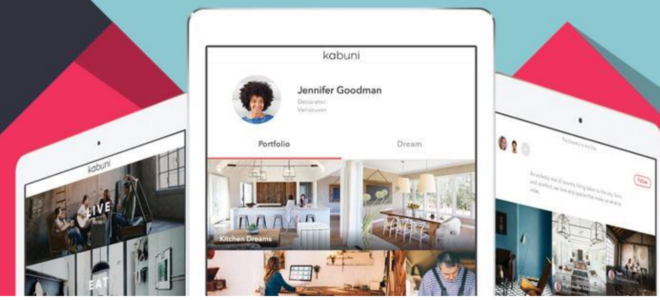
kabuni



15 November 2016
Company Announcements Office
ASX Limited

By E-Lodgement

Financial Statements and MD&A

Kabuni Ltd (ASX: **KBU**) ("Kabuni," or "the Company") has filed its financial results and related management's discussion and analysis for the three months ended 30 September 2016 and the three months ended 31 August 2015 with the British Columbia Securities Commission.

Additional information relating to the Company and its business is available under the Company's profile on SEDAR at www.sedar.com.

For and on behalf of the Board

Tony King
Executive Chairman

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

For further information please contact:
Kabuni Ltd.

Neil Patel
Chief Executive Officer
p: + 1 778-288-1974

Frans Tjallingii
Chief Operating Officer
p: +1 604 612 2349

ABOUT KABUNI

Kabuni is a North American-based SaaS and e-commerce platform in the home design space that enables independent designers and 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 leverages proceeds from the platform to benefit local charitable organizations dedicated to combating homelessness. Kabuni believes in Better Homes for Everyone. For more information, please visit: http://www.kabuni.com/

Kabuni is owned by Kabuni Ltd (ASX: KBU), an Australian-based company publicly traded on the Australian Securities Exchange (ASX). The company's strategic focus is to build a global business in the home space by developing an ecosystem of innovative technologies and solutions to enhance the industry for professionals and consumers alike. For more information, please visit: http://investor.kabuni.com/

kabuni

Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2016
and the Three Months Ended August 31, 2015

(Expressed in Australian dollars)
(Unaudited)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PREPARED BY MANAGEMENT

The accompanying condensed consolidated interim financial statements of Kabuni Ltd., comprised of the Condensed Consolidated Interim Statement of Financial Position as at September 30, 2016 and the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss, Statements of Cash Flows and Statements of Changes in Equity for the three months ended September 30, 2016 and the three months ended Aug 31, 2015 are the responsibility of the Company's management. The independent external auditors of the Company have not reviewed these financial statements.

Kabuni Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Australian dollars)
(Unaudited)

	Note	September 30, 2016 $	June 30, 2016 $
Current Assets			
Cash and cash equivalents	4	610,497	1,958,734
Trade and other receivables	5	119,851	147,748
Prepaid expenses and deposits	6	117,196	142,936
Assets held for sale		5,000	5,000
Total Current Assets		852,544	2,254,418
Non-Current Assets			
Property and equipment	7	779,239	809,469
Total Non-Current Assets		779,239	809,469
Total Assets		1,631,783	3,063,887
Current Liabilities			
Trade and other payables	9	515,272	434,161
Loans payable	10	81,737	84,983
Total Current Liabilities		597,009	519,144
Total Liabilities		597,009	519,144
Net Assets		**1,034,774**	**2,544,743**
Equity			
Issued capital	11	17,334,687	17,338,533
Reserves	12	4,195,481	4,132,432
Accumulated losses	14	(20,472,841)	(18,954,452)
Foreign currency translation reserve		(22,553)	28,230
Total Equity		**1,034,774**	**2,544,743**

Nature and continuance of operations (Note 1)
Commitments (Note 20)
Subsequent events (Notes 22)

Approved on behalf of the Board of Directors:

"Tony King"
Tony King, Executive Chairman

"Neil Patel"
Neil Patel, Managing Director

- See Accompanying Notes -

Kabuni Ltd.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Australian dollars)
(Unaudited)

	Note	For the three months ended September 30, 2016 $	For the three months ended August 31, 2015 $
Revenue		3,014	5,318
Selling expenses		810	3,963
		2,204	1,355
Other income		626	13,094
Operating expenses			
Advertising and promotion		66,701	63,880
Depreciation	7	38,928	2,928
General and administration		145,835	77,861
Insurance		4,516	582
Professional and consulting services		312,974	306,084
Rent		74,621	48,560
Salaries, bonus and benefits		650,422	587,479
Share-based payments	11,12,13	63,049	153,655
Software development		99,173	158,377
Travel expenses		55,772	49,780
Total operating expenses		(1,511,991)	(1,449,186)
Accretion expense on convertible debt		-	(173,595)
Gain on derivative liability		-	207,381
Loss on settlement of accounts payable		-	(119,482)
Loss on settlement of convertible debt		-	(47,892)
Transaction costs		-	(78,720)
Finance costs		(4,061)	(81,651)
Unrealized exchange gain (loss)		(10,972)	63,192
Realized exchange gain (loss)		5,805	(13,198)
Listing expense		-	(8,885,899)
Loss and comprehensive loss		**(1,518,389)**	**(10,564,601)**
Other comprehensive loss			
Exchange loss on translation to Australian dollars		(50,783)	(34,350)
Total loss and comprehensive loss for the period		**(1,569,172)**	**(10,598,951)**
Loss per share			
- basic and diluted		(0.01)	(0.26)

- See Accompanying Notes -

Kabuni Ltd.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Australian dollars)
(Unaudited)

	Note	Number of Shares	Issued Capital $	Share Subscriptions Received $	Share-based Payments / Performance Shares Reserves $	Foreign Exchange Translation Reserve $	Accumulated Losses $	Total $
Balance as at August 31, 2014		**48,037,500**	**189,529**	**53,154**	**-**	**28,883**	**(837,708)**	**(566,142)**
Issuance of shares	11(b)	3,339,318	207,950	(53,154)	-	-	-	154,796
Share-based payments	11(b)	-	246,193	-	-	-	-	246,193
Shares repurchased	11(b)	(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	2	666,666	133,333	-	-	-	-	133,333
Shares issued on settlement of loan	12b	2,800,001	560,000	-	-	-	-	560,000
Shares issued on conversion of loan	11(b)	15,523,810	1,420,000	-	-	-	-	1,420,000
Performance shares issued	12	-	-	-	3,879,716	-	-	3,879,716
Public offer	11(b)	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**
Issuance of shares for services	11(b)	150,000	19,500	-	-	-	-	19,500
Share-based payments	11(b)	333,333	65,000	-	-	-	-	65,000
Performance shares issued	12(a)	-	-	-	133,333	-	-	133,333
Options issued to employees and suppliers	12(b)	-	-	-	119,383	-	-	119,383
Share issue costs		-	(804)	-	-	-	-	(804)
Loss for the period		-	-	-	-	-	(5,782,393)	(5,782,393)
Cumulative translation adjustment		-	-	-	-	62,580	-	62,580
Balance as at June 30, 2016		**130,309,175**	**17,338,533**	**-**	**4,132,432**	**28,230**	**(18,954,452)**	**2,544,743**
Options issued	12(b)	-	-	-	63,049	-	-	63,049
Share issue costs		-	(3,846)	-	-	-	-	(3,846)
Loss for the period		-	-	-	-	-	(1,518,389)	(1,518,389)
Cumulative translation adjustment		-	-	-	-	(50,783)	-	(50,783)
Balance as at September 30, 2016		**130,309,175**	**17,334,687**	**-**	**4,195,481**	**(22,553)**	**(20,472,841)**	**1,034,774**

