional currency of the entity is determined after consideration of the primary economic environment of the entity.

Transactions denominated in foreign currencies (currencies other than the functional currency of an operation) are translated at the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date exchange rates.

On translation to Australian dollars, revenue and expense items are translated at average rates of exchange where there is a reasonable approximation of the exchange rate at the dates of the transactions. Statement of financial position items are translated at closing exchange rates at the reporting date. Exchange differences on the re-translation of the foreign currency entities at closing rates together with differences between the revenue and expenses translated at average and closing rates, are recorded in the currency translation reserve in shareholders' equity (deficiency).

(a) Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation of the assets' cost less residual value is recognized over the estimated useful life of assets, based on, the following annual rates:

Computer equipment 30% declining balance

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. The determination of appropriate useful lives and residual values are based on management's judgement; therefore the resulting depreciation is subject to estimation uncertainty.

Items of property and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from their continued use. Any gain or loss arising from disposal or retirement is determined as the difference between the consideration received and the carrying amount of the asset and is recognized in profit or loss.

3. Significant accounting policies (continued)

(b) Financial Instruments

i. Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss when incurred.

ii. Classification and subsequent measurement

The Company classifies its financial instruments into one of the following categories at initial recognition based on the nature and purpose of the instrument:

Assets
- fair value through profit or loss
- held-to-maturity
- loans and receivables
- available for sale

Liabilities
- fair value through profit or loss
- other liabilities

<u>Fair value through profit or loss</u>

Financial assets and liabilities are classified as fair value through profit or loss when the financial asset or liability is held for trading or is designated as fair value through profit or loss upon initial recognition.

A financial asset or liability is classified as held for trading if:
- it has been acquired or incurred principally for the purpose of selling or repurchasing in the near future;
- it is part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets and liabilities classified as fair value through profit or loss, which includes bank indebtedness are stated at fair value with any gains or losses arising on re-measurement recognized in profit or loss.

3. Significant accounting policies (continued)

i. Classification and subsequent measurement

Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated as available for sale or are not classified in any of the other asset categories. The Company has no assets classified as available for sale.

Available for sale financial assets are stated at fair value. Changes in the fair value of monetary available for sale assets resulting from foreign exchange gains and losses, interest income calculated using the effective interest method and dividends are all recognized in profit or loss; all other changes in fair value are recognized in other comprehensive income. When an available for sale asset is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Held-to-maturity, loans and receivables, and other liabilities

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the intent and ability to hold to maturity; the Company currently has no held-to-maturity assets. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and includes receivables. Other financial liabilities includes accounts payable and accrued liabilities and loans payable.

Subsequent to initial recognition, these financial instruments are measured at amortised cost using the effective interest method less any impairment. The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees, transaction costs and other premiums or discounts that form an integral part of the effective interest rate) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership to another entity.

Financial liabilities are derecognized when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statement of comprehensive income.

(c) Impairment

i. Non-financial assets

The Company's equipment is reviewed for indicators of potential impairment at the end of each reporting period. Such indicators may include an adverse change in business climate, technology, or regulations that impact the industry. The determination of whether such indicators exist requires significant judgment.

3. Significant accounting policies (continued)

If indication of impairment exists, the asset's recoverable amount is estimated to determine the extent of an impairment loss, if any. For an asset that does not generate largely independent cash inflows or for which it is not possible to estimate the recoverable amount, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of an asset or CGU is the greater of fair value less costs to sell and value in use. The determination of the recoverable amount in the impairment assessment requires estimates based on quoted market prices, prices of comparable transactions, present value or other valuation techniques or a combination thereof, necessitating management to make subjective judgments and assumptions. When calculating an assets value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the cash flows have not been adjusted.

An impairment loss is recognized when the carrying amount of an asset, or CGU, exceeds its recoverable amount. Impairment losses are recognized in profit or loss for the period. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, if any, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. The Company has no goodwill balance for any of the reporting periods presented.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The reversal of an impairment loss is recognized immediately in profit or loss.

ii. Financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively affected. The determination of whether such indicators exist requires significant judgment.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty
- default or delinquency in interest or principal payments
- it has become probable that the borrower will enter bankruptcy or financial reorganization
- the disappearance of an active market for the security
- significant or prolonged decline in the fair value of an available for sale equity instrument below its cost

3. Significant accounting policies (continued)

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is directly reduced by the impairment loss with the exception of trade receivables. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Impairment losses on available for sale assets are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in unrealized gains/losses in equity, to profit or loss.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized. Impairment losses recognized in profit or loss on available for sale equity instruments cannot be reversed.

(d) Revenue recognition

Revenue from rendering services is measured at the fair value of consideration received or receivable for the sale of services in the ordinary course of the Company's activities.

Revenue is earned primarily from subscriptions received from the websites members. Revenues for memberships are paid in advance and will be deferred and recognized as revenue over the subscription period.

(e) Research and development costs

Research and development costs consist of costs incurred to develop the Company's website to promote, advertise and earn revenue with respect to the Company's business operations. All costs are expensed as incurred unless they meet the specific criteria under IFRS for capitalization.

(f) Earnings (loss) per share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the year. The computation of diluted earnings (loss) per share assumes the basic weighted average number of common shares outstanding during the year is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued. No potentially dilutive securities were issued during the periods presented.

3. Significant accounting policies (continued)

(g) Income taxes

Income tax expense comprises current and deferred tax.

Current income tax is the amount expected to be recovered from or paid to the taxation authorities based on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable from previous years.

Deferred tax assets and liabilities are recognized for tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

(h) Recent accounting pronouncements issued, but not yet adopted

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – Financial Instruments (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 15 – Revenue from Contracts with Customers (effective January 1, 2017) is a new standard to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Service.

4. Equipment

		Equipment - Office
Cost		
Balance at August 31, 2013	$	-
Additions		3,727
Cumulative translation adjustment		(159)
Balance at August 31, 2014		3,568
Accumulated depreciation		
Balance at August 31, 2013	$	-
Depreciation expense		931
Cumulative translation adjustment		(39)
Balance at August 31, 2014		892
Carrying amount		
Balance at August 31, 2013	$	-
Balance at August 31, 2014	$	2,676

5. Loan payable

The Company has received a series of short-term loans from a company owned by a director and officer of the Company. These loans accrue interest at 8% per annum, compounded annually. As at August 31, 2014, the balance of principal payments outstanding is $70,449 (2013 - nil) and accrued interest of $5,646 (2013 - nil). The loan was originally due June 30, 2014, but subsequently was extended to June 30, 2015. The Company has provided a general security agreement over its assets to the lender.

6. Share capital

(a) Authorized

The Company has an unlimited number of authorized common shares with no par value.

(b) Issued

i. On August 23, 2013, the Company issued 46,000,000 common shares at CDN$0.00001 per share for gross proceeds of CDN$460 ($487). The proceeds were included in receivables at August 31, 2013.

ii. On February 21, 2014, the Company issued 1,727,500 common shares at prices between CDN$0.08 and CDN$0.13 per share for gross proceeds of CDN$156,500 ($157,326).

iii. On February 21, 2014, the Company issued 160,000 common shares at CDN$0.00001 per share for gross proceeds of CDN$2 ($2). The Company recorded share-based compensation of $16,935 to account for the difference between fair value and share price at the date of issuance.

iv. On August 30, 2014, the Company issued 150,000 common shares at CDN$0.10 per share for gross proceeds of CDN$15,000 ($14,779). The proceeds were included in receivables at August 31, 2014 and received subsequently.

(c) Share subscriptions received

i. During the year ended August 31, 2014, the Company received CDN$51,853 ($53,154) in subscriptions toward the issuance of 475,000 common shares at prices between CDN$0.10 and CDN$0.125. These shares were issued by the Company subsequent to year-end.

7. Financial instruments and risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company’s receivables, accounts payable and accrued liabilities and loans payable approximates their carrying values due to their short-term nature. The Company’s cash (bank indebtedness) is measured at fair value using Level 1 inputs.

7. Financial instruments and risk (continued)

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at August 31, 2014, the Company has minimal foreign exchange exposure.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at August 31, 2014, the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the financial statements is interest expense on loans payable and interest income on Canadian dollar cash. The Company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at August 31, 2014, the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by foreign exchange risk, credit risk and interest rate risk.

8. Capital management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of the components of shareholders' equity (deficiency).

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

9. Related parties

Compensation of key management personnel
Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole.

	August 31, 2014	August 31, 2013
Professional and consulting fees[1]	$ 247,908	$ -
Total	**$ 247,908**	**$ -**

[1] Professional and consulting fees included contractors fees of $181,338 (August 31, 2013 - $Nil), and accounting fees of $66,570 (August 31, 2013 - $Nil).

At August 31, 2014, there was $116,496 contractor fees (August 31, 2013 - $Nil), and $58,643 accounting fees (August 31, 2013 - $Nil) included in accounts payable and accrual liabilities that were owing to these related parties.

At August 31, 2014, there was $292 receivables (August 31, 2013 - $413) included in receivables that was due from officers and directors of the Company.

Other transactions with related parties
At August 31, 2014, the Company has a loan outstanding, including accrued interest of $76,095 (August 31, 2013 - $Nil) owing to a company controlled by an officer and director of the Company. The loan bears interest at 8% per annum, and is due on June 30, 2016 (Note 5).

10. Supplemental disclosure with respect to cash flows

Significant non-cash transactions for the year ended August 31, 2014 included:

a) $14,779 in subscriptions receivable included in receivables relating to the issuance of 150,000 common shares issued during the year.

Significant non-cash transactions for the period ended August 31, 2013 included:

a) $487 in subscriptions receivable included in receivables relating to the issuance of 46,000,000 common shares issued during the period.

(Expressed in Canadian dollars)

11. Income taxes

A reconciliation of income taxes at the statutory rates with the reported income taxes are as follows:

		2014		**2013**
Loss for the year	$	(837,708)	$	-
Expected income tax (recovery)	$	(218,000)	$	-
Permanent difference		5,000		
Change in unrecognized deductible temporary differences		213,000		
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2014	**Expiry Date Range**
Temporary Differences			
Equipment	$	1,000	No expiry date
Non-capital losses available for future period		782,000	2034

12. Subsequent events

(a) The Company received CAD$250,000 ($245,775) of loan financing from a third party. The loan bears interest of 1% per month and matures March 18, 2015, but the Company has agreed to a principal repayment of CAD$100,000 ($98,310) to CAD$150,000 ($147,465) depending on the level of equity financing the Company may receive prior to the maturity date. The loan is secured by a pledge of shares of the Company held by certain directors and officers of the Company. In addition, the loan has the following terms:

- *(i)* convertible in whole or in part at the option of the lender at a price of $0.10 per share
- *(ii)* 900,000 bonus shares of the Company
- *(iii)* 50,000 share purchase warrants

Neither the bonus shares nor the share purchase warrants have been issued at present.

(b) The Company issued:

- *(i)* 475,000 common shares in relation to the $53,154 received in subscriptions during the year (Note 6c);
- *(ii)* 842,000 common shares at $0.10 per share for gross proceeds of CAD$84,200 ($82,777), and;
- *(iii)* 40,000 common shares at $0.15 per share for gross proceeds of CAD$6,000 ($5,899).

SCHEDULE "C"
FINANCIAL STATEMENTS OF KABUNI LTD. FOR THE FOUR MONTHS ENDED DECEMBER 31, 2015

See attached.

Condensed Interim Consolidated Financial Statements of

KABUNI LTD

(formerly Magnolia Resources Ltd.)

For the Period Ended December 31, 2015 (Unaudited)
(Expressed in Australian dollars)

KABUNI LTD (formerly Magnolia Resources Ltd.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Australian dollars) (Unaudited)

	Note	**December 31, 2015** **$**	August 31, 2015 $
Assets			
Current assets			
Cash and cash equivalents		**5,964,695**	8,417,552
Receivables	5	**82,755**	132,751
Prepaid expenses and deposits	6	**139,941**	155,337
Other assets		**5,000**	5,000
		6,192,391	8,710,640
Property and equipment	7	**320,101**	157,178
Intangible assets	8	**88,915**	-
Total assets		**6,601,407**	8,867,818
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	**617,473**	852,823
Loans payable	10	**81,187**	86,851
		698,660	939,674
Total liabilities		**698,660**	939,674
Shareholders' equity			
Share capital	11	**17,319,033**	17,254,837
Reserves	12	**4,013,049**	3,879,716
Deficit		**(15,364,251)**	(13,172,059)
Cumulative translation adjustment		**(65,084)**	(34,350)
Shareholders' equity		**5,902,747**	7,928,144
Total liabilities and shareholders' equity		**6,601,407**	8,867,818

Nature and continuance of operations (Note 1)
Commitments (Note 17)
Subsequent events (Notes 18)

Approved on behalf of the Board of Directors:

"Tony King"
Tony King, Executive Chairman

"Neil Patel"
Neil Patel, Managing Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KABUNI LTD (formerly Magnolia Resources Ltd.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Australian dollars) (Unaudited)

	Note	For the four months ended December 31, 2015 $	For the three months ended November 30, 2014 $
Revenue		**1,186**	-
Selling expenses		**862**	-
		324	-
Operating expenses			
Depreciation	7	**7,520**	-
Donations		**109**	-
General and administration		**174,417**	1,817
Interest expense		**-**	4,674
Professional and consulting services		**802,606**	200,920
Rent		**118,066**	8,285
Salaries, bonus and benefits		**841,865**	-
Share-based payments	11,12	**198,333**	-
Travel expenses		**115,386**	6,750
		(2,258,302)	(222,446)
Interest income		**57,402**	-
Exploration expense		**(4,491)**	-
Foreign exchange gain (loss)		**12,875**	-
Loss and comprehensive loss		**(2,192,192)**	(222,446)
Other comprehensive income (loss)			
Exchange gain (loss) on translation to Australian dollars		**(30,734)**	37,671
Net loss and comprehensive loss		**(2,222,926)**	(184,775)
Loss per share			
- basic and diluted		**(0.02)**	(0.01)
Weighted average number of shares outstanding			
- basic and diluted		**129,864,198**	48,037,500

