



HILLCREST LITIGATION SERVICES LIMITED

6 October 2016

The Manager
Market Announcements Office
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Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Hillcrest Litigation Services Limited enters into Share Sale Agreement to acquire The Infant Food Holding Co. Pty Limited ("IFC") and proposed capital raising

Highlights:

- Hillcrest Litigation Services Limited has entered into a Share Sale Agreement pursuant to which it has conditionally agreed to acquire all of the issued shares of The Infant Food Holding Co. Pty Limited.
- The Infant Food Holding Co. Pty Limited is an Australian superfood specialist in the baby food category. Based in Sydney, IFC produces a range of infant nutrition products that compete with established multinational brands. For over a decade IFC has offered "Bubs Organic" in the wet food market for infants. In recent years IFC has successfully entered the lucrative formula category with "Bubs ADVANCED PLUS+ Goat Milk".
- Proposed ownership interest of 100% of The Infant Food Holding Co. Pty Limited subject to settlement.
- Hillcrest Litigation Services Limited to change its name to "Bubs Australia Limited" upon settlement of the Share Sale Agreement.

The Board of Hillcrest Litigation Services Limited ACN 060 094 742 (ASX: HLS) (**Hillcrest or the Company**) is pleased to announce it has entered into a share sale agreement (**Sale Agreement**) pursuant to which it has agreed, subject to satisfaction of certain conditions precedent, to acquire 100% of the shares in The Infant Food Holding Co. Pty Limited (**IFC**) (**Acquisition**).

The business of IFC is the production and sale of organic infant food and goat infant milk formula. Further details on IFC's business is set out below.



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Change of Activities

The proposed Acquisition of IFC will constitute a change in the nature and scale of the Company's activities from a litigation funding business to an infant food and milk formula business.

In this circumstance, the Company will be required, pursuant to Listing Rule 11.1.2, to obtain approval from Hillcrest's shareholders at a general meeting. The Company will also be required, pursuant to Listing Rule 11.1.3, to re-comply with chapters 1 and 2 of the Listing Rules.

The Infant Food Holding Co. Pty Limited's business

IFC was founded in 2005 by Kristy Carr and Anthony Gualdi, because they wanted to offer parents, and their children, a quality organic alternative to conventional baby food. They continue to innovate with new products in the infant food category.

Based in Sydney, IFC has partnered with leading Australian manufacturers and a team of industry experts to deliver a range of infant food products that sit side by side with established multinational brands. Since inception, the brand has built a presence in the infant wet food market. In 2013 IFC launched the first Australian-owned premium goat milk infant formula range, Bubs ADVANCED PLUS+ Goat Milk. This formulation is available in all 3 stages, from infant to toddler, and represents an alternative to other infant milk formula brands, as it is Australian-made and contains whey goat protein, Omega-3 DHA & Omega-6 ARA, and Prebiotics GOS & FOS.

IFC produces over twenty Australian made and Australian Certified Organic infant food products under the Bubs brand catering from the highchair to the lunchbox. The award-winning range includes first and second stage fruit and vegetable purees, protein meals, breakfast dishes, desserts, and healthy toddler snacks. The recipes are based on organic superfoods, such as blueberries, chia and fig, with an allergy-friendly menu including gluten-free ancient grains, such as quinoa and amaranth, to cater to the rise in food intolerances in children.

Bubs products are now sold Australia-wide in over 1,000 stores, including major and independent supermarkets, department stores, health food stores and pharmacies. The products are also sold on leading Chinese e-commerce platforms including JD.com, VIP and Kaola.com, and are exported to multiple countries in South-East Asia and the Middle East.

Kristy Carr (Co-CEO and Managing Director) is an innovative entrepreneur, having lead and built successful brands and businesses spanning Australia and the Asia Pacific over the past 20 years. Prior to co-founding the Bubs brand of products, Ms Carr was International Communications Strategist for Cathay Pacific in Hong Kong. Having lived in Asia and travelled extensively throughout China for over a decade, she has gained a deep understanding of IFC's target market in Asia. As a mother of three, Ms Carr has first-hand experience when it comes to new product development and mum-to-mum insight.



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Anthony Gualdi (Co-CEO and Operations Director) is a repeat entrepreneur. Prior to co-founding IFC, Mr Gualdi founded Shakespeare's Pies, which he grew from one store to an international portfolio of 80 stores. Mr Gualdi's experience in the infant food business comes with over 25 years in the industry, and studies in Natural Medicine and Nutrition.

