



PROSPECTUS

MODUN RESOURCES LTD
(TO BE RENAMED 'LIVETILES LIMITED')
ACN 066 139 991

For an offer of 73,333,333 Shares
(on a post-Consolidation basis) at an
issue price of \$0.15 per Share to raise
\$11,000,000 (Offer).

Oversubscriptions of up to a further
6,666,667 Shares at an issue price of
\$0.15 per Share to raise up to a further
\$1,000,000 may be accepted.

Lead Manager and
Underwriter to the Offer



This Prospectus also contains an offer of up to 1,000 Shares at an issue price of \$0.15 per Share to raise \$150 (Cleansing Offer). The Cleansing Offer is included primarily for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company where those issues occur after the Offer has closed.

The Offer and Cleansing Offer are conditional on (amongst other things) events described in the Important Notices Section under the heading Conditional Offer.

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

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered highly speculative.

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INDICATIVE TIMETABLE*

Event	Date
Lodgement of Prospectus with the ASIC	1 July 2015
Opening Date of Offer and Cleansing Offer	2 July 2015
General Meeting of Shareholders	30 July 2015
Closing Date of Offer	31 July 2015
Completion of the Acquisition and issue of Consideration Shares to Sellers	12 August 2015
Issue of Shares under the Offer	12 August 2015
Despatch of holding statements	13 August 2015
Closing of Cleansing Offer	17 August 2015
Expected date for reinstatement to quotation on ASX	Week commencing 24 August 2015

* The above dates are indicative only and may change without notice.
The Company reserves the right to extend the Closing Date or close the
Offer or Cleansing Offer early without notice.



CORPORATE DIRECTORY

Current Directors

Mike Hill
Executive Chairman
(Proposed Non-Executive Chairman)

Hugh Warner
Executive Director

Andrew Gray
Non-Executive Director

Philip Kapp
Non-Executive Director

Proposed Directors

Karl Redenbach
Executive Director and CEO

Matthew Brown
Executive Director and CFO

Peter Nguyen-Brown
Non-Executive Director

Company Secretary

Andrew Whitten

Current ASX Code

MOU

Proposed ASX Code

LVT

Solicitors

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

Registered Office

5/139 Bathurst Street
Sydney, NSW 2000

Telephone: +61 2 8072 1400
Email: info@modunresources.com
Website: www.modunresources.com

Share Registry*

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, VIC 3067

Telephone: +61 3 9415 4000
Facsimile: +61 3 9473 2500

Lead Manager and Underwriter

Blue Ocean Equities Pty Ltd
Level 39, 88 Phillip Street
Sydney, NSW 2000

Telephone: +61 2 8072 2988
Fax: +61 2 8072 2950

Auditor

Stantons International Audit and
Consulting Pty Ltd
Suite 6B, Level 2
51-57 Northbourne Avenue
Canberra, ACT 2601

Investigating Accountant

Stantons International Securities Pty Ltd
Suite 6B, Level 2
51-57 Northbourne Avenue
Canberra, ACT 2601

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.



IMPORTANT NOTICES

This Prospectus is dated 1 July 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

Application will be made to the ASX within seven days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on, and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Shares or the Offers or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

ELECTRONIC PROSPECTUS

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, free of charge, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.modunresources.com.au.

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

WEBSITE

No document or information included on the Company's website is incorporated by reference into this Prospectus.

FORWARD-LOOKING STATEMENTS

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

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

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

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Prospectus.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.



CONDITIONAL OFFER

The Offer and the Cleansing Offer are conditional on events described in Sections 2.3 and 7.1.

In the event that those events do not occur, the Offer and the Cleansing Offer will not proceed and no Shares will be issued pursuant to this Prospectus. If this occurs, Applicants will be reimbursed their application monies (without interest).

CONSOLIDATION

Unless otherwise stated, all references to Securities in this Prospectus are made on the basis that the 50:1 consolidation (Consolidation), for which Shareholder approval is being sought at the General Meeting of the Company to be held on 30 July 2015 (General Meeting), has taken effect.



CHAIRMAN'S LETTER

Dear Investor

On behalf of the Board, I am pleased to present you with this opportunity to participate in the ownership and future growth of LiveTiles Limited (name proposed to be changed from Modun Resources Ltd).