- See Accompanying Notes -

Kabuni Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Australian dollars)
(Unaudited)

	For the three months ended September 30, 2016 $	For the three months ended August 31, 2015 $
Cash flows from operating activities		
Loss for the period	(1,518,389)	(10,564,601)
Adjustments to reconcile non-cash items		
Depreciation	38,929	2,928
Accretion on convertible debt	-	173,595
Gain on derivative liability	-	(207,381)
Loss on settlement of accounts payable	-	119,482
Loss on settlement of convertible debt	-	47,892
Listing expense	-	8,885,899
Share-based payments	63,049	153,655
Changes in non-cash working capital		
Receivables	27,897	(102,505)
Prepaid expenses and deposit	25,740	(109,523)
Accounts payable and accrued liabilities	81,111	119,836
Net cash used in operating activities	**(1,281,663)**	**(1,480,723)**
Cash flows from investing activities		
Acquisition of intangible assets	-	(5,000)
Acquisition of property and equipment	(38,152)	(129,744)
Net cash used in investing activities	**(38,152)**	**(134,744)**
Cash flows from financing activities		
Repayment of interest on loans payable	-	(14,788)
Proceeds from convertible debt	-	1,420,000
Transaction costs on convertible debt	-	(78,720)
Acquisition of Kabuni Ltd	-	3,565,998
Proceeds from issuance of shares	-	5,438,916
Share issuance costs	(3,846)	(513,713)
Shares repurchased	-	(164)
Net cash (used in) / provided by financing activities	**(3,846)**	**9,817,529**
Impact of exchange rate changes on cash and cash equivalents	(24,576)	(34,350)
Change in cash and cash equivalents during the period	(1,348,237)	8,167,712
Cash and cash equivalents, beginning of the period	1,958,734	249,840
Cash and cash equivalents, end of the period	**610,497**	**8,417,552**

- See Accompanying Notes -

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 consolidated interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. For the period ended September 30, 2016, the Company and its consolidated entities have a net working capital of $255,535 and accumulated deficit of $20,472,841. The Company's ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has achieved profitable operations. Subsequent to the three months ended September 30, 2016, the Company raised $807,300 by completing a private placement in October 2016 as part of a larger financing for the Company (Note 22). The Company will require additional financing prior to the end of the year to provide sufficient working capital to maintain its operations for the 2018 fiscal year.

No provision has been made in these consolidated interim 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 consolidated interim financial statements.

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

2. Reverse takeover transaction ("RTO")

On August 25, 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.

(Expressed in Australian dollars)

2. Reverse takeover transaction ("RTO") (continued)

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 threedirectors 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**

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 was charged to the statement of profit or loss and other comprehensive income 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 AASB 2 Share-based Payments.

3. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting,* using the accounting policies consistent with International Financial Reporting Standards ("IFRS") and with requirements of the Corporations Act 2001 and Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

These condensed consolidated interim financial statements should be read in conjunction with the most recently issued annual consolidated financial statements of the Corporation, which include information necessary or useful to understanding the Corporation's business and financial statement presentation. In particular, the Corporation's significant accounting policies were presented as Note 4 to the consolidated financial statements for the fiscal year ended June 30, 2016, and have been consistently applied in the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 14, 2016.

(b) Basis of preparation

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except certain financial instruments that are measured at fair value at the end of each reporting period, and are presented in Australian dollars ("AUD"). The Company's accounting policies have been consistently applied in preparing these condensed consolidated interim financial statements.

(c) Significant judgements and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The critical judgements and estimates applied in the preparation of the Company's condensed consolidated interim financial statements for the three months ended September 30, 2016 are consistent with those applied and disclosed in note XX to the Company's consolidated financial statement for the year ended June 30, 2016.

(d) Accounting standards issued but not yet effective

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 interim financial statements upon adoption of this new and revised accounting pronouncement.

3. Basis of presentation (continued)

(d) Accounting standards issued but not yet effective (continued)

AASB 9: Financial Instruments and associated Amending Standards

The Standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace *IAS 39 Financial Instruments: Recognition and Measurement*. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objectives is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ("OCI").. For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).. New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an "expected credit loss ("ELC") model to recognize an allowance. Impairment will be measured in a a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company.

AASB 15: Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standards will require the following:

1. Contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract.
2. Determination the transaction price, adjusted for the time value of money excluding credit risk.
3. Allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist.
4. Recognition of revenue when each performance obligation is satisfied.

Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognized as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's customers; the significant judgements made in applying the guidance to those contracts; and any assets recognized from the costs to obtain or fulfil a contract with a customer. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company.

(Expressed in Australian dollars)

3. Basis of presentation (continued)

(d) Accounting standards issued but not yet effective (continued)

AASB 16: Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 *Leases* and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a "right-of-use" asset will be capitalized in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a "right-of-use" asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalized lease will also be recognized, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, earnings before interest, tax, depreciation, and amortisation ("EBITDA") results will be improved as the operating expense is replaced by interest expense and depreciation in profit or lass under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Company,

4. Cash and cash equivalents

For the purposes of the condensed consolidated interim statement of cash flows, cash and cash equivalents include cash on hand and in banks.

	September 30, 2016	June 30, 2016
	$	$
Cash	555,792	1,591,619
Cash equivalents	54,705	367,115
	610,497	**1,958,734**

5. Trade and other receivables

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

	September 30, 2016	June 30, 2016
	$	$
Taxes receivable from governments	95,692	103,694
Other receivables	24,159	44,054
	119,851	**147,748**

At the reporting date, none of the receivables were past due or impaired.

(Expressed in Australian dollars)

6. Prepaid expenses and deposits

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

	September 30, 2016 $	June 30, 2016 $
Prepaid expenses	33,093	55,493
Deposits	84,103	87,443
	117,196	**142,936**

7. Property and equipment

The summary of the Company's property and equipment is as follows:

Cost	Equipment - Office	Furniture - Office	Equipment - Kabuni House	Furniture - Kabuni House	Leasehold Improvements - Kabuni House	Total
Balance at August 31, 2015	$ 48,612	$ -	$ 112,575	$ -	$ -	**$ 161,187**
Additions	106,177	39,175	90,849	113,583	331,706	**681,490**
Cumulative translation adjustment	(1,138)	(544)	880	(1,710)	9,308	**6,796**
Balance at June 30, 2016	$ 153,651	$ 38,631	$ 204,304	$ 111,873	$ 341,014	**$ 849,473**
Additions	198	7,390	1,145	18,362	11,057	**38,152**
Cumulative translation adjustment	(5,869)	(1,475)	(7,803)	(4,273)	(13,024)	**(32,444)**
Balance at September 30, 2016	$ 147,980	$ 44,546	$ 197,646	$ 125,962	$ 339,047	**$ 855,181**
Accumulated depreciation						
Balance at August 31, 2015	$ 4,009	$ -	$ -	$ -	$ -	**$ 4,009**
Depreciation expense	19,271	17,193	-	-	-	**36,464**
Cumulative translation adjustment	(469)	-	-	-	-	**(469)**
Balance at June 30, 2016	$ 22,811	$ 17,193	$ -	$ -	$ -	**$ 40,004**
Depreciation expense	7,750	2,347	1,203	14,425	13,203	**38,928**
Cumulative translation adjustment	(800)	(1,970)	(6)	(78)	(136)	**(2,990)**
Balance at September 30, 2016	$ 29,761	$ 17,570	$ 1,197	$ 14,347	$ 13,067	**$ 75,942**
Carrying amount						
Balance at August 31, 2015	$ 44,603	$ -	$ 112,575	$ -	$ -	**$ 157,178**
Balance at June 30, 2016	$ 130,840	$ 21,438	$ 204,304	$ 111,873	$ 341,014	**$ 809,469**
Balance at September 30, 2016	$ 118,219	$ 26,976	$ 196,449	$ 111,615	$ 325,980	**$ 779,239**

(Expressed in Australian dollars)

8. Intangible assets

During the ten month period ending June 30, 2016, 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 $88,915 (CAD$90,000). The purchase agreement was signed on September 21, 2015, and consideration was paid in full on October 31, 2015. The purchase was completed on September 21, 2015. Management had not assessed the finite life and there was no term or expiry date established for any of the assets acquired.