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KABUNI LTD (formerly Magnolia Resources Ltd.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Australian dollars) (Unaudited)

	Note	Number of Shares	Share Capital $	Share Subscriptions Received $	Performance Shares Reserves $	Cumulative Translation Adjustment $	Deficit $	Total $
Balance as at August 31, 2014		**48,037,500**	**189,529**	**53,154**	**-**	**28,883**	**(837,708)**	**(566,142)**
Loss for the period		-	-	-	-	-	(222,446)	(222,446)
Cumulative translation adjustment		-	-	-	-	37,671	-	37,671
Balance as at November 30, 2014		**48,037,500**	**189,529**	**53,154**	**-**	**66,554**	**(1,060,154)**	**(750,917)**
Issuance of shares		3,339,318	207,950	(53,154)	-	-	-	154,796
Share-based payments		-	246,193	-	-	-	-	246,193
Shares repurchased	11c	(15,800,000)	(164)	-	-	-	-	(164)
Fair value of common shares issued on reverse takeover transaction	2	36,001,000	7,200,200	-	-	-	-	7,200,200
Shares issued to advisors as finders' fee	2	4,257,547	811,509	-	-	-	-	811,509
Shares issued to directors as finders' fee	2	666,666	133,333	-	-	-	-	133,333
Shares issued on settlement of loan	11b	2,800,001	560,000	-	-	-	-	560,000
Shares issued on conversion of loan	11b	15,523,810	1,420,000	-	-	-	-	1,420,000
Performance shares issued	12	-	-	-	3,879,716	-	-	3,879,716
Public offer	11b	35,000,000	6,486,287	-	-	-	-	6,486,287
Loss for the period		-	-	-	-	-	(12,111,905)	(12,111,905)
Cumulative translation adjustment		-	-	-	-	(100,904)	-	(100,904)
Balance as at August 31, 2015		**129,825,842**	**17,254,837**	**-**	**3,879,716**	**(34,350)**	**(13,172,059)**	**7,928,144**
Issuance of shares	11b	333,333	-	-	-	-	-	-
Share-based payments	11b	-	65,000	-	-	-	-	65,000
Performance shares issued	12	-	-	-	133,333	-	-	133,333
Share issue costs		-	(804)	-	-	-	-	(804)
Loss for the period		-	-	-	-	-	(2,192,192)	(2,192,192)
Cumulative translation adjustment		-	-	-	-	(30,734)	-	(30,734)
Balance as at December 31, 2015		**130,159,175**	**17,319,033**	**-**	**4,013,049**	**(65,084)**	**(15,364,251)**	**5,902,747**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KABUNI LTD (formerly Magnolia Resources Ltd.)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Australian dollars) (Unaudited)

	For the four months ended December 31, 2015 $	For the three months ended November 30, 2014 $
Cash flows from operating activities		
Loss for the period	**(2,192,192)**	(222,446)
Adjustments to reconcile non-cash items		
Depreciation	**7,520**	-
Share-based payments	**198,333**	-
Foreign exchange	**6,522**	-
Interest expense	**-**	4,674
Changes in non-cash working capital		
Receivables	**54,710**	(35,369)
Prepaid expenses and deposit	**25,525**	(4,249)
Accounts payable and accrued liabilities	**(181,888)**	50,110
Net cash used in operating activities	**(2,081,470)**	(207,280)
Cash flows from investing activities		
Acquisition of intangible asset	**(88,915)**	-
Acquisition of property and equipment	**(170,443)**	-
Net cash used in investing activities	**(259,358)**	-
Cash flows from financing activities		
Proceeds from loans payable	**-**	153,832
Repayment of loans payable	**-**	(4,674)
Share issue costs	**(804)**	-
Net cash provided by financing activities	**(804)**	149,158
Impact of exchange rate changes on cash and cash equivalents	**(111,225)**	65,620
Change in cash and cash equivalents during the period	**(2,452,857)**	7,498
Cash and cash equivalents (bank indebtedness), beginning of the period	**8,417,552**	(2,530)
Cash and cash equivalents, end of the period	**5,964,695**	4,968
Cash and cash equivalents is represented by:		
Cash	**5,643,650**	4,968
Cash equivalents	**321,045**	-
	5,964,695	4,968

There were no significant non-cash transactions for the periods presented.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature and continuance of operations

Kabuni Ltd. ("Kabuni" or "the Company"; formerly Magnolia Resources Limited) was incorporated on May 11, 2012 under the *Corporation Act 2001* of Australia. Kabuni is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX") under the symbol KBU.

Kabuni is a North American-based SaaS and e-commerce platform in the home design space that enables independent home design professionals to grow their business through an omni-channel retail experience. Kabuni's platform enables designers worldwide to collaborate with clients anywhere in the US and Canada and earn income from the sale of home décor products and furnishings from Kabuni's catalogue through curated Inspiration Boards.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. For the period ended December 31, 2015, the Company and its consolidated entities have a net working capital of $5,493,731 and accumulated deficit of $15,364,251. The Company's ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has profitable operations. Management believes the Company has sufficient working capital to maintain its operations for the upcoming year. No provision has been made in these condensed interim consolidated financial statements for any adjustments to the net recoverable value of assets should the Company not be able to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these condensed interim consolidated financial statements.

The Company's registered office is at 35 Richardson Street, West Perth, WA, Australia, 6005.

2. Reverse Takeover Transaction

On August 24, 2015, the Company completed its acquisition of 100% of Kabuni Technologies Inc., formerly named PDT Technologies Inc. ("Kabuni Tech.").

Under the sale share agreement ("SSA") 100% of the share capital of Kabuni Tech. was sold for the following consideration:

(a) 38,376,819 fully paid ordinary shares of the Company, consisting of:
   i. 25,550,000 shares to shareholders of Kabuni Tech.;
   ii. 10,026,818 shares to other shareholders of Kabuni Tech.; and
   iii. 2,800,001 shares to certain creditors of Kabuni Tech. to settle outstanding payables.

(b) 4,257,547 shares to corporate advisors of Kabuni Tech. who introduced and facilitated the transaction.

(c) 15,523,810 shares to holders of Kabuni Tech.'s convertible loan payable.

(d) 37,463,826 performance shares to directors, employees and advisors which will automatically convert into shares upon satisfaction of certain milestones.

The 2,800,001 shares issued to certain creditors of Kabuni Tech. were issued to settle outstanding payables in the amount of Canadian ("CAD") $420,000. The Company recognized a loss on settlement of accounts payable of $118,999 during the year ended August 31, 2015, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

(Expressed in Australian dollars) (Unaudited)

2. Reverse Takeover Transaction (“RTO”) (continued)

The 15,523,810 shares issued to holders of Kabuni Tech.`s convertible debt were issued to settle outstanding debt in the amount of $1,420,000. The Company recognized a loss on settlement of convertible debt of $47,668 during the year ended August 31, 2015, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

The acquisition of Kabuni Tech. resulted in the shareholders of Kabuni Tech. obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that two of the Company’s three directors stepped down and were replaced by Kabuni Tech’s. nominees. A nominee of Kabuni Tech. serves as the Managing Director and the Kabuni Tech. management team has assumed responsibility for the management of the merged entity.

Consequently, the transaction is considered a reverse take-over (“RTO”). Since the Company has become a dormant public shell, the Company does not meet the definition of a business and the acquisition is accounted for as a purchase of the Company’s net assets. The purchase consideration is determined as an equity-settled share-based payment, under IFRS 2, Share-based Payments, at the fair value of the equity instruments retained by the shareholders of the Company, based on the market value of the Company’s common shares on the date of the closing of the RTO.

The application of the RTO guidance has resulted in the Company (the legal parent) being accounted for as the subsidiary and Kabuni Tech. (the legal subsidiary) being accounted for as the parent entity.

As Kabuni Tech. is deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed interim consolidated financial statements at their historical carrying value. The Company`s results of operations have been included from the date of the RTO. The legal capital of the entity continues to be that of the Company, the legal parent.

Net asset acquired:		
Cash and cash equivalents	$	2,815,998
Receivables		58,616
Other assets		5,000
Due from Kabuni Tech.		750,000
Accounts payable and accrued liabilities		(490,755)
	$	3,138,859
Purchase price of equity:		
36,001,000 common shares at $0.20 per share	$	7,200,200
Finders Fees'		
Advisor shares (4,257,547 common shares)		811,509
Additional shares to a director (666,666 common shares)		133,333
Performance shares		3,879,716
	$	12,024,758
Cost of public listing	$	8,885,899

2. Reverse Takeover Transaction ("RTO") (continued)

The transaction was measured at the fair value of the shares that Kabuni Tech. would have had to issue to shareholders of the Company to give shareholders of the Company the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Kabuni Tech. acquiring the Company. The fair value of the common shares was determined based on the share value in the concurrent public offer which was $0.20 (Note 11).

During the year ended August 31, 2015, a listing fee of $8,885,899 has been charged to the statement of loss and comprehensive loss as a listing expense to reflect the difference between the fair value of the amount paid (being the number of common shares retained by the original shareholders of the Company and finders' fee shares) and the fair value of the net assets received from the Company in accordance with in IFRS 2 Share-based Payment.

3. Basis of presentation

On October 21, 2015, Kabuni Tech. resolved to change its fiscal year end from August 31 to June 30 to correspond to the fiscal year end of the Company.

(a) Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended August 31, 2015.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 6, 2016.

(b) Basis of measurement and use of estimates and judgements

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value, and are presented in Australian dollars.

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the year. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(Expressed in Australian dollars) (Unaudited)

3. Basis of presentation (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The valuation of share-based payments and performance share issuances in the statements of loss and comprehensive loss;
- determination of the purchase price of the Company (Note 2);
- the recognition and recoverability of deferred tax assets;
- the assumptions used to measure the fair value of the debt and equity components of convertible debentures; and
- the assumptions used to value the derivative liability arising on the convertible debentures.

4. New standards not yet adopted

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018, deferred from the previously announced effective date of January 1, 2015) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 15 – *Revenue from Contracts with Customers* (effective January 1, 2018, deferred from the previously announced effective date of January 1, 2017) is a new standard to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

5. Receivables

The summary of the Company's receivables is as follows:

		December 31, 2015		August 31, 2015
Taxes receivable from governments	**$**	**66,637**	$	115,222
Other receivables		**16,118**		17,529
	$	**82,755**	$	132,751

(Expressed in Australian dollars) (Unaudited)

6. Prepaid expenses and deposits

The summary of the Company's prepaid expenses and deposits are as follows:

	December 31, 2015	August 31, 2015
Prepaid expenses	**$ 59,524**	$ 69,311
Deposits	**80,417**	86,026
	$ 139,941	$ 155,337

7. Property and equipment

The summary of the Company's property and equipment is as follows:

Cost	Equipment - Office	Furniture - Office	Equipment - Design Studio	Furniture - Design Studio	Leasehold Improvements Design Studio	Total
Balance at August 31, 2014	$ 3,568	$ -	$ -	$ -	$ -	**$ 3,568**
Additions	43,857	-	109,826	-	-	**153,683**
Cumulative translation adjustment	1,187	-	2,749	-	-	**3,936**
Balance at August 31, 2015	$ 48,612	$ -	$ 112,575	$ -	$ -	**$ 161,187**
Additions	50,810	29,816	47,163	21,890	39,439	**189,118**
Cumulative translation adjustment	(5,515)	(1,654)	(8,860)	(1,214)	(2,188)	**(19,431)**
Balance at December 31, 2015	$ 93,907	$ 28,162	$ 150,878	$ 20,676	$ 37,251	**$ 330,874**
Accumulated depreciation						
Balance at August 31, 2014	$ 892	$ -	$ -	$ -	$ -	**$ 892**
Depreciation expense	2,984	-	-	-	-	**2,984**
Cumulative translation adjustment	133	-	-			**133**
Balance at August 31, 2015	$ 4,009	$ -	$ -	$ -	$ -	**$ 4,009**
Depreciation expense	5,579	1,941	-	-	-	**7,520**
Cumulative translation adjustment	(629)	(127)	-			**(756)**
Balance at December 31, 2015	$ 8,959	$ 1,814	$ -	$ -	$ -	**$ 10,773**
Carrying amount						
Balance at August 31, 2014	$ 2,676	$ -	$ -	$ -	$ -	**$ 2,676**
Balance at August 31, 2015	$ 44,603	$ -	$ 112,575	$ -	$ -	**$ 157,178**
Balance at December 31, 2015	$ 84,948	$ 26,348	$ 150,878	$ 20,676	$ 37,251	**$ 320,101**

As at December 31, 2015 the design studio is still under construction. Depreciation of the related property and equipment will commence when the asset is available for use.

8. Intangible assets

During the period ending December 31, 2015, Kabuni Technologies entered into an agreement with Artsally Media Inc. to purchase the following assets:

- a domain name,
- registered and unregistered trademarks, logos and brand marks,
- all information in relation to artwork uploaded on website,
- vendors' rights, title and interest in the contracts,
- vendors' rights, title and interest in social media accounts affiliated with the brand, and
- artist information.

These assets were purchased at cash consideration of CAD$90,000 ($88,915). The purchase agreement was signed on September 21, 2015, and consideration was paid in full on October 31, 2015. Management have assessed these assets as having an economic life of five to ten years. The related depreciation for the period is immaterial.

(Expressed in Australian dollars) (Unaudited)

9. Accounts payables and accrued liabilities

		December 31, 2015		August 31, 2015
Trade payables	**$**	**328,252**	$	561,420
Accruals		**229,052**		61,733
Payroll payables		**59,169**		227,600
Other payables		**1,000**		2,070
	$	**617,473**	$	852,823

10. Loans payable

The Company has received a series of short-term loans from a company owned by a director and officer of the Company. These loans accrue interest at 8% per annum, compounded annually. As at December 31, 2015, the Company had loans outstanding, including accrued interest of CAD$82,179 ($81,187) (August 31, 2015 – CAD$82,179 ($86,851)). The loan was originally due on June 30, 2014, but subsequently was extended to June 30, 2015. The Company had provided a general security agreement over its assets to the lender.