The Company is an Australian Securities Exchange (ASX) listed company which, after deferring its mineral exploration efforts and evaluating other growth alternatives, is proposing to change its activities from a mineral resource exploration company to an information technology company via the acquisition of 100% of the issued capital of LiveTiles Holdings Pty Ltd (LiveTiles) (Acquisition) and to change its name to "LiveTiles Limited".

LiveTiles is an Australian proprietary company headquartered in New York.

LiveTiles has developed a proprietary software tool that operates together with Microsoft's cloud collaboration platforms, including SharePoint, Office 365 and Azure, enabling businesses to rapidly build and deploy modern business solutions including intranets and extranets to their operations. LiveTiles' products are touch-enabled, mobile-friendly, device-agnostic and very easy to reconfigure.

It is proposed that Karl Redenbach (CEO/Co-Founder of LiveTiles), Peter Nguyen-Brown (Co-Founder of LiveTiles) and Matthew Brown (CFO of LiveTiles) will join the Board of the Company upon completion of the Acquisition. Hugh Warner and Philip Kapp will at the same time resign from the Board.

Under this Prospectus, the Company is seeking to raise \$11,000,000 (before costs) via the issue of 73,333,333 Shares at an issue price of \$0.15 per Share (Offer). The Offer is fully underwritten by Blue Ocean Equities. In addition, the Company may accept oversubscriptions of up to another \$1,000,000. These oversubscriptions are not underwritten. The funds raised will primarily be applied towards growing the LiveTiles business, including investment in sales and marketing to further commercialise the LiveTiles products. The Offer and the Cleansing Offer are subject to various conditions which are summarised in Section 2.3 of this Prospectus.

Upon completion of the Acquisition and re-listing on ASX, the Company will have a market capitalisation at the Offer issue price of \$55.3 million (assuming that no oversubscriptions are accepted).

This Prospectus contains information about Modun, LiveTiles, the Offer and the Acquisition. It also contains information about the potential risks of investing in the Company. I encourage you to read this Prospectus carefully and consult with your professional advisers.

On behalf of the Board, I invite you to subscribe for Shares in the Company and look forward to welcoming you as a Shareholder.

Yours faithfully

Mike Hill
Chairman



1

INVESTMENT OVERVIEW

1

INVESTMENT OVERVIEW

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

Question	Answer	More
Who is the issuer of this Prospectus?	Modun Resources Ltd ACN 066 139 991 (ASX:MOU) (Company).	Section 1.2
Who is MOU?	The Company was admitted to the ASX in August 1999. Most recently, the Company has been focussing on its Nuurst Thermal Coal Project in Mongolia. On 24 November 2014, the Company announced its intention to dispose of the Nuurst Thermal Coal Project and in April 2015 announced that it had executed a binding conditional share sale agreement to acquire LiveTiles.	Section 1.2
Who is LiveTiles?	LiveTiles is an Australian incorporated proprietary company headquartered in New York, with offices in Melbourne and Richland, Washington State. It has developed a proprietary software tool that deploys on top of Microsoft's cloud collaboration platforms, enabling businesses to build and utilise modern user computer interfaces, including intranets (internal private websites) and extranets (external private networks).	Section 1.3 and Section 3
Who are the people behind LiveTiles?	LiveTiles was founded by technology entrepreneurs Karl Redenbach (Proposed Director and CEO) and Peter Nguyen-Brown (Proposed Director). Details of the Proposed Directors and senior management team are provided in Sections 1.15 and 6.2.	Section 1.15 Section 6.2
What is the Acquisition?	On 27 April 2015, the Company announced that it had entered into a conditional share sale agreement to acquire 100% of LiveTiles. A summary of the key terms of the Share Sale Agreement, including a list of all of the remaining conditions precedent that are required to be satisfied or waived (where possible) is set out in Section 7.1. Following the completion of the Acquisition, the Company will focus on the development of the business of LiveTiles and will look to dispose of its interest in the Nuurst Thermal Coal Project.	Section 7.1
Why is the Offer a 'conditional offer'?	Completion of the Acquisition and the Offer is subject to certain conditions (summarised in Sections 2.3 and 7.1). One of those conditions is the approval of Shareholders of the Company at the General Meeting of Shareholders to be held on 30 July 2015. If Shareholders do not approve all of the relevant resolutions, the Company will be unable to make the Offer and the Company will be unable to complete the Acquisition.	Section 2.3 and Section 7.1

What industry will the Company operate in following completion of the Acquisition?

Completion of the Acquisition will result in the nature and scale of the Company's activities being significantly changed.