During the ten month period ending June 30, 2016, the Company wrote off the amount of intangible assets and recorded $93,071 impairment loss.

9. Trade and other payables

	September 30, 2016	**June 30, 2016**
	$	**$**
Trade payables	207,675	125,028
Accruals	304,547	307,851
Other payables	3,050	1,282
	515,272	**434,161**

Trade payables are non-interest bearing and are normally settled on a 30-day basis. Other payables are non-interest bearing and have an average term of 30 days. All amounts are expected to be settled within twelve months.

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 accrued interest at 8% per annum, compounded annually. As at September 30, 2016, the Company had loans outstanding, including accrued interest of $81,737 (CAD$82,179) (June 30, 2016 - $84,983 (CAD$82,179)). 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 released and discharged of all security that was previously held over the Company's assets. During the three month period ending September 30, 2016, the maturity date of the loan was extended to June 30, 2017.

(Expressed in Australian dollars)

11. Share capital

(a) Authorized

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

(b) Issued

Issued capital	**2016**	2015
130,309,175 fully paid ordinary shares (August 31, 2015: 129,825,842 shares)	**$ 17,334,687**	$ 17,254,837

	September 30, 2016		June 30, 2016		August 31, 2015	
	No.	**$**	**No.**	**$**	No.	$
Balance at beginning of the balance period	130,309,175	17,338,533	129,825,842	17,254,837	32,837,500	189,423
Issuance of shares	-	-	-	-	2,739,318	207,892
FV of common shares issued on reverse takeover	-	-	-	-	36,001,000	7,200,200
Shares issued to advisors as finders' fee	-	-	-	-	4,257,547	811,509
Shares issued to directors	-	-	-	-	666,666	133,333
Shares issued on conversion of convertible debt[2]	-	-	-	-	15,523,810	1,420,000
Shares issued on settlement of loan[2]	-	-	-	-	2,800,001	560,000
Public offer[2]	-	-	-	-	35,000,000	6,486,287
Capital raising costs	-	(3,846)	-	(804)	-	-
Share-based payment[3]	-	-	333,333	65,000	-	246,193
Issuance of shares for services[1]	-	-	150,000	19,500	-	-
Balance at end of the period	**130,309,175**	**17,334,687**	**130,309,175**	**17,338,533**	**129,825,842**	**17,254,837**

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

2. 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.

(Expressed in Australian dollars)

11. Share Capital (continued)

(b) **Issued (continued)**

- 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.

3. 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 $207,950 (CAD$201,858). 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 ten month period ended June 30, 2016, 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 the issuance.

(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 $164 (CAD$158) from certain shareholders (Note 2). The shares were returned to treasury.

(d) Escrow shares

As at September 30, 2016, the Company had 19,202,785 common shares classified by the ASX as restricted securities which are being held in escrow. These shares will be released from escrow on September 3, 2017. On August 25, 2016, 27,098,246 common shares were released from escrow.

12. Reserves

	September 30, 2016 $	June 30, 2016 $
Foreign currency translation reserve[1]	(22,553)	28,230
Share based payments and performance shares reserve[2]	4,195,481	4,132,432
	4,172,928	**4,160,662**

1. The foreign exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve.

2. The performance share reserve is used to record the value of Class A performance shares and Class B Performance Shares issued to certain Kabuni employees and the advisors based on the directors' assessment of the likelihood of the performance shares being converted to ordinary shares.

(Expressed in Australian dollars)

12. Reserves (continued)

(a) Performance shares reserve

Performance Shares	Shares Outstanding	$
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**

	September 30, 2016	June 30, 2016
	$	$
Balance at the beginning of the period	4,013,049	3,879,716
Performance shares issued - Directors	-	133,333
Balance at the end of the period	**4,013,049**	**4,013,049**

During the year ended August 31, 2015, in connection with the RTO, the Company issued 37,463,827 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 ten month period ended June 30, 2016, the Company issued 666,666 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 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

   ii. 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, (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

   ii. 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, and (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

   ii. 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,
   (Milestone C); and

(Expressed in Australian dollars)

12. Reserves (continued)

(a) Performance shares reserve (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
   ii. a minimum of 35,000 Registered Home Designers on or before December 31, 2018, (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 unlikely, however management is currently revisiting the performance of certain members to determine if any events in the near future would justify these performance shares, 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 performance shares are owned outright by their holders and do not vest/lapse depending on continued employment.

The Company has assessed the likelihood of the Class C and D performance shares being converted into common shares to be uncertain.

(b) Share based payments reserve

Type	Shares Outstanding	Fair Value $
Listed*	12,000,000	-
Unlisted	7,436,667	182,432
	19,436,667	**182,432**

Type	September 30, 2016 $	June 30, 2016 $
Balance at the beginning of the period	**119,383**	**-**
Employee share-based payments	63,049	112,532
Supplier share-based payments	-	6,851
Balance at the end of the period	**182,432**	**119,383**

*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)

13. Share-based payments

Recognised share-based payment transactions

Share based payment transactions recognised either as operational expenses in the statement of profit or loss and other comprehensive income during the three month period were as follows:

Share-based payment expense

	September 30, 2016 $	August 31, 2015 $
Common shares issued below fair value	-	246,193
Options issued	63,049	-
Balance at the end of the period	**63,049**	**246,193**

i. Employee share based payments

The Company has established an employee share option plan (ESOP). The objective of the ESOP was to assist in the recruitment, reward, retention and motivation of employees of Kabuni Limited. The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option. The table below summarizes options granted to employees during the period ended September 30, 2016:

Grant Date	Expiry date	Exercise price per option	Balance at start of the period	Granted during the period	Exercised during the period	Expired / forfeited during the period	Balance at end of the period	Expense recognised during the period	Exercisable at end of the period
			Number	Number	Number	Number	Number	$	Number
17/03/16	31/03/19	$0.18	-	4,190,001	-	(660,001)	3,530,000	119,383	-[1]
18/08/16	06/11/18	$0.13	-	150,000	-	-	150,000	-	-
18/08/16	31/10/18	$0.13	-	300,000	-	(100,000)	200,000	-	-
18/08/16	06/09/19	$0.13	-	650,000	-	-	650,000	-	-
18/08/16	12/05/19	$0.18	-	100,000	-	-	100,000	-	-
18/08/16	31/03/19	$0.18	-	106,667	-	-	106,667	-	-
				5,496,668		**(760,001)**	4,736,667	**119,383**	**-**

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.

(Expressed in Australian dollars)

13. Share-based payments (continued)

i. Employee share based payments (continued)

The model inputs for options granted during the period ended September 30, 2016 included:

a) options were granted for no consideration;
b) expected life of options was 3.04 years;
c) share price at grant date of $0.15
d) expected volatility of 55.7%;
e) expected dividend yield of nil; and
f) a risk free interest rate of 1.945%.