On June 30, 2015, the Company entered into an amending agreement whereas the loan was extended an additional year and will mature on June 30, 2016. As per the agreement, the loan will no longer bear interest and the lender has been released and discharged of all security that was previously held over the Company's assets.

11. Share capital

(a) Authorized

The Company has an unlimited number of authorized commons shares with no par value.

(b) Issued

During the period ended December 31, 2015, the Company issued 333,333 common shares to a director of the Company for $Nil consideration. The Company recorded share-based payments of $65,000 to reflect the fair value of the shares on issuance.

On August 24, 2015, the Company completed the RTO transaction (Note 2). Concurrently with the RTO, the following transactions occurred:

- The Company completed a concurrent public offer ("Concurrent Financing") and issued 35,000,000 common shares at $0.20 for gross proceeds of $7,000,000. The Company incurred share issuance costs of $513,713 in connection with the financing. As part of the Concurrent Financing, the Company issued 12,000,000 options to investors at a price of $0.005 per option for gross proceeds of $60,000 (Note 12(b)).
- The Company issued 2,800,001 common shares to certain creditors of Kabuni Tech. to settle outstanding debt. The fair value of the shares was $560,000 based on the share price of the Concurrent Financing.
- The Company issued 15,523,810 common shares to holders of Kabuni Tech.'s convertible debt to settle outstanding debt. The fair value of the shares was $1,420,000 based on the share price of the Concurrent Financing.

During the year ended August 31, 2015, Kabuni Tech. issued 3,339,318 common shares at prices between CAD$0.00001 and CAD$0.15 for total proceeds of CAD$201,858 ($207,950). The Company recorded share-based payments of $246,193 to account for the difference between fair value of the shares issued and the consideration received.

11. Share capital (continued)

(c) Shares repurchased

On May 25, 2015, under the SSA Agreement, Kabuni Tech. was required to repurchase 15,800,000 common shares at CAD$0.00001 per share for gross proceeds of CAD$158 ($164) from certain shareholders (Note 2). The shares were returned to treasury.

(d) Escrow shares

As at August 31, 2015, the Company had 52,058,177 common shares classified by the ASX as restricted securities which are being held in escrow. The common shares will be released from escrow on the following dates: 1,857,143 on March 12, 2016, 3,900,003 on April 14, 2016, 2,666,666 on July 2, 2016, 18,093,486 on August 25, 2016, and 25,540,879 on September 3, 2017.

12. Reserves

(a) Performance shares

The Company has reserved for issuance four classes of performance shares, which are to be converted to ordinary shares upon the successful completion of the following milestones:

a. Class A Performance Shares which will convert into one fully paid ordinary share upon:
    i. a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $200 Revenue, each month for 3 consecutive months, on or before 30 August 2016; or
    a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $200 Revenue, each month for 3 consecutive months, and the Milestone D is also achieved,
    ii. (Milestone A);

b. Class B Performance Shares which will convert into one Share upon:
    i. a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $750 Revenue, each month for 3 consecutive months, on or before 31 December 2016; or
    a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $750 Revenue, each month for 3 consecutive months, and Milestone D is also achieved,
    ii. (Milestone B);

c. Class C Performance Shares which will convert into one Share upon:
    i. the Company achieving the CAD equivalent of at least $20 million in revenue in any 12 month period and has a minimum of 20,000 registered home designers, on or before December 1, 2017; or
    the Company achieving the CAD equivalent of at least $20 million in revenue in any 12 month period and has a minimum of 20,000 registered home designers, and Milestone D is also achieved,
    ii. (Milestone C); and

(Expressed in Australian dollars) (Unaudited)

12. Reserves (continued)

d. Class D Performance Shares which will convert into one Share upon:
   i. the Company achieving the CAD equivalent of at least $50 million in revenue in any 12 month period; and
   a minimum of 35,000 Registered Home Designers on or before December 31, 2018,
   ii. (Milestone D).

The performance share reserve is used to record the value of the performance shares issued to the Company directors, employees and advisors based on management's assessment of the likelihood of the performance shares being converted to ordinary shares.

In connection with the RTO, management has assessed the likelihood of the Class A and B performance shares being converted into common shares to be likely, and accordingly the Company has estimated the fair value of such performance shares based on the market price of the Company's common shares at the date of the RTO. The Company has assessed the likelihood of the Class C and D performance shares being converted into common shares to be uncertain.

During the year ended August 31, 2015, in connection with the RTO, the Company issued 37,463,826 performance shares to directors, employees and advisors of the Company for $Nil consideration. The Company recorded performance shares reserve of $3,879,716.

During the period ended December 31, 2015, the Company issued 666,667 performance shares to directors of the Company for $Nil consideration. The Company recorded performance shares reserve of $133,333, using a fair value of performance share price of $0.20 per share.

The performance shares issued and outstanding as at December 31, 2015 consisted of:

Performance Shares	Shares Outstanding	Fair Value	
Class A	10,032,622	$	2,006,524
Class B	10,032,625		2,006,525
Class C	9,032,623		-
Class D	9,032,623		-
	38,130,493	$	4,013,049

(b) Options

As part of the Concurrent Financing, the Company issued 12,000,000 options, at an issue price of $0.005 per option, for a gross proceeds of $60,000. The options are exercisable at $0.30 within 3 years of issue. The gross proceeds were received by the Company prior to the completion of the RTO and were included in the cash and cash equivalents balance as part of the net assets acquired.

(Expressed in Australian dollars) (Unaudited)

12. Reserves (continued)

(c) Stock options

The Company has a stock option plan under which it is authorized to grant stock options to employees, consultants, officers and directors (shareholder approval required), enabling them to acquire up to 5% of the issued and outstanding common stock of the Company. The exercise price of each option must be less than 80% of the average closing sale price of the shares on the ASX over the five trading days immediately preceding the date of grant. The options can be granted for a maximum of five years, and certain options can vest over periods of time, determined by the board of directors.

As at December 31, 2015 no stock options had been granted.

13. Segmented information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Company's primary segment is one business, being the development of an e-commerce platform in the home design space. During the period ended December 31, 2015, the Company operated in the following geographic segments: Australia, USA and Canada.

(a) Revenue and interest and other income by geographical region

		December 31, 2015		November 30, 2014
Australia	**$**	**-**	$	-
USA		**-**		-
Canada		**1,186**		-
Unallocated items - interest and other income		**57,402**		-
Total revenue	**$**	**58,588**	$	-

(b) Loss and comprehensive loss by geographical region

		December 31, 2015		November 30, 2014
Australia	**$**	**(336,341)**	$	-
USA		**-**		-
Canada		**(1,855,851)**		(222,446)
Total loss and comprehensive loss	**$**	**(2,192,192)**	$	(222,446)

(c) Total assets by geographical region

		December 31, 2015		August 31, 2015
Australia	**$**	**5,539,524**	$	8,206,807
USA		**-**		-
Canada		**1,061,883**		661,011
Total assets	**$**	**6,601,407**	$	8,867,818

14. Financial instruments and risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, and loans payable approximate their carrying values due to their short-term nature. The Company's cash and cash equivalents is measured at fair value using Level 1 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

(a) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at December 31, 2015, the Company is exposed to foreign currency risk through its subsidiary, Kabuni Tech., which is denominated in CAD. A 10% appreciation (depreciation) of the CAD against the AUD, with all other variables held constant, would result in approximately a $40,000 decrease (increase) in the Company's loss and comprehensive loss for the period.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. As at December 31, 2015, the Company is not exposed to any significant credit risk.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the period in the financial statements is interest expense on loans payable and interest income on Canadian dollar cash. The Company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at December 31, 2015, the Company is not exposed to any significant interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

(Expressed in Australian dollars) (Unaudited)

15. Capital management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

16. Related parties

(a) Compensation of key management personnel
Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole.

		December 31, 2015		November 30, 2014
Professional and consulting fees[1]	**$**	**27,704**	$	81,003
Salaries		**183,669**		-
Directors' fees		**12,500**		-
Performance shares[2]		**133,333**		-
Total	**$**	**357,206**	**$**	**81,003**

[1] Professional and consulting fees included contractors' fees of $12,000 (November 30, 2014 - $57,859), and accounting fees of $15,704 (November 30, 2014 - $23,144) in these unaudited condensed interim consolidated financial statements.

[2] The performance shares are related to 666,667 performance shares issued to a director of the Company.

At December 31, 2015, there was $192 contractor fees (August 31, 2015 - $53,843), $1,872 accounting fees (August 31, 2015 - $5,166), and $10,000 directors' fees (August 31, 2015 - $Nil) included in accounts payable and accrual liabilities that were owing to these related parties.

At December 31, 2015, there was $9,494 receivables (August 31, 2015 - $10,156) included in accounts receivable that was due from an officer of the Company.

(b) Other transactions with related parties
At December 31, 2015, the Company has a loan outstanding, including accrued interest of $81,187 (August 31, 2015 - $86,852) owing to a company controlled by an officer and director of the Company. The loan bears interest at 8% per annum, and is due on June 30, 2016 (Note 10).

(Expressed in Australian dollars) (Unaudited)

17. Commitments

(a) Lease Agreement

In June 2015, Kabuni Tech. entered into a binding lease agreement for the Kabuni Design Studio. Commencing July 1, 2015 the Company will pay monthly rent at a rate of CAD$10,221 (AUD$10,098). The rental agreement is for a period of three years with the option to extend for an additional three-year period. The total rent commitment, excluding operating costs, is as follows:

2016	$	122,814
2017		126,089
2018		63,863
	$	312,766

(b) Design Studio

On December 4, 2015 Kabuni Tech. entered into an agreement with Turner Construction Company to build the Kabuni Design Studio. Under the contract, the maximum price of the contract is guaranteed not to exceed CAD$300,000 ($296,384), subject to adjustments agreed between the parties.

18. Subsequent events

On February 19, 2016, 2,500,000 stock options exercisable at $0.20 on or before August 31, 2017 were granted to advisors of the Company. The options will vest when the share price (based on a 20-day volume weighted average price) of the Company, as quoted by the ASX, reaches a level of $0.225.

On March 1, 2016 the Company issued 150,000 common shares to an advisor in consideration for services provided to the Company.

On March 17, 2016, 4,190,001 stock options exercisable at the greater of (1) $0.18 and (2) the fair market value of the shares on the date of acceptance, provided that, for such purposes, the "fair market value" of the shares is defined as the average closing sale price of the shares on ASX over the 5 trading days immediately preceding the date of acceptance, on or before March 31, 2019 were granted to employees of the Company. The options will vest on September 3, 2016 (being 12-months after the date of listing on the ASX). No director or director related entity will participate in this issue and shareholder approval is not required in order to issue the options.

SCHEDULE "D"
MANAGEMENTS DISCUSSION AND ANALYSIS FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

See attached.

KABUNI LTD

(FORMERLY MAGNOLIA RESOURCES LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED AUGUST 31, 2015

Table of Contents

Introduction

This Management Discussion and Analysis ("MD&A") of the financial condition and results of the operations of Kabuni Ltd (the "Company" or "Kabuni") constitutes management's view of the factors that affected the Company's financial and operating performance for the year ended August 31, 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended August 31, 2015 and 2014, together with the notes thereto. Results are reported in Australian dollars, unless otherwise noted. In the opinion of the management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the period ended December 31, 2015 are not necessary indicative of the results that may be expected for any future period. Information contained herein is presented as at May 6, 2016 unless otherwise indicated.

The audited annual consolidated financial statements for the year ended August 31, 2015 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (1) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Kabuni's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends," "anticipates," "believes," or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materiality from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding the Company's ability to meet its working capital needs at the current level for the next twelve-month period ending August 31, 2016; management's outlook regarding future trends, sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Kabuni's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward -looking statements, unless required by law.

Description of Business

Kabuni is a North American-based SaaS (software-as-a-service) and e-commerce platform in the home design space that enables independent home design professionals to grow their business through an omni-channel retail experience. Kabuni's platform enables designers worldwide to collaborate with clients anywhere in the US and Canada and earn income from the sale of home décor products and furnishings from Kabuni's catalogue through curated Inspiration Boards.

Kabuni's shares commenced trading on the Australian Securities Exchange (the "ASX") under the trading ticker "KBU" on May 11, 2012.

The financial information includes the accounts of the Company and all of its subsidiaries. The subsidiaries include Kabuni Technologies Inc. in Canada; Kabuni USA, Inc. in the United States (incorporated in December 2015); and Stirling Mineral Pty Ltd in Australia. The Company has a 100% equity interest in all subsidiaries.

Reverse Takeover Transaction ("RTO")

On August 24, 2015, the Company completed its acquisition of 100% of Kabuni Technologies Inc., formerly named PDT Technologies Inc. ("Kabuni Tech.").

Under the sale share agreement ("SSA") 100% of the share capital of Kabuni Tech. was sold for the following consideration:

(a) 38,376,819 fully paid ordinary shares of the Company, consisting of:
   i. 25,550,000 shares to shareholders of Kabuni Tech.;
   ii. 10,026,818 shares to other shareholders of Kabuni Tech.; and
   iii. 2,800,001 shares to certain creditors of Kabuni Tech. to settle outstanding payables.

(b) 4,257,547 shares to corporate advisors of Kabuni Tech. who introduced and facilitated the transaction.

(c) 15,523,810 shares to holders of Kabuni Tech.'s convertible loan payable.

(d) 37,463,826 performance shares to directors, employees and advisors which will automatically convert into shares upon satisfaction of certain milestones.