Section 1.3 and Section 3.2

How does LiveTiles generate its revenue?

Since early 2015, LiveTiles has been generating revenue by providing its software to commercial customers on a subscription basis.

Section 3.6

What is LiveTiles' value proposition?

Business software is often cumbersome, difficult to use and expensive to reconfigure. LiveTiles helps solve these problems by providing the following benefits to organisations:

Section 3.6

- higher user adoption;
- easy to use and configure;
- rapid deployment;
- seamless integration with other business applications and internal and external content; and
- cost effective.

What are the key risks for LiveTiles and the Company?

A list of key risks associated with an investment in the Company under this Prospectus, is provided in Section 5. Key risk factors include:

Section 5

Reinstatement of Shares to trading on ASX

It is anticipated that the Company's Shares will be suspended or placed in a trading halt prior to market open on the date of the General Meeting. In the event all Acquisition Resolutions are approved at the General Meeting, it is anticipated that the Company's securities will remain suspended until completion of the Share Sale Agreement and Offer, re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and compliance with any further conditions ASX imposes on such reinstatement.

Microsoft relationship

LiveTiles has a close relationship with Microsoft and LiveTiles' products currently integrate with various Microsoft products including SharePoint, Office 365 and Azure. If LiveTiles is unable to maintain a close relationship with Microsoft, or if any such Microsoft products are discontinued or experience declining market share, the Company's market position and financial performance may be adversely affected.

Reliance on sales & marketing success

Following completion of the Offer, the Company intends to fully commercialise the LiveTiles product by focussing on sales and marketing. There is no guarantee that LiveTiles' sales and marketing strategy will be successful.

Limited trading history

LiveTiles is an early-stage business with a limited trading history. Since commencement of the LiveTiles concept in 2012, LiveTiles' activities have primarily comprised spending money to develop LiveTiles' products, which have resulted in the Company making continued losses.

Intellectual property risks

If LiveTiles fails to protect its intellectual property rights adequately, competitors or potential competitors may gain access to its technology which could harm the LiveTiles business. LiveTiles currently has no granted patents (only a patent application) and LiveTiles may not be able to obtain patent protection in the future. If any patents are granted in the future, they may not provide LiveTiles with any competitive advantages, or may be challenged by third parties. In addition, the Company will need to ensure it does not infringe any other third party intellectual property rights as it continues to develop its product.

Conditions of the Acquisition

The Acquisition is subject to the fulfilment of certain conditions. If the conditions precedent summarised in Section 7.1 are not met, the Acquisition will not be completed.

Reliance on key personnel

The development of LiveTiles' business has been largely due to the effort, experience and leadership of its management team, including the co-founder and CEO, Karl Redenbach. LiveTiles is also dependent on the continued service of its existing development personnel because of the complexity of its technologies.

Reliance on partners

LiveTiles relies on partners to distribute the LiveTiles product to their underlying customers. If LiveTiles is not able to attract and retain suitably qualified and productive partners, it may not be able to implement its business plan.

Liquidity risk

Upon reinstatement of the Company's securities to quotation on ASX, a significant portion of the Shares on issue will be subject to escrow restrictions imposed by the ASX Listing Rules and the Voluntary Escrow Agreements. This will impact liquidity in the Shares as a large portion of the issued capital may not be able to be traded freely for a period of up to 24 months.

What is the Company's business plan following completion of the Offer?

The main objectives on completion of the Offer and the Acquisition of LiveTiles are to:

- pursue LiveTiles sales and marketing strategy which is focused on increasing penetration with existing customers and pursuing new customers;
- grow the LiveTiles direct sales and partner sales team in the short term;
- fund the development of LiveTiles' products and potential other products, services and investments or other third party ventures as determined by the Directors from time to time;
- investigate the development of potential strategic partnerships with third parties;
- meet the ongoing costs of the Company and its subsidiaries; and
- pay the costs of the matters proposed in the Acquisition and the Offer.

Section 1.6

How does the Company expect to fund its operations?

Under the Offer, the Company will raise \$11,000,000 (before expenses and assuming no oversubscriptions). The present intention is to use the Company's funds, including funds raised under the Offer in the manner set out in Section 1.8.

The Directors and the Proposed Directors consider that the amount raised under the Offer will allow the Company to meet its stated business objectives.

Section 1.8

What is the Cleansing Offer?