On August 18, 2016, the Company issued 1,306,667 unlisted options to acquire Shares, to certain of its employees and consultants. The issue was made pursuant to the Company's Employee Option Plan approved by shareholders at the Company's Annual General Meeting ("AGM") held on November 12, 2015.

The purpose of the issue is to attract, motivate and retain employees and consultants and to encourage participation through Kabuni Share ownership. No Director of the Group participated in the issue. The details of the options are as follows:

Number	Exercise Price $	Expiry Date	Listing Status
150,000	$0.13	6-Nov-18	Unlisted
300,000	$0.13	31-Oct-18	Unlisted
650,000	$0.13	6-Sep-19	Unlisted
100,000	$0.18	12-May-19	Unlisted
106,667	$0.18	31-Mar-19	Unlisted
1,306,667			

ii. Share-based payment to suppliers

On February 19, 2016, 2,500,000 stock options exercisable at $0.20 on or before 30 June 2017 were granted to a consultant for corporate advisory services rendered during the financial period and over the coming 12 months 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. These options have been valued using the Black-Scholes option pricing model and are recognised as operational expenses in the statement of profit or loss and other comprehensive income.

Grant Date	Expiry date	Exercise price	Balance at start of the period	Granted during the period	Exercised during the period	Expired during the period	Balance at end of the peiod	Expense recognised during the period	Exercisable at end of the period
			Number	Number	Number	Number	Number	$	Number
19/02/16	30/06/17	$0.15	2,500,000	-	-	-	2,500,000	-	-[1]
			2,500,000	**-**	**-**	**-**	**2,500,000**	**-**	**-**

[1] The options will vest when the share price (based on a 20 Day VWAP) of the Company, as quoted by the ASX, reaches a level of A$0.225.

(Expressed in Australian dollars)

13. Share-based payments (continued)

ii. Share-based payments to suppliers (continued)

The model inputs for options granted during the period ended September 30, 2016 included:

a) options were granted for nil consideration;
b) expected life of options was 1.36 years;
c) share price at grant date of $0.15;
d) expected volatility of 49.7%;
e) 50% discount for probability of achieving target price;
f) expected dividend yield of nil; and
g) a risk free interest rate ranging of 1.81%.

iii. Issue of common shares to directors

During the ten month period ended June 30, 2016, the Company issued 666,666 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.

During the ten month period ended June 30, 2016, 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 the issuance.

iv. Issue of common shares below fair value

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 $207,950 (CAD$201,858). 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.

14. Accumulated losses

	September 30, 2016 $	June 30, 2016 $
Movements in accumulated losses were as follows:		
Opening balance	(18,954,452)	(13,172,059)
Loss for the period	(1,518,389)	(5,782,393)
Closing balance	**(20,472,841)**	**(18,954,452)**

15. 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 September 30, 2016, the Company operated in the following geographic segments: Australia, USA and Canada.

(Expressed in Australian dollars)

15. Segmented information (continued)

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

	September 30, 2016 $	August 31, 2015 $
Australia	-	-
Canada	3,014	5,318
Unallocated items – interest and other income	626	13,094
Total revenue	**3,640**	**18,412**

(b) Loss by geographical region

	September 30, 2016 $	August 31, 2015 $
Australia	(214,497)	(21,716)
Canada	(1,283,066)	(10,542,885)
India	(20,826)	-
Total loss	**(1,518,389)**	**(10,564,601)**

(c) Total assets by geographical region

	September 30, 2016 $	June 30, 2016 $
Australia	164,382	637,474
Canada	1,462,970	2,426,413
India	4,431	-
Total assets	**1,631,783**	**3,063,887**

16. Loss per share

Basic loss per share amounts are calculated by dividing net loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The following reflects the loss and share data used in the total operations basic and diluted earnings per share computations:

	September 30, 2016 $	August 31, 2015 $
Loss used in calculating basic and dilutive EPS	(1,518,389)	(10,564,601)

	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	130,309,175	40,857,865
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	130,309,175	40,857,865

17. 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 Group's receivables, accounts payable and accrued liabilities, and loans payable approximate their carrying values due to their short-term nature. The Group's cash and cash equivalents is measured at fair value using Level 1 inputs.

The Group 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 September 30, 2016, the Group 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 $103,533 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 Group's cash and cash equivalents and receivables are exposed to credit risk. The Group reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. As at September 30, 2016, 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 September 30, 2016, the Company is not exposed to any significant interest rate risk. At September 30, 2016, if interest rates have moved as illustrated in the table below, with all other variables held constant, post tax loss and equity would have been affected as follows:

	Interest Rate	Floating	Fixed	Non Bearing	Total
RBC GIC	0.50%	54,705	-	-	54,705
ANZ-etrade	1.85%	199	-	-	199
Westpac cash reserve	1.05%	35	-	-	35
Westpac cheque a/c	0.65%	119,951	-	-	119,951
Loans payable	8.00%	(81,737)	-	-	(81,737)
Total cash net of loans payable		93,153	-	-	93,153

0.50%		0.25%	
Profit	Equity	Profit	Equity
326	326	163	163

(Expressed in Australian dollars)

17. 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.

18. 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.

19. 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. The compensation made to directors and other members of key management personnel of the Group is set out below:

	September 30, 2016 $	August 31, 2015 $
Professional and consulting fees	-	20,942
Short term employee benefits	157,227	90,314
Directors' fees	20,417	-
Total	**177,374**	**111,256**

(b) Related parties

At September 30, 2016, there was $2,587 contractor fees owing to a director and to a former officer of the company included in trade and other payables. At June 30, 2016, there was $14,345 owing to directors and officers of the company included in trade and other payables.

At September 30, 2016, there was $20,000 directors' fees owing (June 30, 2016 - $12,500) included in trade and other payables.

At September 30, 2016, there was $3,839 receivable owed by an entity controlled by a former CFO. At June 30, 2016, there was $4,261 receivable owed by a director of the Company.

(c) Loans to/from related parties

There were no loans made to directors of Kabuni and other key management personnel of the Company, including their personally related parties during the period. At September 30, 2016, the Company has a loan outstanding, including accrued interest of $81,737 (June 30, 2016 - $84,983) owing to a company controlled by an officer and director of the Company. The loan bears interest at 8% per annum, and was due on June 30, 2016 (Note 10). During the period ended September 30, 2016, the Company is in discussions with the lender with a view to extending the maturity date of the loan to June 30, 2017.

(Expressed in Australian dollars)

20. Commitments

(a) Lease agreement

In June 2015, Kabuni Tech. entered into a binding lease agreement for Kabuni House. Commencing July 1, 2015 the Company will pay monthly rent at a rate of $10,570 (CAD$10,221). 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 at September 30, 2016, excluding operating costs, is as follows:

	CA$	AU$
0-1 years	122,652	121,993
2-5 years	122,652	121,993
	245,304	**243,986**

(b) Termination payments

The Company has commitments in relation to termination payments pursuant to employment contracts.

21. Contingent assets and liabilities

There are no known contingent assets or liabilities as at September 30, 2016.

22. Subsequent events

Except as set out in these condensed consolidated interim financial statements, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial period that, in their opinion, has significantly affected or may significantly affect in future financial years, the operations of the Company, the results of those operations or the Company's state of affairs.