The 2,800,001 shares issued to certain creditors of Kabuni Tech. were issued to settle outstanding payables in the amount of Canadian ("CAD") $420,000. The Company recognized a loss on settlement of accounts payable of $118,999 during the year ended August 31, 2015, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

The 15,523,810 shares issued to holders of Kabuni Tech.`s convertible debt were issued to settle outstanding debt in the amount of $1,420,000. The Company recognized a loss on settlement of convertible debt of $47,668 during the year ended August 31, 2015, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

The acquisition of Kabuni Tech. resulted in the shareholders of Kabuni Tech. obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that two of the Company's three directors stepped down and were replaced by Kabuni Tech's. nominees. A nominee of Kabuni Tech. serves as the Managing Director and the Kabuni Tech. management team has assumed responsibility for the management of the merged entity.

Consequently, the transaction is considered a reverse take-over ("RTO"). Since the Company has become a dormant public shell, the Company does not meet the definition of a business and the acquisition is accounted for as a purchase of the Company's net assets. The purchase consideration is determined as an equity-settled share-based payment, under IFRS 2, Share-based Payments, at the fair value of the equity instruments retained by the shareholders of the Company, based on the market value of the Company's common shares on the date of the closing of the RTO.

The application of the RTO guidance has resulted in the Company (the legal parent) being accounted for as the subsidiary and Kabuni Tech. (the legal subsidiary) being accounted for as the parent entity.

As Kabuni Tech. is deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in the consolidated financial statements at their historical carrying value. The Company's results of operations have been included from the date of the RTO. The legal capital of the entity continues to be that of the Company, the legal parent.

Net asset acquired:		
Cash and cash equivalents	$	2,815,998
Receivables		58,616
Other assets		5,000
Due from Kabuni Tech.		750,000
Accounts payable and accrued liabilities		(490,755)
	$	3,138,859
Purchase price of equity:		
36,001,000 common shares at $0.20 per share	$	7,200,200
Finders Fees'		
Advisor shares (4,257,547 common shares)		811,509
Additional shares to a director (666,666 common shares)		133,333
Performance shares		3,879,716
	$	12,024,758
Cost of public listing	$	8,885,899

Prior to the RTO, the Company advanced $750,000 to Kabuni Tech.

The transaction was measured at the fair value of the shares that Kabuni Tech. would have had to issue to shareholders of the Company to give shareholders of the Company the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Kabuni Tech. acquiring the Company. The fair value of the common shares was determined based on the share value in the concurrent public offer which was $0.20.

During the year ended August 31, 2015, a listing fee of $8,885,899 resulted from the accounting of the RTO transaction to reflect the difference between the fair value of the amount paid (being the number of common shares retained by the original shareholders of the Company and finders' fee shares) and the fair value of the net assets received from the Company in accordance with in IFRS 2 Share-based Payment.

Overall Performance

Kabuni is the developer of a North American-based SaaS (Software-as-a-service) and e-commerce platform in the home design space that enables independent home design professionals to grow their business through an omni-channel retail experience. Kabuni is currently a pre-revenue development-stage business. Funding of the Company's operations until at least the quarter ending August 31, 2016 is dependent on the sale of equity capital, debts, and use of previously publicly raised funds.

During the year ended August 31, 2015, Kabuni experienced loss and comprehensive loss of $12,334,351 compared with a loss and comprehensive loss of $837,708 for the year ended August 31, 2014. The increasing losses are primarily attributable to the one-time non-cash cost of $8,885,899 resulting from the accounting of the RTO, as well as the Company's efforts to develop and market its products in anticipation of the launch of some products in the quarter ending June 30, 2016. The Company incurred no loss for the year ended August 31, 2013 as it had not commenced operations.

Cash at year end increased from a shortfall of $2,530 as of August 31, 2014 to $8,417,552 as of August 31, 2015, as a result of the RTO and associated sale of securities, corporate, marketing, and development costs. The Company's cash position did not change during the year ending August 31, 2013, as the Company had no operations.

The Company ended the year ending August 31, 2015 with working capital of $7,770,966 compared to a deficit of $568,818 as of August 31, 2014 and $Nil as at August 31, 2013. The variance against 2014 is due to the completion of certain sales of securities partially offset by an increase in corporate, marketing, and development costs. The variance between 2014 and 2013 is the result of the Company commencing operations.

Going Concern Assumptions

The audited consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business.

The Directors believe that it is reasonably foreseeable that the Company will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the interim financial report after consideration of the following factors:

- The ability of the Company to raise capital by the issue of additional shares under the Corporation Act 2001; and
- The ability to curtail administration and operational cash out flows as required.

The following discussion of the Company's financial performance is based on the audited annual consolidated financial statements for the years ended August 31, 2015 and 2014.

Selected Annual Financial Information

	Year Ended August 31,		
(in Australian dollars)	**2015 (A$)**	**2014 (A$)**	**2013 (A$)**
Loss and comprehensive loss	(12,334,351)	(837,708)	-
Basic and diluted loss per share	(0.10)	(0.02)	-
Total assets	8,867,818	22,815	490
Total liabilities	939,674	588,957	-

<u>Loss and Comprehensive Loss</u>

We reported a loss and comprehensive loss of $12,334,351 for the year ended August 31, 2015 compared to the loss and comprehensive loss of $837,708 for the year ended August 31, 2014. The $11,496,643 increase in loss and comprehensive loss was primarily due to the non-cash listing expense of $8,885,899 resulting from the accounting of the RTO, a $1,112,503 increase in salaries, bonus and benefits, and a $690,138 increase in professional and consulting services to build our e-commerce platform and develop our businesses.

Basic and Diluted Loss Per Share

Basic and diluted loss per share was $0.10 for the year ended August 31, 2015 and $0.02 basic and diluted loss per share for the year ended August 31, 2014. The substantial increase in basic and diluted loss per share was mainly due to non-cash public listing expenses resulting from the accounting of the RTO, salaries, bonuses and benefits, and professional and consulting services.

Total Assets

Total assets increased by $8,845,003 from $22,815 as at August 31, 2014 to $8,867,818 as at August 31, 2015. This increase is mainly attributable to increase in funds raised from the issuance of common share via public offer.

Total Liabilities

Total liabilities increased by $350,717 from $588,957 as at August 31, 2014 to $939,674 as at August 31, 2015. This increase is mainly attributable to increase in accounts payables and accrued liabilities for our trades and contractors as the operational business of the Company grows.

Discussion of Operations

Revenue

Revenue was earned primarily from subscriptions received from the website members. Revenue for memberships was paid in advance and would be deferred and recognized as revenue over the subscription period.

Revenue for the year ended August 31, 2015 decreased by $47,420 or 97% from the previous year because the Company wound down the revenue stream of subscription revenue from Kabuni Tech., its Canadian subsidiary, and allocated its resources to develop the e-commerce platform. There was no revenue generated for the period ended August 31, 2013 because there was no operating activity during the period.

The Company anticipates that revenue will be generated from its subsidiaries in the quarter ending June 30, 2016 as a result of initial commercializing of some of the Company's products.

Interest Income

Interest income consists of interest earned on cash and cash equivalents. We expect the amount of interest income earned to decrease as cash and cash equivalents will be used to fund the daily business operations of the Company.

Interest income increased by $13,094 for the year ended August 31, 2015 from $Nil for the year ended August 31, 2014. This increase was due to interest earned on funds raised through the RTO.

Operating Expenses

Overall operating expenses for the year ended August 31, 2015 increased by more than 13 times, or $11,205,978 to $12,092,692, compared to $886,714 over the same period in 2014. The significant increase in operating expense is primarily due to $8,885,899 non-cash public listing expense resulting from the accounting of the RTO, a $1,112,503 in salaries, bonuses and benefits, and a $690,138 increase in professional and consulting services to build our e-commerce platform and develop our businesses. This increase in operating expenses was consistent with the Company's strategies to grow the business. There was no operating expense for the period ended August 31, 2013 because there was no operating activity during the period.

Depreciation

Depreciation expense consists of the depreciation of capitalized costs of our equipment. We anticipate an increase in depreciation expenses as we continue to capitalize the costs incurred to purchase equipment to run our business operations.

Depreciation expense increased by $2,053 or 220% for the year ended August 31, 2015 from $931 for the year ended August 31, 2014. This increase was due to the Company capitalizing $153,683 of equipment costs during the year ended August 31, 2015. Depreciation expense increased by $931 for the year ended August 31, 2014 from $Nil for the year ended August 31, 2013. This increase was the result of depreciation our equipment. There was no depreciation expense for the period ended August 31, 2013 because there was no operating activity during the period.

General and Administration

General and administration expenses consist primarily of office-related expenses, facility-related expenses, insurance and expenses associated with the requirements of being a listed public company in Australia.

We anticipate our general and administrative expenses will increase in the future as we grow our businesses.

General and administration expenses increased by $56,836 to $70,230 for the year ended August 31, 2015 from $13,394 for the year ended August 31, 2014. This increase was due to increased office and administrative expenses as a result of expanded development and marketing operations and in increase in staff. There was no general and administration expense for the period ended August 31, 2013 because there was no operating activity during the period.

Interest expense

Interest expenses consist primarily of interest on loan payables.

Interest expenses increased by $14,190 to $19,835 for the year ended August 31, 2015 from $5,645 for the year ended August 31, 2014. Interest expenses increased substantially due to the Company entering into a loan agreement late in the 2014 fiscal year which term was extended to June 30, 2015. There was no interest expense for the period ended August 31, 2013 because there was no operating activity during the period.

Listing expense

Listing expenses reflect the difference between the fair value of the amount paid (being the number of common shares retained by original shareholders of the Company and finders' fee shares) and the fair value of net assets received in the RTO transaction.

As the RTO was completed in August 2015, a one-time non-cash listing expense of $8,885,899 resulting from the accounting of the RTO was recorded for the year ended August 31, 2015. No listing expense was recorded in prior years.

Professional and consulting fees

Professional and consulting fees consist of expenses incurred for professionals and consultants hired to perform legal, accounting, marketing and app development services. We anticipate that professional and consulting fees will continue to increase in the future as the number of professionals and consultants engaged by the Company increase in tandem with the commercialization of our e-commerce platform, and the expansion of our operations.

Professional and consulting fees increased by $690,138 or 90% to $1,459,503 for the year ended August 31, 2015 from $769,365 for the year ended August 31, 2014. This increase was due to the increase in the amount of consulting services incurred for the app development by the Company. There was no professional and consulting expense for the period ended August 31, 2013 because there was no operating activity during the period.

Rent

Rent expense consists of rent incurred for the office space for the business operations of the Company. We anticipate that rent expense will continue to increase in the future as we grow the business and expand the rental space to fit the expanding numbers of staff.

Rent expense increased by $65,886 or over 3 times to $83,925 for the year ended August 31, 2015 from $18,039 for the year ended August 31, 2014. This increase was due to an increase in rental space to accommodate the increasing size of staff to meet the needs of expanding business operations. There was no rent expense for the period ended August 31, 2013 because there was no operating activity during the period.

Salaries, bonus and benefits

Salaries, bonus and benefits expenses relate to our executives, finance, web development, human resources and support functions. We anticipate that our salaries, bonus and benefits will increase in the future as we increase our headcount to support our continued research and development and further commercialization of our e-commerce platform.

Salaries, bonus and benefits expenses increased by $1,112,503 to $1,133,228 for the year ended August 31, 2015 from $20,725 for the year ended August 31, 2014. This increase was due to hiring full-time staff to meet the needs of expanding business operations. There was no salaries, bonus and benefits expense for the period ended August 31, 2013 because there was no operating activity during the period.

Share-based payments

Share-based payments expenses consist of shares granted to key employees, at below fair value, due to their importance to the success of the Company's operations and business development. We anticipate the shared-based payments will continue to increase in the future as we increase the number of employees and consultants engaged by us.

Share-based payments expenses increased by $229,258 to $246,193 for the year ended August 31, 2015 from $16,935 for the year ended August 31, 2014. This increase was due to the increase in the fair value of shares granted to directors and key personnel during the year ended August 31, 2015 compared to the year ended August 31, 2014. There was no share-based payment for the period ended August 31, 2013 because there was no operating activity during the period.

Travel

Travel expenses consist primarily of costs related to travel. We anticipate that our travel expenses will continue to increase in the future as we start our public fund raising campaign, start commercialization our e-commerce platform, and attempt to access different geographic markets.

Travel expenses increased by $158,409 or more than 4 times to $190,895 for the year ended August 31, 2015 from $32,486 for the year ended August 31, 2014. This increase was the result of increased travel for the promotion and marketing of the e-commerce platform and business development. There was no travel expense for the period ended August 31, 2013 because there was no operating activity during the period.

Other expenses

During the year ended August 31, 2015, Kabuni issued convertible debt which resulted in accretion expense and a gain on derivative liability recorded for the year. On the completion of RTO, the Company settled the outstanding convertible debt and recognized a loss on settlement of convertible debt. In connection with the RTO, the Company also recognized recovery of costs, transaction costs, financing fees and a loss on settlement of accounts payable.

For the year ended August 31, 2015, our foreign exchange loss was $9,890 compared to $108 in the previous year. The change in the foreign exchange impact was the result of fluctuations in exchange rates between the Australian dollars (our functional currency of the Company) and the Canadian dollars (the functional currency of Kabuni Tech.).

Uncertainties

The Company has no material revenues, and is currently developing the products with which it plans to generate revenues. The Company faces significant risks and uncertainties as a result of its incomplete and untested products, which include: the timing of future product releases and associated revenues; the demand for future products; the costs to effectively market and support future products; and competition from existing and new competitors. These risks could materially affect the Company's future revenues profits, and use of cash.

Summary of Quarterly Results

The following table sets out selected financial information for each of the eight most recent quarters (unaudited), the latest of which ended August 31, 2015.

Our quarterly operating results have historically fluctuated significantly and may continue to fluctuate significantly in the future. Key factors that account for the fluctuations in quarterly results include the development of the e-commerce platform and the pace at which the Company's IT and administrative personnel are expanding. Henceforth, we believe that the past operating results and period-to-period comparison should not be relied upon as an indication of our future performance.