The Cleansing Offer is intended to remain open following the closing of the Offer until all Shares under the Acquisition have been issued in order to ensure that all Shares issued under the Acquisition will be capable of being traded on ASX from the date of issue (subject to any escrow restrictions imposed on those Shares).

1.2

BACKGROUND ON THE COMPANY

The Company is an Australian public company, incorporated on 24 August 1994 and listed on the Australian Securities Exchange on 17 August 1999 (ASX: MOU).

The Company currently holds a 100% interest in the Nuurst Thermal Coal Project in Mongolia. On 24 November 2014, the Company announced a highly conditional agreement to sell the Nuurst Thermal Coal Project. Further, on 5 February 2015, the Company announced that it had agreed to extend the exclusive due diligence period for the purchaser to continue its due diligence on the project for a further two months expiring on 30 April 2015. Whilst the exclusivity period has expired, the Company continues to negotiate with the proposed purchaser. In the event that the agreement to sell the Nuurst Thermal Coal Project does not complete, the Company will seek to negotiate with other interested parties to sell its interest in the Nuurst Thermal Coal Project.

On 27 April 2015, the Company announced that it had executed a binding conditional share sale agreement with the current shareholders of LiveTiles Holdings Pty Ltd (ACN 603 266 888) (LiveTiles) (Share Sale Agreement) pursuant to which the Company proposes to acquire 100% of the issued share capital in LiveTiles.

The Company has convened the General Meeting to seek the approval of its Shareholders for the acquisition of LiveTiles and the change in the nature and scale of the Company's business and operations to enable the Company to focus on developing opportunities in the software development sector. The General Meeting is to be held on 30 July 2015.

1.3

LIVETILES

LiveTiles is an Australian incorporated proprietary company headquartered in New York, with offices in Melbourne and Richland (Washington State).

The LiveTiles concept was founded in 2012 by Karl Redenbach and Peter Nguyen-Brown. Prior to December 2014, LiveTiles was part of the nSynergy Group. The nSynergy Group's core business was technology consulting. In December 2014, LiveTiles was demerged from the nSynergy Group when rhipe Limited (ASX: RHP) (rhipe) acquired the nSynergy Group.

LiveTiles, together with its three subsidiaries (together the LiveTiles Group), is involved in the development of a proprietary software tool that deploys on top of Microsoft's cloud collaboration platforms including SharePoint, Office 365 and Azure, enabling organisations to build and deploy modern user computer interfaces and business solutions, including intranets and extranets. The LiveTiles Group includes:

- (a) LiveTiles Holdings Pty Ltd (ACN 603 266 888);
- (b) LiveTiles Pty Ltd (ACN 601 177 691) (wholly owned subsidiary);
- (c) LiveTiles R and D Pty Ltd (ACN 158 548 700) (wholly owned subsidiary); and
- (d) LiveTiles LLC (a company incorporated in the United States of America, company number 46-5181168) (wholly owned subsidiary).

In February 2015, it was announced that LiveTiles had achieved the 2014 Microsoft Asia Pacific Platinum Partner Award in the Independent Software Vendor category.

1.4

THE ACQUISITION

In exchange for the Company acquiring 100% of the issued Shares in LiveTiles, the Company will issue by way of consideration 225,000,000 Shares (Consideration Shares) to the shareholders of LiveTiles (Sellers).

1.5

EFFECT OF THE ACQUISITION

The effect of the Acquisition is that the nature and scale of the activities of the Company will change as the Company proposes to focus on development of the business of LiveTiles as outlined in this Prospectus upon completion of the Acquisition. The acquisition of LiveTiles is an event which requires the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules, including, among other things, seeking Shareholder approval for the acquisition of LiveTiles and the other Acquisition Resolutions, issuing a prospectus and obtaining a sufficient number of Shareholders with the requisite number of Shares in accordance with those rules.

The effect of the Acquisition is set out in the capital structure table in Section 1.9 below and the financial information in Section 4 and elsewhere in this Prospectus.

1.6

BUSINESS MODEL, NEW BUSINESS DEVELOPMENT AND COMPANY OBJECTIVES

On completion of the Acquisition, the Company will hold a 100% interest in LiveTiles and the LiveTiles business.