On October 14, 2016, the ASX granted the request of the Company for a voluntary suspension of the Company's securities and on October 17, 2016, the Company announced its intentions to undertake an equity capital raising of up to $5.15 million through a placement to sophisticated and professional investors of 29,900,000 fully paid ordinary shares of the Company for gross proceeds of $807,300 (the "Private Placement") and 15,00,000 stock options for gross proceeds of $15,000 (the "Option Placement") and a partially underwritten non-renounceable pro-rata rights issue of fully paid ordinary shares of the Company on a 1-for-1 basis to raise up to gross proceeds of $4.33 million (the "Rights Issue").

On October 21, 2016, the Company completed the Private Placement and raised gross proceeds of $807,300. As part of the Private Placement, 14,950,000 free attaching options will be issued, exercisable at $0.05 on or before June 30, 2019 (the "Private Placement Options") and are subject to shareholder approval. The Private Placement Options will be issued following shareholder approval being obtained at the Company's upcoming Annual General Meeting to be held on November 18, 2016. There were no underwriting arrangements entered into as part of the Private Placement, however in connection with the Private Placement a cash fee of 6% of the funds raised pursuant the Private Placement has been paid.

The Rights Issue's close, originally scheduled on November 11, 2016, has been extended to November 23, 2016. For every two new shares issued under the Rights Issue, one free attaching option will be issued, exercisable at $0.05 each on or before 30, June 2019 (the "Rights Options"). Of the potential $4.33 million to be raised in the Rights Issue, $2.2 million has been underwritten. If the entire $4.33 is not issued under the Rights Issue, shareholders of the Company will have the ability under the prospectus to apply for shares in excess of their entitlements for any remaining (the "Shortfall Offer"). Both the Rights Issue and Shortfall Offer are subject to a cash fee of 6% of the funds raised respectively.

(Expressed in Australian dollars)

23. Dividends

No dividend was paid or declared by the Company in the period ended September 30, 2016 or the period since the end of the financial period and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial period ended September 30, 2016.

24. Parent entity information

The following details information related to the parent entity, Kabuni Limited, at September 30, 2016. The information presented here has been prepared using consistent accounting policies as presented in Note 3.

	$
Current assets	164,382
Total assets	2,481,592
Current liabilities	(29,049)
Total liabilities	(29,049)
Net assets	**2,452,544**
Issued capital	22,036,540
Reserves	651,520
Accumulated losses	(20,235,517)
	2,452,544
Loss of the parent entity	(214,497)
Total comprehensive loss of the parent entity	**(214,497)**

There are no known commitments, contingent assets or liabilities as at September 30, 2016 in the parent entity (June 30, 2016 - nil).

25. Guarantees

The Company has not entered into any guarantees in relation to the debts of its subsidiary.

kabuni

Management's Discussion and Analysis

For the Three Months Ended September 30, 2016
and the Three Months Ended August 31, 2015

The following discussion and analysis of the financial condition and operations of Kabuni Ltd. (the "Company" of "Kabuni") has been prepared by management as of November 14, 2016, and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended September 30, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial reporting, and the audited annual consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with IFRS. This Management's Discussion and Analysis contains "forward-looking statements" that are subject to risk factors set out in a cautionary note herein. All amounts are in Australian dollars unless otherwise noted.

Highlights

- Kabuni's omni-channel technology platform & marketplace have gained significant traction with 1620 registered designers (up 20% over last quarter) and nearly 6,000 consumers, setting Kabuni up to move to the commercialisation phase.
- Company set to grow the Kabuni Marketplace to include 5,000 designers and 200 makers by the end of fiscal 2017.
- Kabuni House (formerly Kabuni Design Studio) to provide additional source of revenue, with target of 500 paying members by the end of fiscal 2017.
- Board of Directors and Executive Team are strengthened.

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 business is comprised of its technology platform (the "Kabuni Platform"), its marketplace of designers, makers, and consumers (the "Kabuni Marketplace") and its physical retail and work-sharing space, the Kabuni House. Kabuni's shares trade on the Australian Securities Exchange (the "ASX") under the trading ticker "KBU".

The Kabuni Platform

The Kabuni Platform is made up of Apple iOS and web browser-based applications, which provide the interface for users to interact with a sophisticated database and e-commerce system. In the year ended June 30, 2016, the Company launched these applications and made continuous improvements to its technology platform, aimed at improving the user experience and facilitating e-commerce transactions. Users are now offered the complete Kabuni experience, with the ability to collaborate, share design ideas and purchase products from Kabuni's product catalogue.

The Kabuni Marketplace

The Kabuni Marketplace is the community of designers, makers and consumers who, through Kabuni's technology, connect and share design ideas based on Kabuni's catalogue of home furniture and furnishings. The Kabuni Marketplace provides each of its core participants with significant advantages over the existing ways in which they typically do business or shop online. The Kabuni Marketplace includes over 6,000 consumers, 1,500 designers, 50 makers, and a catalogue of products which, through customisation options (such as in respect of fabric type and colour), yields over 51,000 Stock Keeping Units (SKUs).

Kabuni earns revenue from e-commerce transactions, by purchasing the item at wholesale price and re-selling it at its retail price, making a profit on the sale. Kabuni's gross profit margin ranges from approximately 50% in the case of most products from suppliers, to 20%, in the case of some, high-value, hand-crafted maker products. Designers are incentivised to promote sales as they earn income by receiving 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).

The Kabuni House
The Kabuni House (formerly Kabuni Design Studio) is a 300 square metre retail space located in downtown Vancouver, B.C., which serves as a co-working and events space for the design community. Membership revenue from the Kabuni House is expected to serve as a additonal source of revenue for Kabuni.

Market and Business Developments

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). With respect to the United States design industry specifically, industry sources indicate that it is made up of over 68,067 employed interior designers and 12,642 design firms (Source: American Society of Interior Designers (ASID), 2016). It is further estimated that designers in the US and Canada recommend annually over US$68.5 billion in value of products for clients (Source: ASID and Interior Design Magazine Universe Study, 2014 – includes US & Canadian interior design and architecture firms who work on residential or commercial interior design projects and who specify at least US$500,000 worth of products annually). A recent survey of online shoppers indicated that marketplaces have a strong appeal, with 35% of their online product searches starting at marketplaces, 31% at retailers' channels and only 15% starting at search engines (UPS Whitepaper: The Pulse of the Online Shopper, 2016). A recent internal survey conducted of users registered as designers on the Kabuni Platform revealed the following trends:

- Approximately 72% of them are interior designers serving the residential market.
- Approximately 80% of them are female.
- A majority of them are highly educated, with some form of secondary education, and have a design industry accreditation.
- Approximately 40% have over 10 years of experience in the interior design industry.

In the three months ended September 30, 2016, the Company added 421 designers to the Kabuni Platform. This continues the growth trend experienced in the fourth quarter of the year ended June 30, 2016. As at the end of the first quarter, 1,620 registered designers are on the platform. Growing the number of designers on the Kabuni Platform is one of the Company's top priorities with the goal of signing up 5,000 designers on the Kabuni Platform by June 30, 2017. The Company believes that once this critical mass of designers has adopted Kabuni, future adoption will likely be self-sustaining.

The Company also aims to offer unique, locally crafted home furniture and furnishings, and artwork on the Kabuni Marketplace in order to attract and inspire designers and customers to engage on the Kabuni Platform. These unique products are typically less widely available and add to the attractiveness of Kabuni's product offering for designers. These products are created by makers comprised of furniture designers and artists. The Company is targeting to have products from over 200 distinct makers offered for sale on the Kabuni Marketplace by the June 30, 2016. The majority of these makers will be located in British Columbia, Canada, due to the proximity of the Vancouver Kabuni House. In order to grow the community of makers, Kabuni plans on attending industry events, such as design award ceremonies, to identify and contact leading makers, encouraging referrals from its current community of designers and makers and by joining and participating in local crafting and design organisations.