The significant increase in the quarterly loss for the period ending August 31, 2015 is the result of a non-cash expense of $8,885,899 resulting from the accounting of the RTO transaction and the associated ASX listing. Aside from the RTO transaction costs, losses have increased as a result of the Company increasing spending on development and marketing in anticipation of the launch of products in the quarter ending August 31, 2016.

(in Australian dollars)	August 31, 2015 (A$)	May 31, 2015 (A$)	February 28, 2015 (A$)	November 30, 2014 (A$)
Total revenue	5,221	797	-	-
Total loss and comprehensive loss	(10,618,250)	(1,160,503)	(334,625)	(220,973)
Loss per share	(0.08)	(0.02)	(0.01)	(0.00)
Total assets	8,867,818	359,463	44,333	68,892

(in Australian dollars)	August 31, 2014 (A$)	May 31, 2014 (A$)	February 28, 2014 (A$)	November 30, 2013 (A$)
Total revenue	-	3,129	21,516	38,461
Total loss and comprehensive loss	(256,224)	(237,795)	(258,356)	(85,333)
Loss per share	(0.01)	(0.00)	(0.01)	(0.00)
Total assets	22,815	39,221	99,112	33,599

The quarterly results in the tables above have been determined and prepared in accordance with IFRS accounting principles.

Three months ended August 31, 2015 and 2014

For the three months ended August 31, 2015, the Company had a loss and comprehensive loss of $10,618,250 compared to a loss and comprehensive loss of $256,224 for the same period in 2014. Loss per share was $0.08 (2014 - $0.01). The current period loss was primarily a result of one-time non-cash listing expenses of $8,885,899 resulting from the accounting of the RTO, as compared to $Nil for the same period in 2014 and 2013. Other expenses rose as a result of increased hiring and contracting in support of the development and marketing of the Company's products. Salaries expenses rose to $567,778 as compared to $20,725 for the same period in 2014 as a result of a significant increase in employees. The professional and consulting expenses increased to $532,565 in the three months ended August 31, 2015 as compared to $217,456 for the same period in 2014, as a result of increased third-party development costs incurred to advance the Company's products. Rent expenses increased to $48,279 in the three months ended August 31, 2015 as compared to $8,514 for the same period in 2014 as a result of the Company expanding office space to accommodate increased staff, and the development of studio space to promote the Company's products. Share-based payments were $154,334 in the three months ended August 31, 2015 as compared to $Nil for the same period in 2014 as a result of increased staffing and resource requirements. Travel expenses increased to $76,584 in the three months ended August 31, 2015 as compared to $267 for the same period in 2014 as the Company expanded its operations and marketing efforts. Other expenses were $256,447 in the three months ended August 31, 2015 as compared to $Nil for the same period in 2014 as a result of increased efforts to develop and market the Company's products.

Liquidity and Capital Resources

Since inception, the Company has incurred operating losses. The Company anticipates that it will continue to incur losses for at least the next twelve months until the e-commerce platform is ready to commercialize and operating revenue starts in the last quarter of fiscal year 2016. Consequently, the Company will need additional capital to fund its operations, which the Company may obtain from additional debt and equity financing, operations revenue and other sources. To date, the Company has financed its operations primarily through the issuance of its common shares.

As at August 31, 2015, the Company's cash and cash equivalents balance was $8,417,552 (August 31, 2014 – cash indebtedness of $2,530), and the Company had a working capital of $7,770,966 (August 31, 2015 – deficiency of $568,818). The increase in cash and working capital was a result of an increase in cash provided by financing activities as a result of shares issued in the current period and proceeds received pursuant to the public offer.

The Company's liquidity is dependent on successfully raising additional debt or equity financing. The Company generates no material revenues and as such regular incurment of debt or sales of securities are required to maintain liquidity.

As of August 31, 2015, the Company had 129,825,842 common shares issued and outstanding.

The Company has no substantial debt and its credit risk and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company is exposed to foreign exchange risk through its subsidiary, Kabuni Tech., which is denominated in CAD. A 10% appreciation (depreciation) of the CAD against the AUD, with all other variables held constant, would result in approximately a $25,000 decrease (increase) in the Company's loss and comprehensive loss for the year.

The Company consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at August 31, 2015, the Company had not generated significant revenues, has negative cash flows from operations, and has an accumulated deficit of $13,172,059. The Company continued operations are depended on its abilities to generate future cash flows, curtail administration and operational cash outflow as required, or obtain additional financing. Management is pursuing equity financing. Management is of the opinion that sufficient working capital will be obtained from external equity financing to meet its liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors, among others, may cast substantial doubt as to the Company's ability to continue as a going concern.

Below is a summary of the Company's cash flows provided by (used in) operating activities, financing activities and investing activities for the periods indicated:

	Year Ended August 31,		
(in Australian dollars)	**2015 (A$)**	**2014 (A$)**	**2013 (A$)**
Net cash flows used in operating activities	(2,938,315)	(286,238)	(490)
Net cash flows used in investing activities	(153,683)	(3,727)	-
Net cash flows provided by financing activities	11,527,147	284,329	487
Impact of exchange rate changes on cash and cash equivalents	(15,067)	3,106	3
Net increase (decrease) in cash	8,420,082	(2,530)	-
Beginning cash	(2,530)	-	-
Ending cash	8,417,552	(2,530)	-

<u>Net cash flows used in operating activities</u>

Net cash outflows from operating activities increased by $2,652,076 to $2,938,315 for the year ended August 31, 2015 compared to $286,238 for the year ended August 31, 2014. This increase was primarily due to an increase of $1,112,503 in salaries and consulting fees, $690,138 increase in professional and consulting services, $229,258 share-based payments, $158,409 in travel expenses to build our e-commerce platform and develop our businesses.

Net cash outflows from operating activities increased by $285,748 to $286,238 for the year ended August 31, 2014 compared to $490 for the year ended August 31, 2013. This increase was primarily due to increases in $769,365 in professional and consulting services.

Net cash flows used in investing activities

Net cash outflows from investing activities increased by $149,956 to $153,683 for the year ended August 31, 2015 compared to $3,727 for the year ended August 31, 2014. This increase was primarily due to an increase of $153,683 in purchasing equipment to build our e-commerce platform and develop our businesses.

Net cash outflows from investing activities increased by $3,727 to $3,727 for the year ended August 31, 2014 compared to $Nil for the year ended August 31, 2013. This increase was due to increases in $3,727 used for purchasing equipment.

Net cash flows provided by financing activities

Net cash inflows from financing activities increased by $11,242,818 to $11,527,147 for the year ended August 31, 2015 compared to $284,329 for the year ended August 31, 2014. This increase was primarily due to $7,154,796 from share issuances, and $3,565,998 in net assets acquired pursuant to the RTO.

Cash generated from financing activities for the year ending August 31, 2014 was $284,329 compared to $Nil for the year ended August 31, 2013. This increase was primarily due to increases $157,328 raised from the issuance and sale of shares, $53,154 in share subscription received pending issuance of the related securities, and $73,847 in loan proceeds.

Contractual Obligations and Commitments

Our contractual obligations include operating leases for premises, and a contract with Turner Construction Company to build the Kabuni Design Studio in Canada. The following table summarizes the Company's contractual commitments and obligations as of August 31, 2015.

		Payments due by	
(in Australian dollars)	**Total**	**Less than 1 year**	**1-3 years**
Operating lease obligations	377,793	130,213	247,580
Contractual obligations	317,058	317,058	-
	694,851	447,271	247,580

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial conditions of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Related Party Transactions

Compensation of key management personnel
The Company treats "key management personnel" as related parties. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. A summary of expenses by nature incurred with key management personnel is as follows:

	August 31, 2015	August 31, 2014	August 31, 2013
Professional and consulting fees[1]	$ 274,428	$ 247,908	$ -
Salaries	56,113	-	-
Directors' fees	10,000	-	-
Performance shares[2]	3,233,163	-	-
Total	**$ 3,573,704**	**$ 247,908**	**$ -**

[1] Professional and consulting fees included contractors fees of $160,061 (August 31, 2014 - $181,338), and accounting fees of $114,367 (August 31, 2014 - $66,570) in these consolidated financial statements.
[2] Relates to 13,853,316 performance shares issued to current directors and officers of the Company and 2,312,500 performance shares issued to former directors and officers of the Company.

At August 31, 2015, the Company's accounts payable and accrued liability balances included the following:

	Fee	August 31, 2015	August 31, 2014	August 31, 2013
Neil Patel[(a)]	Contractor fee	$ 208	$ -	$ -
Peter McKay[(b)]	Contractor fee	53,635	116,496	-
Finance Matters[(c)]	Accounting fee	5,166	58,643	-
Total		**$ 59,009**	**$ 175,139**	**$ -**

(a) A Director of the Company
(b) A former Officer of Kabuni Tech.
(c) An entity controlled by Darren Battersby, the former Chief Financial Officer of Kabuni Tech.

At August 31, 2015, the Company's accounts receivable balance included $10,156 of receivables (August 31, 2014 - $292; August 31, 2013 - $Nil) due from Neil Patel, Director of the Company.

Other transactions with related parties
At August 31, 2015, the Company has a loan outstanding, including accrued interest of $86,852 (August 31, 2014 - $76,095) owing to a company controlled by an officer and director of the Company. The loan bore interest at 8% per annum, and was due on June 30, 2015. On June 30, 2015, the Company entered into an amending agreement whereas the loan was extended an additional year, maturing on June 30, 2016. As per the agreement, the loan no longer bears interest and the lender has released and discharged of all security that was previously held over the Company's assets.

Proposed Transactions

As of the date of this filing, the Company does not have any proposed transactions that have, or are reasonably likely to have, a current or future effect on the results of operations or financial conditions of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Significant Accounting Estimates

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the year. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The valuation of share-based payments and performance share issuances in the statements of loss and comprehensive loss;
- determination of the purchase price of the Company;
- the recognition and recoverability of deferred tax assets;
- the assumptions used to measure the fair value of the debt and equity components of convertible debentures; and
- the assumptions used to value the derivative liability arising on the convertible debentures.

Recent Accounting Pronouncements

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018, deferred from the previously announced effective date of January 1, 2015) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 15 – *Revenue from Contracts with Customers* (effective January 1, 2018, deferred from the previously announced effective date of January 1, 2017) is a new standard to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

Financial Instruments and Risks

The Company is exposed to varying degrees to a variety of financial instrument related risks:

<u>Foreign Exchange Risk</u>

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at August 31, 2015, the Company is exposed to foreign currency risk through its subsidiary, Kabuni Tech., which is denominated in CAD. A 10% appreciation (depreciation) of the CAD against the AUD, with all other variables held constant, would result in approximately a $25,000 decrease (increase) in the Company's loss and comprehensive loss for the year.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. As at August 31, 2015, the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the consolidated financial statements is interest expense on loans payable and interest income on Canadian dollar cash. The Company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at August 31, 2015, the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Subsequent Events

On October 21, 2015, Kabuni Tech. changed its fiscal year end from August 31 to June 30 to correspond to the fiscal year end of the Company.

On November 12, 2015, the Company adopted a stock option plan under which the Company is authorized to grant stock options to employees, consultants, officers and directors (shareholder approval required), enabling them to acquire up to 5% of the issued and outstanding common stock of the Company. The exercise price of each option must be less than 80% of the average closing sale price of the shares on the ASX over the five trading days immediately preceding the date of grant. The options can be granted for a maximum of five years, and certain options can vest over periods of time, determined by the board of directors.

On November 19, 2015 the Company issued 333,333 common shares and 666,667 performance shares to directors of the Company for $Nil consideration.

On March 1, 2016 the Company issued 150,000 common shares to an advisor in consideration for services provided to the Company.

Share Capital

As of the date of this MD&A, the Company had 130,309,175 issued and outstanding commons shares, and 38,130,493 issued and outstanding performance shares, 12,000,000 issued and outstanding options, and 6,690,001 issued and outstanding stock options.

Performance shares outstanding for the Company at the date of this MD&A were as follows:

Performance Shares	Shares Outstanding		Fair Value
Class A	10,032,622	$	2,006,524
Class B	10,032,625		2,006,525
Class C	9,032,623		-
Class D	9,032,623		-
	38,130,493	$	4,013,049

Options outstanding for the Company at the date of this MD&A related to the following grants:

As part of a concurrent financing, the Company completed on completion of the RTO, the Company issued 12,000,000 options, at an issue price of $0.005 per option, for a gross proceeds of $60,000. The options are exercisable at $0.30 within 3 years of issue. The gross proceeds were received by the Company prior to the completion of the RTO and were included in the cash and cash equivalents balance as part of the net assets acquired.

Stock options outstanding for the Company at the date of this M&DA related to the following grants:

1. On February 19, 2016, 2,500,000 stock options exercisable at $0.20 on or before August 31, 2017 were granted to advisors of the Company. The options will vest when the share price (based on a 20-day volume weighted average price) of the Company, as quoted by the ASX, reaches a level of $0.225.

2. On March 17, 2016, 4,190,001 stock options exercisable at the greater of (1) $0.18 and (2) the fair market value of the shares on the date of acceptance, provided that, for such purposes, the "fair market value" of the shares is defined as the average closing sale price of the shares on ASX over the 5 trading days immediately preceding the date of acceptance, on or before March 31, 2019 were granted to employees of the Company. The options will vest on September 3, 2016 (being 12-months after the date of listing on the ASX). No director or director related entity will participate in this issue and shareholder approval is not required in order to issue the options.

Risk and Uncertainties

Kabuni is a start-up company, has a limited operating history and there is no assurance that future operations will result in revenues or profits. The Company's platform operates in a new and developing market, and elements of the Company's business strategy are new and subject to ongoing development. There is no guarantee that the commercialization of the Company's platform will be successful, or that the Company's target audience of Designers and Clients will use or continue to use the platform.