Mr Gualdi is focused on continuing to provide healthy, nutritious, and convenient food for children, working closely with food technologists, nutritionists, and other industry experts in order to ensure the best quality products under the Bubs brand.

Consolidation

As part of the Acquisition and the Company's proposed re-compliance with Chapters 1 and 2 of the Listing Rules, the Company proposes to consolidate its issued capital on the basis that every sixteen and two-thirds (16.666667) securities will consolidate into one (1) security (every one hundred (100) securities will consolidate into six (6) securities) (**Consolidation**) subject to shareholders' approval.

Acquisition Terms

Pursuant to the Sale Agreement, Hillcrest has agreed to acquire 100% of the issued share capital in IFC, subject to the satisfaction or waiver of conditions precedent. A summary of the key terms of the Acquisition is set out below.

1. Consideration Shares

Subject to satisfaction or waiver of conditions precedent to the Acquisition (summarised in section 2 below), in consideration for acquiring 100% of IFC's shares, Hillcrest has agreed to issue 163,400,000 fully paid ordinary shares in the capital of the Company (**Shares**) upon settlement of the Acquisition, to the vendors of IFC, on a post-Consolidation basis (**Consideration Shares**).

2. Conditions Precedent

Settlement of the Acquisition is subject to a number of conditions precedent, including, but not limited to:

- **Completion of Rights Issue:** Hillcrest completing a non-renounceable rights issue of 61,861,827 Shares at an issue price of \$0.005 per Share (on a pre-Consolidation basis) to raise \$309,309, to be fully underwritten by PAC Partners Pty Ltd (**Rights Issue**).
- **Shareholder and regulatory approval:** Hillcrest obtaining all necessary shareholder and regulatory approvals required in relation to the Acquisition and other matters contemplated by the Sale Agreement (which includes receipt of ASX's conditional approval to reinstate the Company to trading).



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- **Disposal of assets:** Hillcrest entering into an agreement to transfer all of its rights and obligations to its litigation assets (being the one funding agreement it currently has in place) to a third party.
- **Re-Compliance Capital Raising:** Hillcrest lodging a prospectus with the ASIC for the purpose of ASX reinstatement requirements and to raise \$5,150,000 under that prospectus by the offer, subject to shareholders' approval, of at least 51,500,000 Shares at an issue price of \$0.10 per Share (on a post-Consolidation basis) (**Prospectus**).
- **Escrow Agreements:** Any party to whom Consideration Shares are issued entering into a restriction agreement in relation to some or all of those Consideration Shares if and to the extent required by the ASX in accordance with the ASX Listing Rules.

If the conditions precedent to completion of the Acquisition are not all fulfilled or waived by 5 February 2017 then either Hillcrest or BUBS may terminate the Sale Agreement by notice in writing to the other party, in which case, the Sale Agreement will be at an end and the parties will be released from their obligations under the Sale Agreement (other than in respect of any breaches that occurred prior to termination).

3. **Issue of options to PAC Partners Pty Ltd and Nicholas Simms**

It is a term of the Sale Agreement that, subject to obtaining shareholder approval, the Company will issue the following options:

- (a) 5,844,242 options to acquire Shares with an exercise price of \$0.10 each (on a post-Consolidation basis), subject to the vesting condition (the Share price equalling \$0.125) being met, and expiring 3 years from grant to PAC Partners (or its nominees) under the Prospectus in consideration for PAC Partners' facilitation of the Acquisition (**PAC Options**).
- (b) 3,578,108 options to acquire Shares with an exercise price of \$0.10 each (on a post-Consolidation basis) to Nicholas Simms (or his nominees) and expiring on the earlier of the date which is 3 years after the date of issue and the date Nicholas Simms ceases to be an employee of The Infant Food Co Pty Limited ACN 164 765 360 as a result of being terminated by way of 'summary dismissal' (**Employee Options**).

The issue of the PAC Options and Employee Options will be subject to the recipient providing a duly executed restriction agreement where required by the ASX in accordance with the ASX Listing Rules.