The Kabuni Platform offers an innovative alternative to consumers who are looking to purchase home furnishings or design their homes. Kabuni addresses the paralysis that is often experienced by consumers when faced with an almost unlimited number of product choices online. Kabuni does this by connecting each customer with an interior designer at no charge, to help the customer make those difficult purchasing decisions by sharing design ideas and suggesting products that fit with those ideas. In this way, Kabuni differs from popular platforms like Houzz and Pinterest, where consumers are expected to sift through a large mass of information by themselves. The Company intends to grow its customer base organically by capitalizing on designer's social media connections, securing arrangements with key brand influencers, such as well-known television personalities in the home design space, and putting in place referral programs for customers, thereby incentivising existing users to introduce the Kabuni Platform to new users.

Another way that Kabuni is reaching out to connect customers, designers and makers to the Kabuni Platform is through Kabuni House. In the fourth quarter of the year ended June 30, 2016, Kabuni House was successfully launched in Vancouver, Canada with its grand opening celebration attended by interior designers, decorators, local makers of furniture and art, customers, and press. Kabuni House offers a space for designers, makers and customers to meet, collaborate, and access the Kabuni Platform through the technology tools offered within the Kabuni House, such as the Holographic "Dream Room", interactive multi-touch tables and interactive touch walls, thereby creating a full omni-channel experience. In addition, Kabuni House offers a co-working space, through a paid membership program, for interior designers, makers, architects, realtors and home stagers to work on projects, meet with clients, network and attend monthly events. Members, who are local artists or makers, also have the added benefit of displaying their works at Kabuni House in the gallery-like setting. The membership program is a tiered paid membership model which is estimated to generate an average monthly membership fee of approximately $125 per month per member. The Company aims to grow membership numbers to 500 paying members by June 30, 2017. Should the Company attain this level of monthly membership and achieve the average monthly membership fee per member, then the Company anticipates that sufficient income will be generated to offset the operating costs of the Kabuni House, making it into a profit center. While the paying membership model is in its infancy, by focusing on growing the number of Kabuni House members, the Company aims to promote the Kabuni Marketplace sales while gaining the ability to generate additional membership revenues. Kabuni believes that it will achieve this membership target, primarily by increasing its brand awareness within the local design community in Vancouver. Local awareness of the Kabuni brand is anticipated to be increased by developing a robust schedule of educational, industry-specific events to be held at the Kabuni House. Kabuni also intends to develop relationships with larger interior design firms and schools, further giving visibility to Kabuni in the local design industry. A successful membership program at Kabuni House Vancouver will provide the framework for the development of future Kabuni Houses throughout the major city centers in North American, subject to a positive comprehensive business case assessment.

Additionally, to further create awareness of Kabuni and its brand, the Company will reactivate its Ambassador Program, which was formally launched in February, 2016, and is intended to introduce the Kabuni Platform to designers across Canada and the United States. The initial roster of ambassadors included recognised influencers from Los Angeles, Vancouver, and Seattle. These ambassadors have promoted the Kabuni brand through their social media channels and personal networks, helping to drive designers to the Kabuni Platform. The Ambassador Program was put on hold shortly after the first quarter in the year ended June 30, 2016 while the Company awaited the full development of the platform, and launch of the Kabuni House.

During the year ended June 30, 2017, the Company plans to relaunch the program and increase the number of Kabuni ambassadors to 60 total ambassadors. These ambassadors will be selected from among highly-active Kabuni users and local design industry influencers. They will utilise their influence to introduce their professional networks to the benefits of the Kabuni Platform in enhancing designers' businesses. Through planning and attending events in their local communities, ambassadors are expected to attract new designers and makers to the Kabuni Marketplace.

During the three months ended September 30, 2016 and to the date of this MD&A, the Company significantly strengthened its Board and executive team through the following additions:

- On 18 July 2016, the Company announced the appointment of Mr Colm O'Brien to the Board of Directors following the resignation of Mr Matthew Hehman. Colm has over 20 years' executive level experience in financial services, management consulting, and media industries. He has led ASX listed company Aspermont Limited (ASX: ASP) as CEO and transformed that business from a local mining publication to a global, digitally led resources media business including world leading events.

- On 27 July 2016, the Company appointed Ms. Raquel Hirsch, an accomplished marketing executive, to serve as Kabuni's Chief Revenue Officer. Racquel has been instrumental in honing revenue strategies since joining Kabuni. With the addition of Kabuni's new chief operating officer and for budgetary reasons, Ms. Hirsch in now transitioning from her previously reported position to that of a strategic consultant.

- On 29 July 2016, the Company appointed Mr. Ajai Sehgal to the Board of Directors. Ajai joined Hootsuite as its CTO/CIO in April 2014, leading Software Engineering, IT, Security, and Operations. Prior to Hootsuite, Ajai spent 16 years with the Canadian Armed Forces before joining Microsoft in Redmond WA as a Software Engineering Lead. While at Microsoft, he helped found and scale Expedia from a small group of 40 people within Microsoft into a new public company that became the world's largest travel agency. He later helped establish Groupon's travel business as VP of Product & Technology. With more than 30 years of experience, Ajai specializes in the global scaling of SaaS technology and is leading Hootsuite technology through the next step in its evolution.

- On 17 August 2016, the Company announced the appointment of Lisa Dea, an experienced financial professional, as Chief Financial Officer. Ms. Dea, CPA, CA has over 19 years of experience in the finance, securities, and accounting fields. Lisa has been the CFO of several Toronto Stock Exchange (TSX) and TSX Venture Exchange listed companies where she was responsible for corporate strategy, all aspects of finance and legal, debt and capital market activities, managing banking relationships with the US, Canadian and international banks, internal and external public reporting, financial controls, processes and corporate governance.

- On 5 October 2016, the Company announced the appointment of Frans Tjallingii, an accomplished executive who will bring valuable operational experience to Kabuni, as Chief Operating Officer. Frans has extensive commercial, business development, organizational development and strategy experience in the Marine and Oil and Gas industries. He started in his career in business development at a consulting engineering form. Frans then worked for the Netherlands Government dealing with international maritime environmental treaties and conventions. He joint SMIT in 2004 (currently part of Royal Boskalis Westminster) where he has performed both market and investment analysis and set-up, analyzed and/or helped restructure multiple companies. Frans has a Masters degree in Marine Biology from the University of Groningen (Groningen, the Netherlands) and a Masters of Business Administration from the Rotterdam School of Mangement (Rotterdam, the Netherlands).

Further, on November 14, 2016, the Company announced the retirement of Nik Ajagu from the Board of Directors at the Company's upcoming annual general meeting on November 17, 2016.

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 September 30, 2016.

The Company's 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.

(in Australian dollars)	September 30, 2016 (A$)	June 30, 2016 (A$)	March 31, 2016 (A$)	December 31, 2015 (A$)
Total revenue	3,640	11,241	-	1,186
Total loss and comprehensive loss	(1,569,172)	(1,812,262)	(1,715,359)	(2,192,192)
Loss per share	(0.01)	(0.01)	(0.01)	(0.02)
Total assets	1,631,783	3,063,887	4,965,209	6,601,407

(in Australian dollars)	August 31, 2015 (A$)	May 31, 2015 (A$)	February 28, 2015 (A$)	November 30, 2014 (A$)
Total revenue	18,412	797	-	-
Total loss and comprehensive loss	(10,598,951)	(1,160,503)	(334,625)	(220,973)
Loss per share	(0.26)	(0.02)	(0.01)	(0.00)
Total assets	8,867,818	359,463	44,333	66,593

The quarterly results in the tables above have been determined and prepared in accordance with IFRS accounting principles.