The Company's business strategy will require substantial expenditure and there can be no guarantees that the Company's existing cash reserves and funds generated over time by the business will be sufficient to successfully achieve any or all of the objectives of the Company's business strategy. Hence, the Company may need to engage in equity or debt financing to secure additional funds. Any additional equity financing may be dilutive to the Company's existing shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy.

The Company believes that maintaining and promoting its brand is critical to expanding its user base. There is no certainty that the Company's brand or any alternative brand created to operate the business, will be able to be created and successfully commercialized in the marketplace.

The Company depends on highly skilled personnel to grow and operate its business, and if the Company is unable to hire, retain and motivate its personnel, the Company may not be able to grow effectively.

The Company is highly dependent on third-party supplier relationships to fulfil product order. Arrangements with product suppliers and artisan merchants carry a risk that the third parties do not adequately or fully comply with their respective contractual rights and obligations. Failure to maintain the productive relationship with existing suppliers and/or merchants or continue to expand procurement opportunities with other suppliers and/or merchants, the quality of the product and service offering (including the ability of the Company to increase the number of products offered) could significantly impair results, forcing a change in business strategy

Management's Responsibility for Financial Statements

Information provided in this MD&A, including the unaudited condensed interim consolidated financial statements, is the responsibility of management. In the preparation of these unaudited condensed interim consolidated financial statements, estimates are sometimes necessary to make a determination of future value or certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying unaudited condensed interim consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Management's Report on Disclosure of Controls and Procedures

Management of the Company has established process to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. There have been no changes in the Company's disclosure controls and procedures during the four-month period ended December 31, 2015.

SCHEDULE "E"
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FOUR MONTHS ENDED DECEMBER 31, 2015

See attached.

KABUNI LTD

(FORMERLY MAGNOLIA RESOURCES LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FOUR MONTHS ENDED DECEMBER 31, 2015

Table of Contents

Introduction

This Management Discussion and Analysis ("MD&A") of the financial condition and results of the operations of Kabuni Ltd (the "Company" or "Kabuni") constitutes management's view of the factors that affected the Company's financial and operating performance for the period ended December 31, 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102F1 – Management's Discussion and Analysis. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the period ended December 31, 2015 and November 30, 2014, together with the notes thereto. Results are reported in Australian dollars, unless otherwise noted. In the opinion of the management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the period ended December 31, 2015 are not necessary indicative of the results that may be expected for any future period. Information contained herein is presented as at May 6, 2016 unless otherwise indicated.

The unaudited condensed interim consolidated financial statements for the period ended December 31, 2015 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (1) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Kabuni's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends," "anticipates," "believes," or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materiality from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding the Company's ability to meet its working capital needs at the current level for the next twelve-month period ending December 31, 2016; management's outlook regarding future trends, sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Kabuni's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward -looking statements, unless required by law.

Description of Business

Kabuni is a North American-based SaaS (software-as-a-service) and e-commerce platform in the home design space that enables independent home design professionals to grow their business through an omni-channel retail experience. Kabuni's platform enables designers worldwide to collaborate with clients anywhere in the US and Canada and earn income from the sale of home décor products and furnishings from Kabuni's catalogue through curated Inspiration Boards.

Kabuni's shares commenced trading on the Australian Securities Exchange (the "ASX") under the trading ticker "KBU" on May 11, 2012.

The financial information includes the accounts of the Company and all of its subsidiaries. The subsidiaries include Kabuni Technologies Inc. in Canada; Kabuni USA, Inc. in the United States (incorporated in December 2015); and Stirling Mineral Pty Ltd in Australia. The Company has a 100% equity interest in all subsidiaries.

Reverse Takeover Transaction ("RTO")

On August 24, 2015, the Company completed its acquisition of 100% of Kabuni Technologies Inc., formerly named PDT Technologies Inc. ("Kabuni Tech.").

Under the sale share agreement ("SSA") 100% of the share capital of Kabuni Tech. was sold for the following consideration:

1. 38,376,819 fully paid ordinary shares of the Company, consisting of:
    i. 25,550,000 shares to shareholders of Kabuni Tech.;
    ii. 10,026,818 shares to other shareholders of Kabuni Tech.; and
    iii. 2,800,001 shares to certain creditors of Kabuni Tech. to settle outstanding payables.
2. 4,257,547 shares to corporate advisors of Kabuni Tech. who introduced and facilitated the transaction.
3. 15,523,810 shares to holders of Kabuni Tech.'s convertible loan payable.
4. 37,463,826 performance shares to directors, employees and advisors which will automatically convert into shares upon satisfaction of certain milestones.

The 2,800,001 shares issued to certain creditors of Kabuni Tech. were issued to settle outstanding payables in the amount of Canadian ("CAD") $420,000. The Company recognized a loss on settlement of accounts payable of $118,999 during the year ended August 31, 2015, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

The 15,523,810 shares issued to holders of Kabuni Tech.`s convertible debt were issued to settle outstanding debt in the amount of $1,420,000. The Company recognized a loss on settlement of convertible debt of $47,668 during the year ended August 31, 2015, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

The acquisition of Kabuni Tech. resulted in the shareholders of Kabuni Tech. obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that two of the Company's three directors stepped down and were replaced by Kabuni Tech's. nominees. A nominee of Kabuni Tech. serves as the Managing Director and the Kabuni Tech. management team has assumed responsibility for the management of the merged entity.

Consequently, the transaction is considered a reverse take-over ("RTO"). Since the Company has become a dormant public shell, the Company does not meet the definition of a business and the acquisition is accounted for as a purchase of the Company's net assets. The purchase consideration is determined as an equity-settled share-based payment, under IFRS 2, Share-based Payments, at the fair value of the equity instruments retained by the shareholders of the Company, based on the market value of the Company's common shares on the date of the closing of the RTO.

The application of the RTO guidance has resulted in the Company (the legal parent) being accounted for as the subsidiary and Kabuni Tech. (the legal subsidiary) being accounted for as the parent entity.

As Kabuni Tech. is deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in the unaudited condensed interim consolidated financial statements at their historical carrying value. The Company's results of operations have been included from the date of the RTO. The legal capital of the entity continues to be that of the Company, the legal parent.

Net asset acquired:		
Cash and cash equivalents	$	2,815,998
Receivables		58,616
Other assets		5,000
Due from Kabuni Tech.		750,000
Accounts payable and accrued liabilities		(490,755)
	$	3,138,859
Purchase price of equity:		
36,001,000 common shares at $0.20 per share	$	7,200,200
Finders Fees'		
Advisor shares (4,257,547 common shares)		811,509
Additional shares to a director (666,666 common shares)		133,333
Performance shares		3,879,716
	$	12,024,758
Cost of public listing	$	8,885,899

The transaction was measured at the fair value of the shares that Kabuni Tech. would have had to issue to shareholders of the Company to give shareholders of the Company the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Kabuni Tech. acquiring the Company. The fair value of the common shares was determined based on the share value in the concurrent public offer which was $0.20.

During the year ended August 31, 2015, a non-cash listing expense of $8,885,899 resulted from the accounting of the RTO transaction to reflect the difference between the fair value of the amount paid (being the number of common shares retained by the original shareholders of the Company and finders' fee shares) and the fair value of the net assets received from the Company in accordance with in IFRS 2 Share-based Payment.

Overall Performance

Kabuni is the developer of a North American-based SaaS (Software-as-a-service) and e-commerce platform in the home design space that enables independent home design professionals to grow their business through an omni-channel retail experience. Kabuni is currently a pre-revenue development-stage business. Funding of the Company's operations until at least the quarter ending June 30, 2016 is limited to the sale of securities, incurment of debts, and the use of previously publicly raised funds.

During the four months ending December 31, 2015, Kabuni experienced a loss and comprehensive loss of $2,192,192 compared to a loss and comprehensive loss of $222,446 for the three month period ending

November 30, 2014. Increasing losses are attributable to the Company's efforts to develop and market its products in anticipation of the launch of some products in the quarter ending June 30, 2016.

Cash as of December 31, 2015 fell to $5,964,695 from $8,417,552 at August 31, 2015 as a result of ongoing corporate activity and capital investment in support of product development, with no additional funds generated from financings. It is anticipated by management that the Company will need to raise money through the sale of securities or by incurring debt during 2016. Cash as of November 30, 2014 was $4,968, with the subsequent increase over 13 months primarily attributable to the issuance and sale of securities pursuant to the RTO partially offset by capital and operating costs. During the comparative three month period ended November 30, 2014, the Company raised $149,158 through financing activities, predominantly as a result of the issuance of a loan payable.

The Company ended the four month period ending December 31, 2015 with working capital of $5,493,731 compared to $7,770,966 as of August 31, 2015 and a working capital deficiency of $753,718 as at November 30, 2014. The working capital variance between August 31 and December 31, 2015 is due to product development and marketing costs, and investments in capital assets and intellectual property. The November 30, 2014 to December 31, 2015 variance is due to the completion of certain sales of securities offset by product development and marketing costs, and investments in capital assets and intellectual property.

Kabuni did not raise funds through the issuance of capital during the four months ending December 31, 2015.

Going Concern Assumptions

The unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business.

The Directors believe that it is reasonably foreseeable that the Company will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the unaudited condensed interim financial statements after consideration of the following factors:

- The ability of the Company to raise capital by the issue of additional shares under the Corporation Act 2001; and
- The ability to curtail administration and operational cash out flows as required.

The discussions in this MD&A have been written under the assumption that the Company will continue as a going concern.

Discussion of Operations

During the four month period ending December 31, 2015 the Company continued to develop its products and to promote itself within the interior design industry. While management does not anticipate that the Company's products will be released until at least the quarter ending June 30, 2016, the Company has spent on marketing initiatives like the US$100,000 partnership with the American Society for Interior Designers.

The Company has also increased investment in capital and intangible investments, primarily through $108,492 invested in the creation of a Vancouver Design Studio and $88,915 invested to purchase domain names, trademarks, and other intellectual interests. The Company did not invest in capital assets or intellectual property in the three months ending November 30, 2014.

<u>Four months ended December 31, 2015 compared with three months ended November 30, 2014</u>

The following discussion of the Company's financial performance is based on the unaudited condensed interim consolidated financial statements for the four months ended December 31, 2015.

The Company net loss and comprehensive loss totaled $2,192,192 for the four months ended December 31, 2015, with basic and diluted loss per share of $0.02. This compares with a net loss of $222,446 with basic and diluted loss per share of $0.01 for the three months ended November 30, 2014. The increase of $1,969,746 in net loss was principally because of:

a) General and administration
    - For the four months ended December 31, 2015, general and administration expenses increased by $172,600 as the Company expanded its operations by, among other things, hiring additional staff, engaging third-party developers, increasing promotional and marketing initiatives, and performing certain requirements of a public company.

b) Professional and consulting services
    - For the four months ended December 31, 2015, professional and consulting services expenses increased by $601,686 as the Company engaged third party consultants to develop its e-commerce platform development.

c) Rent
    - For the four months ended December 31, 2015, rent increased by $109,781 as the Company increased the size of its offices to accommodate full-time developers, management and administrative employees hired/contracted to meet the needs of the expanding business operations.

d) Salaries, bonuses and benefits
    - For the four months ended December 31, 2015, salaries, bonus and benefits increased by $841,865 as the Company hired employees to run its operations, develop its e-commerce platform, support research and development, and advance the plans to commercialize of the Company's e-commerce platform.

e) Share-based payments
    - For the four months ended December 31, 2015, share-based payments increased by $198,333 as a result of the Company instituting a share-based payment plan in order to attract and retain individuals necessary for the development and commercialization of the Company's e-commerce platform.

f) Travel
    - For the four months ended December 31, 2015, travel expenses increased by $108,636 for marketing and business development. The increase is as a result of the Company becoming a publicly traded company with international operations and efforts to promote the ongoing development of the Company's products.

Uncertainties

The Company has no material revenues, and is currently developing the products with which it plans to generate revenues. The Company faces significant risks and uncertainties as a result of its incomplete and untested products, which include: the timing of future product releases and associated revenues; the demand for future products; the costs to effectively market and support future products; and competition from existing and new competitors. These risks could materially affect the Company's future revenues profits, and use of cash.

Summary of Quarterly Results

The following table sets out selected financial information for each of the seven most recent quarters (unaudited) prior to the four month period ended December 31, 2015 as well as the four month results.

Our quarterly operating results have historically fluctuated significantly and may continue to fluctuate significantly in the future. Key factors that account for the fluctuations in quarterly results include the development of the e-commerce platform and the increasing pace at which the Company's software development and administrative personnel are expanding. Henceforth, we believe that the past operating results and period-to-period comparison should not be relied upon as an indication of our future performance.

The significant increase in the quarterly loss for the period ending August 31, 2015 is the result of non-cash costs of $8,885,899 in relation to the accounting of the RTO transaction. Aside from the RTO transaction costs, losses have increased as a result of the Company increasing spending on development and marketing in anticipation of the launch of products in the quarter ending June 30, 2016.

(in Australian dollars)	December 31, 2015 (A$)	August 31, 2015 (A$)	May 31, 2015 (A$)	February 28, 2015 (A$)
Total revenue	1,186	5,221	797	-
Total loss and comprehensive loss	(2,192,192)	(10,618,250)	(1,160,503)	(334,625)
Loss per share	(0.02)	(0.08)	(0.02)	(0.01)
Total assets	6,601,407	8,867,818	359,463	44,333

(in Australian dollars)	November 30, 2014 (A$)	August 31, 2014 (A$)	May 31, 2014 (A$)	February 28, 2014 (A$)
Total revenue	-	-	3,129	21,516
Total loss and comprehensive loss	(220,973)	(256,224)	(237,795)	(258,356)
Loss per share	(0.00)	(0.01)	(0.00)	(0.01)
Total assets	66,593	22,815	39,221	99,112

The quarterly results in the tables above have been determined and prepared in accordance with IFRS accounting principles.