Rights issue

As noted in the conditions precedent set out above, the Company proposes to undertake the Rights Issue on the basis of one (1) Share for every five (5) Shares held by eligible shareholders of Hillcrest to raise \$309,309. The funds raised will be used to pay ongoing administrative costs and to pay costs associated with conducting due diligence and other preparatory expenses associated with the Acquisition.



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Underwriting Agreement with PAC Partners Pty Ltd

Hillcrest has engaged PAC Partners Pty Ltd (**Underwriter**) to provide underwrite the Rights Issue. The Company will pay PAC Partners Pty Ltd 6% of the total gross amount underwritten by the Underwriter (equating to approximately \$18,559). The Company will also pay the Underwriter its reasonable costs and expenses incidental to the Rights Issue.

Shareholder approval and terms of securities

A general meeting is proposed to be convened to approve the change in activities (pursuant to Listing Rule 11.1.2) referred to above, as arising from the Acquisition, the Capital Raising, the Consolidation and associated business (**General Meeting**).

Proposed change in Hillcrest's board and management and change of name

It is proposed that the existing directors of the Company, other than Alan van Noort (who will remain on the board), will all be replaced, in conjunction with settlement of the Acquisition, by a new board nominated by IFC. The new board members are proposed to include:

Kristy Carr, currently the co-CEO and Managing Director of IFC, has a Bachelor of Business Degree (Queensland University of Technology) and was co-founder of the Bubs brand and product range. Her passion is creating and developing business opportunities that not only make a difference in the world, but closely align with the growing trends in consumer behaviour, such as her development of a "Kids Learn Mandarin" children's educational digital business.

During the 1990s Ms Carr worked in brand communications across a number of leading advertising agencies on high-profile FMCG food and children brands, including Johnson &

Johnson and Nestle. Prior to co-founding the Bubs brand, she worked at Cathay Pacific, Hong Kong in the role of International Communications Strategist. As the co-CEO and Managing Director of IFC, she now has an in-depth knowledge of all facets of the baby category, and she oversees the company's business development, national and international sales & marketing, and retail industry relations in both the online and offline sectors.

Matthew Reynolds, a Partner at HWL Ebsworth lawyers who specialises in capital markets (retail and wholesale), debt capital markets (wholesale) and mergers and acquisitions (public and private) including private equity. He holds a Bachelor of Political Science & Economics (Hons) and a Bachelor of Laws (Hons) and is a member of both the Queensland Law Society and Company Law Committee, Queensland Law Society.

Mr Reynolds is currently a director on the ASX listed G8 Education Limited (ASX:GEM), as well as directorships in unlisted companies including local subsidiaries of Thai-listed Minor International PLC, Ignite Energy limited.



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Dennis Lin, a Partner of BDO in Australia and the firm's China Advisory Services national leader. He advises on commercial aspects of transactions and act as the lead advisor to foreign entrepreneurial investors on merger and acquisition and capital markets activities, with particular interests in food and agribusiness, and technology sectors. His focus is in facilitating the growth of businesses as they become public particularly in relation to corporate level reporting and governance.

Mr Lin was previously a specialist tax practitioner for over 10 years with Mallesons, PricewaterhouseCoopers and Deloitte. He speaks fluent Chinese Mandarin, and is a Chartered Accountant and Solicitor of the Supreme Court of Queensland and remains a current practitioner of both professions. He is a director of BDO (Qld) Pty Ltd.

Furthermore, senior management will include **Nicholas Simms** as Commercial Director Infant Milk Formula. Mr Simms is an FMCG specialist with a proven record in strategically applying insights, consumer technology, innovative thinking, financial rigour and strong communication. The founder of NCES Enterprises in 2002, Mr Simms was previously the General Manager International at PZ Cussons following its acquisition of Five:am Organics, the producer of organic yoghurt and cereals. He brings over two decades of experience in management positions within leading Australian FMCG companies including Mars Inc, Golden Circle and HJ Heinz. Mr Simms has been honoured with multiple awards in the food industry, both as an advisor and for product innovation.

If the Acquisition proceeds to the stage of convening the General Meeting, the Company also proposes to seek shareholders' approval at the General Meeting to change its name to "**Bubs Australia Limited**" with effect from settlement of the Acquisition.