As outlined in this Prospectus, the Company's intention is to dispose of its interest in the Nuurst Thermal Coal Project. The Company's main objectives on completion of the Offer and the Acquisition are:

- pursuing the LiveTiles' sales and marketing strategy which is focused on increasing penetration with existing

- customers and pursuing new customers;
- growth of the LiveTiles direct sales and partner sales team in the short term;
- funding the development of LiveTiles' products and potential other products, services and investments or other third party ventures as determined by the Directors from time to time;
- investigate the development of potential strategic partnerships with third parties;
- meeting the ongoing costs of the Company and its subsidiaries; and
- paying the costs of the matters proposed in the Acquisition and Offer.

On completion of the Offer, the Board considers the Company will have sufficient working capital to achieve these objectives. Further information in relation to the proposed use of funds raised under the Offer is set out in Section 1.8.

A summary of the LiveTiles Group and the LiveTiles business model is set out in Section 3.

1.7

THE OFFER

Under the Offer, the Company invites applications for 73,333,333 Shares at an issue price of \$0.15 per Share to raise \$11,000,000 (before costs).

Prior to completion of the Acquisition, LiveTiles may enter into a convertible note agreement pursuant to which it will receive funds of up to \$1,000,000. Accordingly, up to \$1,000,000 of the funds to be raised under the Offer may be raised through the conversion of the convertible note(s) issued by LiveTiles being converted into equity in the Company, such that the Company will not raise the full \$11,000,000 in cash, but will instead effectively reduce the Company's liabilities following the closure of the Offer and completion of the Acquisition to create a net effect by offsetting the investor's application against the amount owing to it under the convertible note. As at the date of this Prospectus, the identity of the lender is not yet known, however, the lender will not be a related party of the Company.

The purpose of the Offer is to position the Company to seek to achieve the objectives set out in Section 1.6 above and to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules. This is sought for the purpose of seeking ASX's approval for reinstatement of the Company's Shares to quotation a change to the nature and scale of the Company's activities.

Under the Cleansing Offer, the Company offers 1,000 Shares at an issue price of \$0.15 per Share to raise \$150.

The Cleansing Offer is included primarily for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company where those issues occur after the Offer has closed.

The key information relating to the Offer and the Cleansing Offer and references to further details are set out below.

1.8

USE OF FUNDS

The Company has current cash reserves of \$470,000 as at the date of this Prospectus.

The Company intends to apply funds raised from the Offer, together with existing cash reserves, as follows over the first two years following reinstatement of the Company to quotation on the Official List of ASX after completion of the Acquisition, the Offers and re-compliance with Chapters 1 and 2 of the ASX Listing Rules as set out below.

Funds available	Full Subscription (\$11,000,000)	% of Funds
Existing cash reserves of the Company ¹	\$470,000	4.10%
Funds raised from the Offer	\$11,000,000	95.90%
Total²	\$11,470,000	100%
Allocation of funds		
Product development	\$2,600,000	22.67%
Sales and marketing	\$5,000,000	43.59%
Broker fees payable to Blue Ocean	\$523,000	4.56%
Expenses of the Offer ³	\$651,135	5.68%
General working capital and operating expenses ^{4,5}	\$2,695,865	23.50%
Total	\$11,470,000	100%

Notes:

1. US\$100,000 is currently held on trust as a deposit under the Nuurst Sale Agreement (refer to Section 7.3).
2. In the event that completion of the sale of the Company's Nuurst Thermal Coal Project occurs in accordance with the Nuurst Sale Agreement, the Company will receive additional funds in consideration for the sale. The key terms of the Nuurst Sale Agreement are set out in Section 7.3.
3. Refer to Section 8.12 of this Prospectus for further details.
4. Includes administration costs of running the Company, including the costs of paying salaries to staff, as well as for general corporate costs including rent and the provision of services to the Company.
5. Prior to completion of the Acquisition, LiveTiles may enter into a convertible note agreement pursuant to which it will receive funds of up to \$1,000,000. As at the date of this Prospectus, no convertible note agreement has been entered into and the lender is not yet known, but will not be a related party of the Company. The effect of the lender participating in the Offer would be that the amount of the outstanding loan as at the date of completion of the Acquisition would be effectively netted off against the cash subscription price of the Shares in the Offer for which the lender will subscribe. This will have the effect of reducing the amount of cash that the Company will practically receive under the Offer, but will decrease the debt owing by the Company (through LiveTiles) to the lender by the same amount. This process is the same as if the lender paid for the Shares under the Offer and the Company then repaid the outstanding note amount from the proceeds of the Offer.