Liquidity and Capital Resources

Since inception, the Company has incurred operating losses. The Company anticipates that it will continue to incur losses for at least the next six months until the e-commerce platform is ready to commercialize and operating revenue starts in the last quarter of fiscal year 2016. Consequently, the Company will need additional capital to fund its operations, which the Company may obtain from additional debt and equity financing, operations revenue and other sources. To date, the Company has financed its operations primarily through the issuance of its common shares. See "*Discussion of Operations"* for elaborations on the cause of cost variations.

As at December 31, 2015, the Company's cash balance was recorded as $5,964,695 (August 31, 2015 – $8,417,552), and the Company had a working capital of $5,493,731 (August 31, 2015 – $7,770,966). The increase in cash and working capital was a result of an increase in cash provided by financing activities as a result of proceeds received via public offer pursuant to the RTO in August 2015.

As of December 31, 2015, the Company had 130,159,175 common shares issued and outstanding.

The Company has no interest-bearing debt and its credit risk and interest rate risk is minimal. Accounts payable, accrued liabilities and loans payable are short-term and non-interest bearing.

The Company's liquidity is dependent on successfully raising additional debt or equity financing. The Company generates no material revenues and as such regular incurment of debt or sales of securities are required to maintain liquidity.

The Company is exposed to foreign exchange risk through its subsidiary, Kabuni Tech., which is denominated in CAD. A 10% appreciation (depreciation) of the CAD against the AUD, with all other variables held constant, would result in approximately a $40,000 decrease (increase) in the Company's loss and comprehensive loss for the year.

The Company unaudited condensed interim consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2015, the Company had not generated significant revenues, has negative cash flows from operations, and has an accumulated deficit of $15,364,251. The Company continued operations are depended on its abilities to generate future cash flows, curtail administration and operational cash outflow as required, or obtain additional financing. Management is pursuing equity financing. Management is of the opinion that sufficient working capital will be obtained from external equity financing to meet its liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors, among others, may cast substantial doubt as to the Company's ability to continue as a going concern.

Below is a summary of the Company's cash flows provided by (used in) operating activities, financing activities and investing activities for the periods indicated:

(in Australian dollars)	**Four month period ended December 31, 2015 (A$)**	**Three month period ended November 30, 2014 (A$)**
Net cash flows used in operating activities	(2,081,470)	(270,280)
Net cash flows used in investing activities	(259,358)	-
Net cash flows provided by (used in) financing activities	(804)	149,158
Impact of exchange rate changes on cash and cash equivalents	(111,224)	65,620
Net increase (decrease) in cash	(2,452,857)	7,498
Beginning cash	8,417,552	(2,530)
Ending cash	5,964,695	4,968

Net cash flows used in operating activities

Net cash outflows from operating activities increased by $1,811,190 to $2,081,470 for the period ended December 31, 2015 compared to $270,280 for the period ended November 30, 2014. This increase was primarily due to increases in $172,600 general and administration expenses, $601,686 professional and consulting services, $109,781 rent, $841,865 salaries, bonus and benefits.

Net cash flows used in investing activities

Net cash outflows from investing activities increased by $259,358 for the period ended December 31, 2015 compared to $nil for the period ended November 30, 2014. This increase was due to purchase of intangible asset of $88,915 and acquisition of property and equipment of $170,443.

Net cash flows provided by (used in) financing activities

Net cash inflows from financing activities decreased by $149,962 to ($804) for the period ended December 31, 2015 compared to $149,158 for the period ended November 30, 2014. This decrease was primarily due to no capital raising during the period.

Contractual Obligations and Commitments

Our contractual obligations include operating leases for premises, and contract with Turner Construction Company to build the Kabuni Design Studio in Canada. The following table summarizes the Company's contractual commitments and obligations as of December 31, 2015.

		Payments due by	
(in Australian dollars)	**Total**	**Less than 1 year**	**1-3 years**
Operating lease obligations	312,766	122,814	189,952
Contractual obligations	296,384	296,384	-
	609,150	419,198	189,952

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial conditions of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Related Party Transactions

Compensation of key management personnel
The Company treats "key management personnel" as related parties. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. A summary of expenses by nature incurred with key management personnel is as follows:

	December 31, 2014	November 30, 2014
Professional and consulting fees[1]	$ 27,704	$ 81,003
Salaries	183,669	-
Directors' fees	12,500	-
Performance shares[2]	133,333	-
Total	**$ 357,206**	$ 81,003

[1] Professional and consulting fees included contractors fees of $12,000 (November 30, 2014 - $57,859), and accounting fees of $15,704 (November 30, 2014 - $23,144) in these unaudited condensed interim consolidated financial statements.

[2] The performance shares are related to 666,667 performance shares issued to a director of the Company.

At December 31, 2015, the Company's accounts payable and accrued liability balances included the following:

	Fee	December 31, 2015	August 31, 2015	August 31, 2014
Neil Patel[a]	Contractor fee	$ 192	$ 208	$ -
Peter McKay[b]	Contractor fee	-	53,635	116,496
Finance Matters[c]	Accounting fee	1,872	5,166	58,643
Nathan Sellyn[d]	Director fee	5,000	-	-
Nikolas Ajagu[e]	Director fee	5,000	-	-
Total		**$ 12,064**	**$ 59,009**	**$ 175,139**

(a) A Managing Director of the Company.
(b) A former Officer of Kabuni Tech.
(c) An entity controlled by Darren Battersby, the former Chief Financial Officer of Kabuni Tech.
(d) A Non-Executive Director of the Company.
(e) A Non-Executive Director of the Company.

At December 31, 2015, the Company's accounts receivable balance included $9,494 due from Neil Patel, the Managing Director of the Company (August 31, 2015 - $10,156).

Other transactions with related parties
At December 31, 2015, the Company has a loan outstanding, including accrued interest of $81,187 (August 31, 2015 - $86,852) owing to a company controlled by an officer and director of the Company. The loan bore interest at 8% per annum, and was due on June 30, 2015. On June 30, 2015, the Company entered into an amending agreement whereas the loan was extended an additional year, maturing on June 30, 2016. As per the agreement, the loan no longer bears interest and the lender has released and discharged of all security that was previously held over the Company's assets.

Proposed Transactions

As of the date of this filing, the Company does not have any proposed transactions that have, or are reasonably likely to have, a current or future effect on the results of operations or financial conditions of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Significant Accounting Estimates

The preparation of the unaudited condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and reported amounts of expenses during the year. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The valuation of share-based payments and performance share issuances in the statements of loss and comprehensive loss;
- determination of the purchase price of the Company; and
- the recognition and recoverability of deferred tax assets.

Recent Accounting Pronouncements

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018, deferred from the previously announced effective date of January 1, 2015) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 15 – *Revenue from Contracts with Customers* (effective January 1, 2018, deferred from the previously announced effective date of January 1, 2017) is a new standard to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

Financial Instruments and Risks

The Company is exposed to varying degrees to a variety of financial instrument related risks:

<u>Foreign Exchange Risk</u>

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at December 31, 2015, the Company is exposed to foreign currency risk through its subsidiary, Kabuni Tech., which is denominated in CAD. A 10% appreciation (depreciation) of the CAD against the AUD, with all other variables held constant, would result in approximately a $40,000 decrease (increase) in the Company's loss and comprehensive loss for the period.

<u>Credit Risk</u>

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. As at December 31, 2015, the Company is not exposed to any significant credit risk.

<u>Interest Rate Risk</u>

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the period in the financial statements is interest expense on loans payable and interest income on Canadian dollar cash. The Company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at December 31, 2015, the Company is not exposed to any significant interest rate risk.
<u>Liquidity Risk</u>

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Subsequent Event

On March 1, 2016 the Company issued 150,000 common shares to an advisor in consideration for services provided to the Company.

Share Capital

As of the date of this MD&A, the Company had 130,309,175 issued and outstanding commons shares, 38,130,493 issued and outstanding performance shares, 12,000,000 issued and outstanding options, and 6,690,001 issued and outstanding stock options.

Performance shares outstanding for the Company at the date of this MD&A were as follows:

Performance Shares	**Shares Outstanding**	**Fair Value**
Class A	10,032,622	$ 2,006,524
Class B	10,032,625	2,006,525
Class C	9,032,623	-
Class D	9,032,623	-
	38,130,493	$ 4,013,049

Options outstanding for the Company at the date of this MD&A related to the following grants:

> As part of a concurrent financing, the Company completed on completion of the RTO, the Company issued 12,000,000 options, at an issue price of $0.005 per option, for a gross proceeds of $60,000. The options are exercisable at $0.30 within 3 years of issue. The gross proceeds were received by the Company prior to the completion of the RTO and were included in the cash and cash equivalents balance as part of the net assets acquired.

Stock options outstanding for the Company at the date of this M&DA related to the following grants:

1. On February 19, 2016, 2,500,000 stock options exercisable at $0.20 on or before August 31, 2017 were granted to advisors of the Company. The options will vest when the share price (based on a 20-day volume weighted average price) of the Company, as quoted by the ASX, reaches a level of $0.225.

2. On March 17, 2016, 4,190,001 stock options exercisable at the greater of (1) $0.18 and (2) the fair market value of the shares on the date of acceptance, provided that, for such purposes, the "fair market value" of the shares is defined as the average closing sale price of the shares on ASX over the 5 trading days immediately preceding the date of acceptance, on or before March 31, 2019 were granted to employees of the Company. The options will vest on September 3, 2016 (being 12-months after the date of listing on the ASX). No director or director related entity will participate in this issue and shareholder approval is not required in order to issue the options.

Management's Responsibility for Financial Statements

Information provided in this MD&A, including the unaudited condensed interim consolidated financial statements, is the responsibility of management. In the preparation of these unaudited condensed interim consolidated financial statements, estimates are sometimes necessary to make a determination of future value or certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying unaudited condensed interim consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Management's Report on Disclosure of Controls and Procedures

Management of the Company has established process to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. There have been no changes in the Company's disclosure controls and procedures during the four-month period ended December 31, 2015.

SCHEDULE "F"
AUDIT COMMITTEE CHARTER

See attached.

KABUNI LTD.

Corporate Governance Policies

Audit Committee Charter

1. Composition of the Audit Committee

The audit committee (the "**Audit Committee**") of the board of directors (the "**Board**") of Kabuni Ltd. (the "**Company**") shall consist of three or more directors. Each member of the Audit Committee shall be independent in accordance with all applicable corporate and securities laws and stock exchange listing standards and policies. Each member of the Audit Committee must be financially literate, as this term is defined under National Instrument 52-110 - *Audit Committees*.

The Board shall appoint members to the Audit Committee. Each Audit Committee member shall serve until a successor is duly appointed or until the member's earlier death, resignation, disqualification or removal. The Board may remove any member from the Audit Committee at any time with or without cause. The Board shall fill Audit Committee member vacancies by appointing a member from the Board. If a vacancy on the Audit Committee exists, the remaining members shall exercise all the Audit Committee's powers so long as a quorum exists. The Board shall appoint the chairperson of the Audit Committee from the Committee members.

2. Role of the Audit Committee

The purpose of the Audit Committee is to oversee the Company's accounting and financial reporting processes and the preparation and auditing of the Company's financial statements. The role as an Audit Committee is to:

(a) monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;

(b) to oversee and review the adequacy and effectiveness of the Company's internal financial control system ("**Internal Controls**") and, unless expressly addressed by a separate risk committee, risk management framework and systems. To review management's roles, responsibilities, and performance in relation to the Internal Controls;

(c) To review and discuss with the CEO and CFO, or those officers who perform the duties similar to a CEO or CFO, the steps taken to complete the required certifications of the annual and interim filings with the securities commissions;

(d) monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services, taking into account the matters set out in Schedule 2;

(e) to review and discuss with management the design, implementation and maintenance of effective procedures relating to the Audit Committee's prior review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements ("**Disclosure Procedures**"). To ensure that the Disclosure Procedures put in place are followed by the Company's management and employees, and to periodically assess the adequacy of the Disclosure Procedures;

(f) to review the Company's profit and loss press releases and other related press releases before they are released to the public, including the Company's annual information form, earnings press releases and any other public disclosure documents required by the securities commissions, and to review the nature of any financial information and ratings information provided to agencies and analysts per the Company's disclosure policy, if any;

(g) to review all proposed related party transactions, other than those reviewed by a special committee of disinterested directors in accordance with corporate or securities laws;

(h) monitor and review compliance with the Company's Code of Conduct and review, discuss and investigate any alleged fraud involving the Company's management or employees in relation to the Internal Controls, including management's response to any allegations of fraud; and

(i) perform such other functions as assigned by law or the Company's Constitution.

3. Operations

The Audit Committee shall meet at least quarterly at such times and places as determined by the Audit Committee. The Audit Committee is governed by the same rules regarding meetings (including the procedure used to call meetings, and conducting meetings electronically, in person or by telephone), notice of meetings and waiver of notice by committee members, written resolutions in lieu of a meeting, and voting at meetings that apply to the Board. From time to time, non Board members may be invited to attend Board meetings when audit matters are being discussed, if it is considered appropriate.

4. Authority and Resources

(a) The Audit Committee may seek provision of all books and records of the Company and educational information on accounting policies and other financial topics relevant to the Company to assist in fulfilling their duties. Further, the Audit Committee may seek explanations and additional information from the Company's external auditors, without management present, when required.

(b) When considered necessary or appropriate, the Audit Committee may conduct or authorise investigations and may retain independent legal, accounting or other advisors.

5. Reporting to the Board and Shareholders

The Audit Committee should compile a report to the Board on, or the Board should document for the record, at least annually, the following matters:

(a) assessment of whether external reporting is consistent with Board members' information and knowledge and is adequate for shareholder needs;

(b) the adequacy of the Internal Controls;

(c) the review of the Company's annual and interim financial statements, and any reconciliations, including any issues respecting the quality and integrity of financial statements, along with the MD&A;

(d) assessment of the management processes supporting external reporting;

(e) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;

(f) recommendations for the appointment or, if necessary, the removal of the external auditor;

(g) assessment of the performance and independence of the external auditors. Where the external auditor provides non-audit services, the report should state whether the Board is satisfied that provision of those services has not compromised the auditor's independence; and

(h) the results of the review of risk management framework and internal control systems, including consideration of whether the Company has a material exposure to any particular risks.