Indicative Timetable

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

Event	Date
Announcement of Acquisition	
Company's Shares are suspended from Official Quotation on ASX	6 October 2016
Release of Rights Issue Offer Document, Appendix 3B and Cleansing Notice to ASX	6 October 2016
Record Date for Rights Issue	12 October 2016
Close of offer under Rights Issue Offer Document	27 October 2016
Notice of Meeting sent to Shareholders	3 November 2016
Issue date for securities offered under Rights Issue Offer Document	4 November 2016
Lodgement of Prospectus	11 November 2016
General Meeting held to approve the Acquisition	2 December 2016
Prospectus offer closes	2 December 2016



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Settlement of the Acquisition	9 December 2016
Despatch of holding statements	9 December 2016
Commencement of trading of Shares on ASX (subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and subject to ASX agreeing to reinstate the Company's Shares to quotation)	Week of 19 December 2016

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

Indicative Capital Structure

Set out below is the indicative capital structure of the Company following completion of the Acquisition and Rights Issue. The anticipated capital structure of the Company is only an estimate and is subject to variation.

SHARES	
PRE-CONSOLIDATION	
Shares currently on issue	309,309,136
Shares to be issued pursuant to Rights Issue	61,861,827
Sub-total	371,170,963
POST-CONSOLIDATION	
Shares Post-Consolidation	22,270,258
Capital raising pursuant to the Prospectus	51,500,000
Shares to be issued in consideration for IFC pursuant to the Acquisition	163,400,000
Shares to be issued to related party creditors of the Company ²	1,370,250
TOTAL	238,540,508

Note:

1. Assumes the subscription of \$5,150,000 is raised at \$0.10 per Share.
2. Assumes liabilities of \$137,025 are extinguished at \$0.10 per Share.

OPTIONS	
PRE-CONSOLIDATION	
Options currently on issue	Nil
Total	Nil
POST-CONSOLIDATION	



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Options to be issued to PAC Partners Pty Ltd (or its nominees) ¹	5,844,242
Options to be issued to Nicholas Simms (or his nominees) ²	3,578,108
TOTAL	9,422,350

Notes:

1. Post-Consolidation unquoted options exercisable at \$0.10 on or before that date which is three (3) years after their date of issue, subject to the vesting condition (the Share price equalling \$0.125) being met.
2. Post-Consolidation unquoted options exercisable at \$0.10 on or before the earlier of:
 - a. the date which is 3 years after their date of issue; and
 - b. the date Nicholas Simms ceases to be an employee of The Infant Food Co Pty Limited ACN 164 765 360 as a result of being terminated by way of 'summary dismissal'.

Indicative use of funds table

Sources of funds	\$'000	%	Uses of funds	\$'000	%
Capital raising	5,150	94%	Existing HLS creditors	202	4%
Rights offer	309	6%	Offer costs	300	5%
			Marketing and brand development	1,137	21%
			Business development and expansion	850	16%
			Trading partner costs	800	15%
			Working capital	2,170	40%
Total	5,459	100%	Total	5,459	100%



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The funds raised are to allow the Company to:

- repay existing Hillcrest creditors who are directors of the Company;
- pay costs associated with conducting due diligence and other preparatory expenses associated with the Offer;
- secure market penetration of domestic and Asian markets with marketing investment that supports the growth ambition;
- improve operational and financial agility for business growth – finance and IT infrastructure;
- build on existing supply chain capabilities to increase competitiveness;
- recruit and deploy appropriate human resources;
- manage increased trading partner costs based on top-line growth; and
- utilise working capital to enable growth – administrative costs, inventory.



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PRO-FORMA BALANCE SHEET

	Notes	Actual		Unaudited Pro-
		(Audited) 30 June 2016 IFC \$	(Audited) 30 June 2016 Hillcrest \$	forma Group Merged IFC / Hillcrest \$
Current assets				
Cash and cash equivalents	(2)	2,081,606	21,419	7,743,775
Security deposits		-	100,000	100,000
Trade and other receivables		753,342	2,591	755,933
Inventories		2,467,174	-	2,467,174
Litigation contracts	(3)	-	264,777	-
Other assets		-	249	249
Total current assets		5,302,122	389,036	11,067,131
Non-current assets				
Property, plant and equipment		89,475	3,131	92,606
Intangible assets		1,349,067	-	1,349,067
Total non-current assets		1,438,542	3,131	1,441,673
Total assets		6,740,664	392,167	12,508,804
Current liabilities				
Trade and other payables	(4)	1,120,238	277,746	1,260,959
Borrowings		3,557	-	3,557
Provisions		12,006	56,221	68,227
Total current liabilities		1,135,801	333,967	1,332,743
Non-current liabilities				
Borrowings		35,958	-	35,958
Provisions		11,740	3,650	15,390
Deferred tax liabilities		218,146	-	218,146
Total non-current liabilities		265,844	3,650	269,494
Total liabilities		1,401,645	337,617	1,602,237
Net assets		5,339,019	54,550	10,906,567
Equity				
Issued capital net of non-controlling interest	(6)	8,400,000	21,066,220	15,914,051
Accumulated losses	(1)(c)	(3,060,981)	(21,011,670)	(3,060,981)
Less: Corporate transaction accounting expense	(5)	-	-	(1,946,503)
Total equity		5,339,019	54,550	10,906,567