In the event that the Company accepts oversubscriptions, those funds will first be applied to any increased expenses and then towards increased sales and marketing expenditures.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events, including the outcome of the Company's proposed activities in the software development sector and its associated business ecosystems, and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Funds raised from the Cleansing Offer will be allocated to general working capital and operating expenses.

1.9

CAPITAL STRUCTURE

The capital structure of the Company following completion of the Consolidation, the Offers and the issue of the Consideration Shares is summarised below¹:

Shares	Full Subscription (\$11 million)	Oversubscriptions Subscription (\$12 million)
Current issued capital (prior to the Consolidation)	1,774,139,534	1,774,139,534
Estimated issued capital following the proposed Consolidation ²	35,482,791	35,482,791
Issue of Consideration Shares	225,000,000	225,000,000
Issue of Shares pursuant to the Offer	73,333,333	80,000,000
Issue of Shares pursuant to Management Incentive Plan ³	35,000,000	35,000,000
Issue of Shares pursuant to the Cleansing Offer	1,000	1,000
Total on completion of the Offers	368,817,124	375,483,791

Options	Full Subscription (\$11 million)	Oversubscriptions Subscription (\$12 million)
Options currently on issue ⁴	454,000,000	454,000,000
Estimated Options on issue following the proposed Consolidation ²	9,080,000	9,080,000
Total on completion of the Offers	9,080,000	9,080,000

Notes:

1. Refer to the Investigating Accountant's Report set out in Section 4 for further details.
2. The post-Consolidation issued capital and Options of the Company is only an estimate and is subject to variation, for example arising from rounding of individual security holdings.
3. The Company is seeking Shareholder approval at the General Meeting to issue Shares to Mike Hill, Andrew Gray and each of the Proposed Directors (each a Director Participant) pursuant to the Management Incentive Plan. If issued, the Shares will vest upon the later of satisfying specified time and performance vesting conditions. Further details are set out in the Notice of Meeting.
4. On a pre-Consolidation basis, these Options comprise:
 - (a) 36,000,000 unlisted Options exercisable at \$0.04 each on or before 31 December 2015 (720,000 unlisted options exercisable at \$2.00 post-Consolidation);
 - (b) 36,000,000 unlisted Options exercisable at \$0.06 each on or before 31 December 2015 (720,000 unlisted options exercisable at \$3.00 post-Consolidation);
 - (c) 32,000,000 unlisted Options exercisable at \$0.10 each on or before 31 December 2015 (640,000 unlisted options exercisable at \$5.00 post-Consolidation); and
 - (d) 350,000,000 unlisted Options exercisable at \$0.002 each on or before 21 October 2017 (7,000,000 unlisted options exercisable at \$0.10 post-Consolidation, subject to the Share price trading at \$0.25 or above for an average of 20 business days). The Options are not exercisable until the Share price of the Company has traded at \$0.005 or above for an average of 20 business days (using the 20 day volume weighted average price).

1.10

SUBSTANTIAL SHAREHOLDERS

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and as estimated on completion of the Acquisition and Offers (assuming full subscription) are set out in the respective tables below.

As at the date of the Prospectus (on a pre-Consolidation basis)

Shareholder	Shares	%
Hugh Warner and his associates	231,205,528	13.03%
Leilani Investments Pty Ltd ATF <Rice Family Investment A/C>	130,000,000	7.33%

On completion of the Offers and the Acquisition assuming no Options are exercised (on a post-Consolidation basis)

Shareholder	Shares	%
Karl Redenbach and his associates	109,687,638	29.74%
Peter Nguyen-Brown and his associates	96,937,638	26.28%
rhipe LiveTiles Pty Limited	24,469,224	6.63%

The Company will announce to the ASX details of its top 20 Shareholders (following completion of the Offers) prior to the Shares being reinstated to trading on ASX.

1.11

RESTRICTED SECURITIES

Subject to the Company's Shares being reinstated to Official Quotation, certain Shares in the Company will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.

1.12

FINANCIAL INFORMATION

Following the change in the nature of its activities, the Company will be focused on developing the LiveTiles business. Therefore, the Company's past operations and financial historical performance will not be of significant relevance to future activities.

The Directors consider that it is not possible to accurately predict the future revenues or profitability of the Company or LiveTiles' business or whether any material revenues or profitability will eventuate. Prior to the date of this Prospectus, the Company has been operating its mining exploration business. As stated above, the Directors do not consider that these early results provide sufficient evidence to predict any future material revenues or profitability.