Total loss and comprehensive loss for the three months ended September 30, 2016 has reduced by $243,090 over the three months ended June 30, 2016 as the Company endeavors to streamline operations. Total loss and comprehensive loss remained fairly consistent over the June and March 2016 quarters. The significant increase in the quarterly loss for the period ended August 31, 2015 is the result of non-cash costs of $8,885,899 in relation to the accounting of the Company's reverse-takeover ("RTO") acquisition of the Kabuni business in August, 2015.

Review of Financial Results

The following discussion of the Company's financial performance is based on the condensed consolidated interim financial statements for the three months ended September 30, 2016.

The Company's total loss and comprehensive loss totaled $1,569,172 for the three months ended September 30, 2016, with basic and diluted loss per share of $0.01. This compares with a total loss and comprehensive loss of $10,598,951 with basic and diluted loss per share of $0.26 for the three months ended August 31, 2015. The decrease of $9,029,779 in net loss was principally because of the non-cash listing fee of $8,885,899 during the period ended August 31, 2015 which was offset by the movement of the following:

Revenue
During the three-month period ended September 30, 2016 the Company continued to develop its products and to promote itself within the interior design industry. Initial sales of products and services promoted by the Company occurred for the first time in the fiscal period ended June 30, 2016. Sales for the three months ended September 30, 2016 were very modest and totaled only $3,014.

General and administration
For the three months ended September 30, 2016, general and administration expenses increased by $67,974 as the Company expanded its operations by, among other things, hiring additional staff, increasing promotional and marketing initiatives, and performing certain requirements of a public company.

Rent
For the three months ended September 30, 2016, rent increased by $26,061 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.

Salaries, bonuses and benefits
For the three months ended September 30, 2016, salaries, bonus and benefits increased by $62,943 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.

Share-based payments
For the three months ended September 30, 2016, share-based payments decreased by $90,606. The Company incurred higher share-based compensation in the comparative period last year in relation to institution of payment plan in order to attract and retain individuals necessary for the development and commercialization of the Company's e-commerce platform. The current period is lower due to lesser options vested during the current period.

Travel
For the three months ended September 30, 2016, travel expenses increased by $5,992 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.

Software development
For the three months ended September 30, 2016, software development costs decreased by $59,204 as the Company decreased its reliance on outside technology software development providers as the Company's development office in Bangalore, India is now fully operational.

Advertising and promotion
For the three months ended September 30, 2016, advertising and promotion costs remained consistent with those incurred in the three months ended August 31, 2015. Expenditures are inclusive of sponsorships such as American Society of Interior Designers, as well as social media and traditional advertising efforts employed by the Company to promote the software platform and mobile e-commerce application. During the financial period, the Company also incurred several one-time expenditures associated with the grand opening of the Vancouver Kabuni House (approximately CDN$40,000), and additional video production services from a US-based creative agency (approximately US$40,000) during the same period.

Professional and consulting services
For the three months ended September 30, 2016, professional and consulting services increased by $6,890 due to the increase in the use of legal, accounting and professional consulting services during the period. The Company plans to continue to use professional and consulting services during the upcoming fiscal period, commensurate with operating as both a public company and a growing international business.

Liquidity

Cash and cash equivalents
As at September 30, 2016, the Company's cash balance was $610,497 (June 30, 2016 - $1,958,734), and the Company had a working capital of $255,535 (June 30, 2016 - $1,735,274). The decrease in cash and working capital was a result of an increase in operating activities since the completion of the RTO in August 2015, with increased product development and marketing costs, as well as, investments in capital assets and intellectual property.

Kabuni did not raise funds through the issuance of capital during the three months ended September 30, 2016. However, on October 14, 2016, the Company announced its intentions to undertake an equity capital raising of up to $5.15 million (see the section *Subsequent Events*).

Operating, Financing and Investing Activities
Net cash used in operating activities decreased by $199,060 to $1,281,663 for the three-month period ended September 30, 2016 compared to $1,480,723 for the three-month period ended August 31, 2015. This decrease was primarily due to higher working capital incurred during the prior period as compared to the current period ended September 30, 2016.

Net cash used in investing activities decreased by $96,592 for the three-month period ended September 30, 2016 to $38,152 compared to $134,744 for the three-month period ended August 31, 2015. The Company has invested in capital and intangible investments during the three-month period ended September 30, 2016, primarily through $30,564 invested in improvement of a Vancouver Design Studio and related furniture and equipment. Other capital assets include $7,588 spent on office equipment and fixtures for both the Company's Canadian offices and the Company's software development operations in India.

Cash flows used in financing activities during the three-month period ended September 30, 2016 consist mainly of a share issuance cost of $3,846, as compared to a cash generated of $9,817,529 for three-month period ended August 31, 2015. The comparative period's cash inflow was in connection to the RTO acquisition of the Kabuni business where higher capital raising efforts occurred.

The Company has generated no material revenues to date and as such regular raising of debt finance or issue of securities are required to maintain liquidity. Since inception, the Company has incurred operating losses. Operating revenue started in the last quarter of fiscal year ended June 30, 2016. The Company anticipates that it will continue to incur losses until the e-commerce platform is successfully commercialized and memberships from the Kabuni House reaches critical mass to support operations. The Company's continued operations are dependent on its abilities to generate future cash flows, curtail administration and operational cash outflow as required, or obtain additional debt or equity 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.

Capital Resources

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

The Company has no interest-bearing debt and its credit risk and interest rate risk are minimal. Accounts payable, accrued liabilities and loans payable are short-term and non-interest bearing.

As of September 30, 2016, the Company had 130,309,175 common shares issued and outstanding.

Contractual Obligations and Commitments

In June 2015, the Company entered into a binding lease agreement for the Kabuni Design Studio. Commencing July 1, 2015, the Company pays monthly rent at a rate of $10,570 (CAD$10,221). 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 at September 30, 2016, excluding operating costs, is as follows:

	CA$	**AU$**
0-1 years	122,652	121,993
2-5 years	122,652	121,993
	245,304	**243,986**

The Company has commitments in relation to termination payments pursuant to employment contracts.

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:

	September 30, 2016	**August 31, 2015**
	$	**$**
Professional and consulting fees	-	20,942
Short term employee benefits	157,227	90,314
Directors' fees	20,147	-
Total	**177,374**	**111,256**

Related parties

At September 30, 2016, there was $2,587 contractor fees owing to a director and to a former officer of the company included in trade and other payables. At June 30, 2016, there was $14,345 owing to directors and officers of the company included in trade and other payables.

At September 30, 2016, there was $20,000 directors' fees owing (June 30, 2016 - $12,500) included in trade and other payables.

At September 30, 2016, there was $3,839 receivable owed by an entity controlled by a former CFO. At June 30, 2016, there was $4,261 receivable owed by a director of the Company.

Loans to/from related parties
There were no loans made to directors of Kabuni and other key management personnel of the Company, including their personally related parties during the period. At September 30, 2016, the Company has a loan outstanding, including accrued interest of $81,737 (June 30, 2016 - $84,983) owing to a company controlled by an officer and director of the Company. 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 released and discharged of all security that was previously held over the Company's assets. During the three-month period ending September 30, 2016the maturity date of the loan was extended to June 30, 2017.

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 condensed consolidated interim 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 condensed consolidated interim 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 consolidated 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 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 statement of profit or loss and other comprehensive income;
- 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.