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(1) Pro-forma Adjustments

(a) Acquisition of The Infant Food Holding Co. Pty Limited (IFC)

In accordance with a Share Sale Agreement to acquire 100% of the issued share capital of IFC, the Company will issue the following consideration 163,400,000 ordinary shares in the Company, issued on a post-Consolidation (proposed) basis, and based upon a value of \$0.10, to the vendors of IFC.

(b) Placement and Capital Raise:

(i) On 16 August 2016 the Company announced it completed a placement of 40,000,000 at a price of \$0.005 per share to raise \$200,000;

(ii) As a condition precedent to the acquisition the Company will undertake a non-renounceable rights issue of 61,861,827 Shares at an issue price of \$0.005 per Share (on a pre-Consolidation basis) to raise \$309,309, to be fully underwritten by PAC Partners Pty Ltd.

(c) For accounting purposes, the acquirer has been identified as IFC and the business combination referred to as a reverse acquisition. Accordingly, the pro-forma Group incorporates the assets and liabilities of the Company and of IFC as if the Group was headed by IFC. At acquisition date the assets and liabilities of IFC (being the acquirer for accounting purposes) are recorded at their book value and the assets and liabilities of the Company (being the acquiree for accounting purposes) are recorded at fair value.

Components of equity (other than issued capital), including retained earnings (or accumulated losses) and other reserves, reflect the balances of the accounting acquirer, IFC.

(d) **Capital Raising:** In accordance the Share Sale Agreement the Company will issue a prospectus to raise \$5,150,000 through issue of 51,500,000 Shares at \$0.10. The PAC Options will be issued to PAC Partners Pty Ltd in lieu of any fees.

(e) **Costs associated with the acquisition of IFC:** For the purposes of the pro-forma, the costs of acquisition for due diligence, preparation of the explanatory memorandum, etc. are assumed to have been incurred and expensed.

(f) **Consolidation:** The equity components of the Company have been adjusted for the proposed consolidation of the Company's securities on a 100 for 6 basis.

(g) **Settlement of creditors:** The Company intends to settle \$137,025 in related party creditors through the issue of 1,370,250 shares on a post-consolidation basis (being \$0.10 per share)

(h) **Disposal of assets:** Hillcrest to enter into an agreement to transfer all of its rights and obligations to its litigation assets (being the one funding agreement it currently has in place) to a third party.

(i) No pro forma adjustment has been made for:

(i) any capital raised as a result of the exercise of any options.

(ii) the issue of 5,844,242 options to PAC Partners Pty Ltd and 3,578,108 options to Nicholas Simms on the basis that such issues will be treated as pre-acquisition entries and therefore be excluded from the equity of proposed group in accordance with (1)(c).



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(2) Cash and cash equivalents

The movement in cash and cash equivalents as reflected in the unaudited pro-forma balance sheet at 30 June 2016 is shown as follows:

	Notes	Minimum \$
Cash and cash equivalents at 30 June 2016 – Actual		2,103,025
<i>Pro-forma adjustments</i>		
- Net proceeds from Prospectus	(1)(d)	5,150,000
- Proceeds from the issue of shares as part of Placement	(1)(b)(i)	200,000
- Issue of shares as part of Rights Issues, net of costs	(1)(b)(ii)	290,750
		<u>7,743,775</u>

(3) Litigation Contracts

The movement in litigation contracts as reflected in the unaudited pro-forma balance sheet at 30 June 2016 is shown as follows:

	Notes	\$
Financial assets at 30 June 2016 – Actual		264,777
<i>Pro-forma adjustments</i>		
- Transfer of litigation assets to a third-party	(1)(h)	<u>(264,777)</u>
		<u>-</u>

(4) Trade and other payables

The movement in cash and cash equivalents as reflected in the unaudited pro-forma balance sheet at 30 June 2016 is shown as follows:

		\$
Borrowings at 30 June 2016 – Actual		1,397,984
<i>Pro-forma adjustments</i>		
- Shares to be issued to settle related party creditors	(1)(g)	<u>(137,025)</u>
		<u>1,260,959</u>

(5) Corporate transaction accounting expense

Corporate transaction accounting expense represents the excess of consideration over the fair value of the Company's net assets as follows:

	Notes	Minimum \$
<i>Pro-forma adjustment: Reverse Acquisition of Hillcrest</i>		
Market value of Company shares on issue, immediately prior to the reverse acquisition at a deemed \$0.10 per share	(6)(d)	7,377,026
Less: Fair value of the Company's net assets (including cash raised in note (2))	(6)(d)	<u>(5,430,523)</u>
Corporate transaction accounting expense	(6)(d)	<u>1,946,503</u>



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(6) Issued Capital

The movement in issued capital as reflected in the pro forma balance sheets at 30 June 2016 is shown below:

(a) Minimum Prospectus Issue	Notes	Minimum Issued ordinary shares No.	Minimum Merged IFC / Hillcrest \$
Hillcrest 30 June 2016– Actual	(6)(b)	269,309,136	21,066,220
<i>Merged Hillcrest / IFC Issued Capital</i>			
Opening: IFC 30 June 2016– Actual		25,000	8,400,000
- Elimination of existing shares of IFC (number)	(6)(c)	(25,000)	-
- Issue of shares as part of Placement	(1)(b)(i)	40,000,000	200,000
- Issue of shares as part of Rights Issues, net of costs	(1)(b)(ii)	61,861,827	290,750
- Existing Company shares	(6)(b)	371,170,963	-
- Less effect of the proposed Consolidation at 100:6	(1)(f)	(348,900,705)	-
- Issued as part Prospectus Issue, net of costs	(1)(d)	51,500,000	5,150,000
- Issued as part of reverse acquisition	(1)(a)	163,400,000	16,340,000
- Shares to be issued to related party creditors	(1)(g)	1,370,250	137,025
- Elimination of existing shares of Hillcrest (value)	(6)(d)	-	(35,669,944)
		238,540,508	15,914,051

(b) **Company Issued Capital:** As at 30 June 2016, Hillcrest had on issue 269,309,136 fully paid ordinary shares.

(c) **Reverse Acquisition – IFC:** The number of shares on issue is adjusted to reflect only the listed entity's (Hillcrest Litigation Services Limited) issued capital.

(d) **Reverse Acquisition – Hillcrest Litigation Services Limited:** The pro-forma adjustment reflects the deemed issue of shares to acquire the Company. Consideration Shares have been issued on a post-Consolidation basis.

(e) The fair value, as determined by the Board, of the Company's net assets at 30 June 2016, per the balance sheet was (\$210,227) plus the net cash raised in note (2) of \$5,331,750, being \$5,121,523. The fair value of the deemed consideration was assessed at a minimum of \$7,377,026, being the sum of the issued capital at 30 June 2016, subject to consolidation, plus (1)(b)(i) and (1)(b)(ii) above at \$0.005 and (1)(c) at \$0.10. The difference between the deemed purchase price and fair value of net assets acquired represents a corporate transaction accounting expense of \$1,946,503.

(f) **Reverse Acquisition – IFC:** As part of the reverse acquisition the issued capital includes the following adjustments (in value only):



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	Notes	Minimum \$
Elimination of existing capital in Hillcrest	(6)(b)	(21,066,220)
Elimination of net Prospectus shares (treated as pre-acquisition equity)	(1)(d)	(5,150,000)
Elimination of Placement (treated as pre-acquisition equity)	(1)(b)(i)	(200,000)
Elimination of Rights Issue (treated as pre-acquisition equity)	(1)(b)(ii)	(290,750)
Elimination of acquisition value of IFC	(6)(c)	(16,340,000)
Add deemed reverse acquisition value of Hillcrest	(5),(6)(d)	7,377,026
		<u>(35,669,944)</u>

For further information please contact:

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