As a result, the Company is not in a position to disclose any key financial ratios or financial information other than the financial statements included in Section 4 of this Prospectus.

The initial funding for the Company's future activities will be generated from the Offer of Shares pursuant to this Prospectus and existing cash reserves. The Company may need to raise further capital in the future to continue to develop the business of LiveTiles, and such amounts may be raised by further equity raisings, or the Company may consider other forms of debt or quasi-debt funding if required.

1.13

TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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

1.14

DIVIDEND POLICY

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's proposed activities in the software development sector and related business ecosystems. These activities are expected to dominate the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

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

1.15

DIRECTORS, PROPOSED DIRECTORS AND KEY PERSONNEL

In accordance with the terms of the Share Sale Agreement and with effect from completion of the Acquisition, Hugh Warner and Philip Kapp will resign as Directors of the Company and Karl Redenbach, Peter Nguyen-Brown and Matthew Brown (Proposed Directors), will be appointed to the Board of the Company. Andrew Gray will remain in his existing role and Mike Hill will continue as the Company's Non-Executive Chairman following completion of the Acquisition.

The new Board, comprising Mike Hill, Andrew Gray and the Proposed Directors and their respective backgrounds and proposed roles in the Company effective upon completion of the Acquisition are as follows:

(a) Mike Hill

Executive Chairman (Proposed Non-Executive Chairman)

Mike Hill has more than 20 years' experience working on corporate and private equity transactions in Australia and the UK. He is a former partner of Ernst & Young in their M&A team and in 2003 joined Ironbridge, a leading Sydney based private equity firm with \$1.5bn of funds under management. Mike has worked as a senior member of the investment team at Ironbridge for more than 10 years covering deal assessment, investment management and exit planning across a number of the Ironbridge portfolio companies.

Mike has experience across numerous industries where he has served on company boards involved in the technology, retail, healthcare, media, waste services, tourism, hospitality and manufacturing sectors. His involvement with companies in these industries has been to work closely with founders and executive management teams to execute strategic growth objectives.

Mike is currently the Executive Chairman of rhip Limited (ASX: RHP), Chairman of INT Corporation Ltd (ASX:INT), Chairman of HJB Corporation Limited (ASX:HJB) and a Non-Executive Director of JustKapital Litigation Partners Limited (ASX:JKL).

He is a member of the Institute of Chartered Accountants in Australia.

(b) Andrew Gray

Non-Executive Director

Andrew Gray is currently the Chairman of the board of directors for Talent2 International Pty Ltd and is the founding managing director of Value Capital Partners. He also serves as a non-executive director of Tigers Realm Coal Limited (ASX: TIG) and V8 Supercars, and is on the board of Hit100, an emerging diabetes management company.

Prior to Value Capital Partners, Mr Gray was the managing director of Archer Capital, where he led the acquisition and subsequent sale of MYOB, Archer Capital's most successful investment, and the acquisition of V8 Supercars. Prior to joining Archer Capital, Andrew was a partner with Francisco Partners, a US\$5 billion private equity manager focused on technology companies, where he led numerous transactions including the acquisition of Mincom, and the divisional purchase of Aderant from Solution6. He has also led many deals in the United States and Europe including CMAC Micro Technology, Ex Libris, and Endeavor Systems. Prior to Francisco Partners, Andrew co-founded and was chief operating officer of software firm Abilizer Solutions which was ultimately sold to BEA. Andrew began his private equity career as a principal at Genstar Capital and early in his career, Andrew was a management consultant at McKinsey & Company, and an investment banker at James D. Wolfensohn in New York.

Andrew has a Bachelor of Aeronautical Engineering (first class honors) from Sydney University and an MBA from Harvard Business School.

Proposed Directors

(a) Karl Redenbach

Proposed Chief Executive Officer and Executive Director

Mr Redenbach co-founded the LiveTiles concept, together with Peter Nguyen-Brown, in 2012. Mr Redenbach was a co-founder and the former CEO of the nSynergy Group, a global technology consulting business which was sold to ASX-listed rhipe Limited in December 2014.

Karl Redenbach holds a Bachelor of Laws and a Bachelor of Arts from Monash University. Karl was awarded CEO of the year by the Australian Human Resources Institute in December 2014.

Mr Redenbach is not a director of any other ASX listed company.