AASB 9 Financial Instruments and associated Amending Standards The Standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace *IAS 39 Financial Instruments: Recognition and Measurement*. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objectives is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ("OCI").. For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).. New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an "expected credit loss ("ELC") model to recognize an allowance. Impairment will be measured in a a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company.

AASB 15: Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standards will require the following:

1. Contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract.

2. Determination the transaction price, adjusted for the time value of money excluding credit risk.

3. Allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist.

4. Recognition of revenue when each performance obligation is satisfied.

Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognized as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's customers; the significant judgements made in applying the guidance to those contracts; and any assets recognized from the costs to obtain or fulfil a contract with a customer. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 *Leases* and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a "right-of-use" asset will be capitalized in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a "right-of-use" asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalized lease will also be recognized, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, earnings before interest, tax, depreciation, and amortisation ("EBITDA") results will be improved as the operating expense is replaced by interest expense and depreciation in profit or lass under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Company,

Financial Instruments and Risks

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 September 30, 2016, the Company is exposed to foreign currency risk through its subsidiary, Kabuni Technologies Inc., 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 $103,533 decrease (increase) in the Company's loss and comprehensive loss for the period.

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 September 30, 2016, 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 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 September 30, 2016, 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 Event

On October 14, 2016, the ASX granted the request of the Company for a voluntary suspension of the Company's securities and on October 17, 2016, the Company announced its intentions to undertake an equity capital raising of up to $5.15 million through a placement to sophisticated and professional investors of 29,900,000 fully paid ordinary shares of the Company for gross proceeds of $807,300 (the "Private Placement") and 15,00,000 stock options for gross proceeds of $15,000 (the "Option Placement") and a partially underwritten non-renounceable pro-rate rights issue of fully paid ordinary shares of the Company on a 1-for-1 basis to raise up to gross proceeds of $4.33 million (the "Rights Issue").

On October 21, 2016, the Company completed the Private Placement and raised gross proceeds of $807,300. As part of the Private Placement, 14,950,000 free attaching options will be issued, exercisable at $0.05 on or before 30 June 2019 (the "Private Placement Options") and are subject to shareholder approval. The Private Placement Options will be issued following shareholder approval being obtained at the Company's upcoming Annual General Meeting to be held on 18 November 2016. In connection with the Private Placement a cash fee of 6% of the funds raised pursuant the Private Placement has been paid third-party brokers appointed as joint-lead managers for the transaction.

The Rights Issue's closing date, originally scheduled on November 11, 2016, has been extended to November 23, 2016. For every two new shares issued under the Rights Issue, one free attaching option will be issued, exercisable at $0.05 each on or before 30, June 2019 (the "Rights Options"). Of the potential $4.33 million to be raised in the Rights Issue, $2.2 million has been underwritten. If the entire $4.33 is not issued under the Rights Issue, shareholders of the Company will have the ability under the prospectus to apply for shares in excess of their entitlements for any remaining (the "Shortfall Offer"). Both the Rights Issue and Shortfall Offer are subject to a cash fee of 6% of the funds raised respectively.

Other than as set out above, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial period that, in their opinion, has significantly affected or may significantly affect in future financial years, the operations of the Company, the results of those operations or the Company's state of affairs.

Share Capital

As of the date of this MD&A, the Company had 160,209,175 issued and outstanding commons shares, 38,130,493 issued and outstanding performance shares, 12,000,000 issued and outstanding listed options, and 7,436,667 issued and outstanding unlisted options.

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

During the ten-month period ended June 30, 2016, 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.

During the ten-month period ended June 30, 2016, the Company issued 666,666 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.

Performance shares outstanding for the Company at the date of this MD&A were as follows:

Performance Shares	Shares Outstanding
Class A	10,032,622
Class B	10,032,625
Class C	9,032,623
Class D	9,032,623
	38,130,493

Options outstanding for the Company at the date of this MD&A related to the following grants:

As part of a concurrent financing, 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:

On February 19, 2016, 2,500,000 stock options exercisable at $0.20 on or before June 30, 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 17, 2016, the Company issued 4,190,001 stock options to certain of its employees and consultants. The issue was made pursuant to the Company's Employee Option Plan (the "Plan") approved by shareholders at the Company's Annual General Meeting ("AGM") held on November 12, 2015.

On August 18, 2016, the Company issued 1,306,667 unlisted options to acquire Shares, to certain of its employees and consultants, pursuant to the Plan.

Of the stock options issued under the Plan as at September 30, 2016, 760,001 have expired without being exercised.

Risks and Uncertainties

The development activities and start-up operations of the Company involves a high degree of business and financial risk. Accordingly, investment in the securities of the Company involves a high degree of risk and should be regarded as speculative due to the nature of the Company's business. The Company has incurred losses and may incur further losses. The following are the relevant risks of the company related to the operations, results, earnings, business and condition and the condensed consolidated interim financial statements of the Company for the quarter ended September 30, 2016 which the Company has reviewed and updated as of the date hereof with respect to such quarter. The following risks are not intended to be a complete list of all risk factors. A full discussion and description of the Company's risks which should be taken into account in assessing important factors that could cause the Company's actual results to differ materially from the Company's expectations and which remain applicable to the Company are disclosed under the heading "Risk Factors" in the Company's Annual Information Form ("AIF") in respect of its financial year ended June 30, 2016, which is filed with Canadian regulators on SEDAR (www.sedar.com) and also available on the Company's website (www.kabuni.com). Any one or more of the following risks could have a material effect on the Company.

The following risks have been identified as being risks specific to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its listed securities.

Limited operating and revenue generation history
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 is in the process of establishing partnerships and relationships, and building brand recognition with users of the Kabuni Platform. The Kabuni 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 consumers will use or continue to use the Platform. 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.

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.

Future capital requirements
The ability of the company to continue as a going concern and meet its administration and other commitments is dependent upon the Company raising further working capital or commencing profitable operations. In the event the Company is unable to raise further working capital or commence profitable operations, the Company may not be able to meet its liabilities as they fall due, or realise its assets at their stated values. 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 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.

Technical operations infrastructure
The Company is expecting significant growth in the number of users being added to the Kabuni 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. 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.

Difficulties in software development
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 Kabuni 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 Kabuni Platform. The continual improvement and enhancement of the Kabuni 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 Kabuni 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.

Third-party cloud storage providers
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 Kabuni 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.

Limited trademark and patent protection
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. 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.

Competition
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.

Key personnel
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.

Insurance risk
In certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Potential acquisitions
As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

Interior design industry
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.

Liquidity risk
There can be no guarantee that there will continue to 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. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offers.

Securities investment risk
Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of technology companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Controls and Procedures

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any systems of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company's internal control over financial reporting during the three months ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

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 ended September 30, 2017; 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.

Form 52-109F2
Certification of Interim Filings
Full Certificate

I, Lisa Dea, Chief Financial Officer of Kabuni Ltd., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Kabuni Ltd. (the "issuer") for the interim period ended September 30, 2016.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a 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 was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings,* for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

    (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

        (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

        (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

    (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsoring Organizations framework.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on July 1, 2016 and ended on September 30, 2016 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: November 14, 2016

"Lisa Dea"

Lisa Dea
Chief Financial Officer

Form 52-109F2
Certification of Interim Filings
Full Certificate

I, Neil Patel, Chief Executive Officer of Kabuni Ltd., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Kabuni Ltd. (the "issuer") for the interim period ended September 30, 2016.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a 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 was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings,* for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsoring Organizations framework.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on July 1, 2016 and ended on September 30, 2016 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: November 14, 2016

"Neil Patel"

Neil Patel
Chief Executive Officer