6. Responsibilities

Annual responsibilities of the Audit Committee are as set out in the Audit Committee Charter - Annual Action Points contained in Schedule 1.

Schedule 1 — Audit Committee Charter—Annual Action Points

1. Financial Reporting and Internal Controls

(a) Review half-year, annual and quarterly financial statements. This review will include discussing with the external auditor and management the Company's annual audited financial statements as well as the accompanying auditor's report and the interim financial statements and respective management discussion and analyses ("**MD&A**"). The Audit Committee's review of the financial statements will include a review of the notes contained in the financial statements, in particular the notes on: (a) significant accounting policies, including any changes made to them and the effect this may have on the Company; (b) significant estimates and assumptions; (c) significant adjustments resulting from the an audit; (d) the going concern assumption; (e) compliance with accounting standards; (f) investigations and litigation undertaken by regulatory authorities; (g) the impact of unusual transactions; and (h) off-balance sheet and contingent asset and liabilities, and related disclosures;

(b) Assess management's selection of accounting policies and principles.

(c) Consider the external audit of the financial statements and the external auditor's report thereon including an assessment of whether external reporting is consistent with Board members' information and knowledge.

(d) Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks (and other business risks if authorised), and the Company's risk management framework and systems generally.

(e) Monitor and review the effectiveness of the Company's internal audit function (the "**Internal Auditors**"), including ensuring that the Internal Auditors have adequate monetary and other resources to complete their work, and ensuring that the Internal Auditors have appropriate standing within the Company. If the Company has no Internal Auditors, to consider, on an annual basis, whether the Company requires Internal Auditors, and to recommend to the Board whether Internal Auditors should be employed by the Company;

(f) Assess if the external auditors report is adequate for shareholder needs.

2. Annual meeting with External Auditor

(a) Discuss the Company's choice of accounting policies and methods, and any recommended changes.

(b) Discuss the adequacy and effectiveness of the Company's internal controls.

(c) Discuss any significant findings and recommendations of the external auditor and management's response thereto.

(d) Discuss any difficulties of disputes with management encountered during the course of the audit including any restrictions or access to required information.

3. External Auditor

(a) Review the Company's procedures regarding the external auditor including the matters set out in Schedule 2.

(b) Appoint and, if necessary, remove the external auditor and approve the terms on which the external auditor is engaged including the matters set out in Schedule 2.

(c) Establish/review permissible services that the external auditor may perform for the Company and pre-approve all audit/non-audit services.

(d) Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees.

(e) Assess the overall performance of the external auditor.

(f) Ensure auditor attendance at Company's annual general meeting and availability to answer questions from security holders relevant to the audit.

4. Internal Communications and Reporting

Provide the report described in clause 5 of the Audit Committee Charter.

5. Other

(a) Verify the composition of the Audit Committee function is in accordance with the Audit Committee Charter.

(b) Review the independence of each Board member based on the Company's policy on assessing the independence of Directors in the Board Charter.

(c) Review and update the Audit Committee Charter and Action Points.

(d) Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls, auditing matters and breaches of the Company's Code of Conduct.

(e) Conduct an annual evaluation of the performance of its duties and responsibilities under this Charter and shall present the results of the evaluation to the Board. The Audit Committee shall conduct this evaluation in such manner as it deems appropriate.

Schedule 2 — Procedure for selection and appointment of external auditor

1. Introduction

The Audit Committee conducts the selection process and recommends a preferred external auditor to the Board. The Board may endorse the external auditor recommended by the Audit Committee and appoint the auditor. Alternatively the Board may wish to review the recommendation of the Audit Committee.

At the request of the Audit Committee, the chief financial officer and/or chief executive officer may assist the Audit Committee in the selection and appointment process including by proposal of an external auditor, together with a written supporting submission.

2. Tender

(a) Request for submissions

If the Audit Committee elects to undertake a tender process, the chief executive officer or chief financial officer will prepare or cause to be prepared a draft request for submissions that will be reviewed for approval by the Audit Committee (with such changes as it considers appropriate).

The request should contain sufficient information to enable a proposal and fee estimate to be given to the Company. The request should include information about the Company, its operations, its key personnel, its structure, its financials and any other relevant information.

The chief executive officer or chief financial officer will arrange for candidates to meet with a selection panel appointed by the Audit Committee.

(b) Selection Panel

The selection panel will comprise nominated members of the Audit Committee, and any other person the Audit Committee considers appropriate to assist it to assess the suitability of the external auditor.

3. Selection Criteria

The preferred external auditor should best satisfy the selection criteria identified by the Audit Committee including:

(a) Fees

A candidate must provide a firm fee quotation for its audit services. Price will be only one of the relevant factors in the selection of a preferred external auditor.

(b) Independence

A candidate must satisfy the Audit Committee that it is independent and outline the procedures it has in place to maintain its independence.

The external auditor must be independent from, and be seen to be independent from, the Company.

In monitoring external auditor independence, the Audit Committee will have regard to the following principles:

(i) monitor the number of former employees of the external auditor who were involved in auditing the Company and who are currently employed in senior financial positions in the Company, and assess whether this impairs or appears to impair the auditor's judgement or independence in respect of the Company. An individual auditor who was engaged by the external auditor and participated in the Company's audit shall be precluded from employment as chief executive officer or chief financial officer of the Company for a period of at least 12 months from the time of the audit; and

(ii) consider whether taken as a whole, the various relationships between the Company and the external auditor and the economic importance of the Company (in terms of fees paid to the external auditor for the audit as well as fees paid to the external auditor for the provision of any non-audit services) to the external audit impair or appear to impair the auditor's judgement or independence in respect of the Company.

(c) Scope of audit/issues resolution

A candidate must outline its response to the scope of audit in the request for submissions and any proposed procedures to address any issue of material significance or matter of disagreement with the Company's management.

The external auditor and the chief financial officer will be required to disclose to the Audit Committee all such issues of material significance and all matters of disagreement, whether resolved or unresolved.

(d) Non-audit work

A candidate must detail its approach to the provision of non-audit related services to the Company. Generally such work should be at most negligible.

If proposed otherwise, the Audit Committee must consider the circumstances in which the Company might use the external auditor for non-audit services. Matters to be considered include the extent, scope and potential value of non-audit fees and any circumstance where the external auditor may be required to review and rely upon work conducted by it in a non-audit capacity.

The scope of non-audit work must not be allowed to impinge upon the external auditor's independence (refer also to paragraph 4 below).

(e) Other matters

The selection criteria may include such other matters as the Audit Committee thinks fit.

4. Policy on audit and non-audit services

The Audit Committee will develop a policy that sets out the circumstances in which the Company may use the external auditor for other services. A copy of this policy will be provided to the external auditor.

The policy will be based on the following principles:

(a) the external auditor may provide audit and audit-related services that, while outside the scope of the statutory audit, are consistent with the role of auditor;

(b) the external auditor should not provide services that are perceived to be materially in conflict with the role of auditor;

(c) the external auditor may be permitted to provide non-audit services that are not perceived to be materially in conflict with the role of auditor, subject to the approval of the Chair of the Audit Committee, who will report to the Audit Committee;

(d) exceptions may be made to the policy (with specific Board approval) where the variation is in the interests of the Company and arrangements are put in place to preserve the integrity of the external audit process.

5. Rotation of external audit engagement partner

The Audit Committee will ensure that the external auditor has in place arrangements with regard to any legislative or regulatory requirements for rotation of the audit engagement partner.

The audit engagement partner for the audit must rotate at least every 5 years. At least two years must expire before the Audit Partner can again be involved in the audit of the Company.

6. Review of audit arrangements

The Audit Committee will periodically review the external auditor's performance, at least annually. As part of this review the Audit Committee will obtain feedback from the chief financial officer and other members of senior management regarding the quality of the audit service.

SCHEDULE “G”
BOARD MANDATE

See attached.

KABUNI LTD.

Corporate Governance Policies

BOARD CHARTER

1. Board Charter

1.1 Role of the Board

The Board of Directors (the "**Board**"), directly and through its committees, is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

(a) overseeing the Company, including its control and accountability systems;

(b) appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent), the Company Secretary and senior management personnel;

(c) ratifying the appointment, remuneration, and where appropriate, the removal, of senior executives;

(d) in conjunction with members of the senior management team, develop corporate objectives, strategies and operations plans and approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;

(e) establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;

(f) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;

(g) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;

(h) identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;

(i) overseeing the management of safety, occupational health and environmental matters;

(j) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;

(k) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;

(l) ensuring effective disclosure and communication with shareholders and the general public, and reviewing any policies related to such disclosure;

(m) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;

(n) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct, including through adopting of a written code of conduct and a whistleblower policy; and

(o) reporting accurately to shareholders, on a timely basis.

While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it may make use of committees. The Board has established the following committees:

(a) Audit Committee,

(b) Nomination Committee, and

(c) Remuneration Committee, and

the Board may form other Committees at its discretion.

Each Director has the right to seek independent professional advice on matters relating to his position as a Director of the Company at the Company's expense, subject to the prior approval of the Chair, which shall not be unreasonably withheld.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved Directors will, unless the remaining Directors resolve otherwise, withdraw from deliberations concerning the matter.

In accordance with the constitution of the Company, directors (other than the Managing Director) must offer themselves for re-election by shareholders at least every 3 years. The constitution does not specify a maximum term for which a Director may hold office.

The Board may not delegate its overall responsibility for the matters listed above. However, the responsibility for the day-to-day operation and administration of the Company may be delegated by the Board to the Managing Director. The Board will ensure that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive Directors.

While there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

(a) Board approval and monitoring of a strategic plan;

(b) approval of annual and semi-annual budgets and monitoring actual performance against budget; and

(c) procedures are in place to incorporate presentations at each Board meeting by financial, operations and marketing management, as appropriate.

1.2 Independent Directors

A majority of the directors on the Board, including any Chair of the Board, must be independent in accordance with applicable law. The Board must establish procedures to ascertain director independence and conflict of interest issues.

1.3 Role of the Chair

The Chair is responsible for the leadership of the Board, for the efficient organisation and conduct of the Board's functioning and for the briefing of all Directors in relation to issues arising at Board meetings. The Chair is also responsible for overall shareholder communication, chairing shareholder meetings, arranging Board performance evaluation, and presides over meetings of the Board. The Chair is responsible for leading and managing the Board in the discharge of its duties.

The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between directors and between the Board and management.

Any other position which the Chair may hold either within, or outside, the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

1.4 Role of the Managing Director

The roles of the Chair and Managing Director should not be combined except in particular circumstances, in particular where the size of the company necessitates the combining of the roles and is approved by the Board.

The Managing Directors' duties are to:

(a) have the overall responsibility for running the affairs of the Company under delegated authority from the Board including undertaking and assessing risk management and internal control effectiveness and to implement the policies and strategies set by the Board. In carrying out his/her responsibilities, the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results;

(b) devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;

(c) be accountable for planning, coordinating and directing the operations of the company;

(d) promote the interests of the Company; and

(e) faithfully and diligently perform the duties and exercise the powers consistent with the position of a Managing Director of the Company and assigned by the Board.

In fulfilling his or her duties, the Managing Director:

(a) reports directly to the Board;

(b) provides prompt and full information to the Board regarding the conduct of the business of the Company; and

(c) complies with reasonable directions given by the Board.

1.5 Role of the Company Secretary

The Company Secretary supports the effectiveness of the Board by monitoring that board policy and procedures are being followed, and by coordinating the timely completion and despatch of board agenda and briefing papers. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

1.6 Roles of Directors and Officers

Individual Directors should devote the necessary time to the tasks entrusted to them. All Directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers should be aware of their legal obligations.

This policy is reviewed annually.

1.7 Meetings

(a) Meetings of the Board will be called, scheduled, and held pursuant to the Company's constating documents, including its articles, by-laws and any shareholder agreement, as well as pursuant to applicable law.

(b) Quorum for a Board meeting will be a majority of the directors. All directors are expected to attend and be prepared to participate, including reviewing all meeting materials before every Board meeting.

(c) The Board will provide at least 24 hours notice of a meeting, unless all members of the Board consent to another time period or waive notice.

(d) The Chair of the Board will seek input from the directors and Company's management, when setting each Board meeting's agenda.

(e) Any written material to be provided to directors for a Board meeting must be distributed in advance of the meeting to give directors time to review and understand the information. All material provided to directors will be relevant and concise.

(f) Any member of senior management may, if invited by the Chair of the Board, attend, give presentations relating to their responsibilities and otherwise participate at Board meetings.

(g) The Company Secretary will be the secretary of the meeting.

(h) The Company Secretary will circulate minutes of all Board meetings to the Board and will ensure that all minutes of meetings, or written resolutions in lieu of a meeting, are filed in the Company's minute book.

(i) The Board, the committees and each director will perform an annual self-assessment on its, his or her contribution and effectiveness. The Board and any committee will consider its charter, and any director will consider his or her position description, when performing a self-assessment.

CERTIFICATE OF KABUNI LTD.

May 6, 2016

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of the province of British Columbia.

/s/ "Neil Patel"	*/s/ "Timothy Fernback"*
Nimesh (Neil) Patel Managing Director, Chief Executive Officer	**Timothy Cyril Fernback** Interim Chief Financial Officer

On behalf of the Board of Directors

/s/ "Anthony King"	*/s/ "Nathaniel Sellyn"*
Anthony John Whitfield King Director, Chairman	**Nathaniel Woolfe Sellyn** Director

CERTIFICATE OF PROMOTERS

May 6, 2016

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of the province of British Columbia.

/s/ "Neil Patel"	*/s/ "Anthony King"*
Nimesh (Neil) Patel	**Anthony John Whitfield King**