(b) Matthew Brown

Proposed Chief Financial Officer and Executive Director

Matthew Brown joined LiveTiles in January 2015 as the company's Chief Financial Officer. Mr Brown was previously a Division Director with Macquarie Capital in Sydney and New York. During his 12 years at Macquarie Capital, Matthew advised on over \$10 billion of mergers, acquisitions, divestments and capital raising transactions.

Mr Brown holds a Bachelor of Commerce degree and a Bachelor of Laws degree from the University of Sydney.

Mr Brown is not a director of any other ASX listed company.

(c) Peter Nguyen-Brown

Proposed Non-Executive Director

Mr Nguyen-Brown co-founded the LiveTiles concept, together with Karl Redenbach, in 2012. Mr Brown is the Vice President of Solutions and Support for rhipe Limited. Peter was formerly Chief Operating Officer and co-founder of the nSynergy Group, a global technology consulting business which was sold to ASX-listed rhipe Limited in December 2014.

Peter Nguyen-Brown holds a Bachelor of Applied Science in Computer Science and Software Engineering from Swinburne University. Mr Brown has 20 years IT experience, including 15 years consulting and managing consulting teams for enterprise solutions.

Mr Nguyen-Brown is not a director of any other ASX listed company.

announced to ASX prior to the Company's re-instatement to trading on ASX's Official List.

In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.modunresources.com).

1.17

DISCLOSURE OF INTERESTS

The relevant interests of each of the existing Directors in the securities of the Company following completion of the Offers and Acquisition, are set out in the table below (on a post-Consolidation basis).

Existing Directors

Director	Shares	Options
Mike Hill	3,416,667 ^{3,4}	3,000,000 ¹
Andrew Gray	6,583,334 ^{3,4}	1,500,000 ¹
Hugh Warner	4,624,111	1,940,000 ²
Philip Kapp	200,000	800,000 ¹

Notes:

- Unlisted Options exercisable at \$0.10 each on or before 21 October 2017. The Options are not exercisable until the Share price of the Company has traded at \$0.25 or above for an average of 20 business days (using the 20 day volume weighted average price).
- Option comprise of the following (on a post-Consolidation basis):
 - 80,000 Options exercisable at \$2.00 on or before 31 December 2015;
 - 80,000 Options exercisable at \$3.00 on or before 31 December 2015;
 - 80,000 Options exercisable at \$5.00 on or before 31 December 2015; and
 - 1,700,000 Options exercisable at \$0.10 on or before 21 October 2017. The Options are not exercisable until the Share price of the Company has traded at \$0.25 or above for an average of 20 business days (using the 20 day volume weighted average price).
- The Company has agreed, subject to Shareholder approval at the General Meeting, to issue 2,250,000 Shares pursuant to the Management Incentive Plan to each of Mr Hill and Mr Gray.
- The Company is seeking Shareholder approval at the General Meeting for the participation of Mike Hill and Andrew Gray (or their respective nominees) in the Offer. The proposed issues of Shares to Mr Hill and Mr Gray comprise:
 - the issue of up to 666,667 Shares to Mr Hill (or his nominee); and
 - the issue of up to 3,333,334 Shares to Andrew Gray (or his nominee).
 Mr Hill and Mr Gray have indicated that they will apply for all of their respective Share entitlements pursuant to the Offer detailed above.

Mike Hill is a director of the Company, LiveTiles, rhipe Limited (the parent company of the rhipe LiveTiles) and rhipe LiveTiles. Accordingly, Mr Hill has an interest in the proposed Acquisition.

Other than Mr Hill, none of the Company's existing Directors have any interest in the proposed Acquisition pursuant to the Share Sale Agreement.

Proposed Directors

None of the Proposed Directors have an existing interest in the Company's securities separate from the proposed issue of Shares pursuant to the Share Sale Agreement and Matthew Brown's proposed participation in the Offer.

Karl Redenbach and Peter Nguyen-Brown (each a Proposed Director of the Company) currently hold

1.16

CORPORATE GOVERNANCE

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

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 6 of this Prospectus and the Company's compliance and departures from the Recommendations will be

LiveTiles shares through their respective controlled entities and it is intended that Matthew Brown will be issued LiveTiles Shares prior to completion of the Acquisition. In consideration for the acquisition by the Company of the LiveTiles shares held by these entities and Mr Brown, Mr Redenbach, Mr Nguyen-Brown and Mr Brown will each receive an interest in Consideration Shares issued by the Company pursuant to the Share Sale Agreement.

The relevant interests of each Proposed Director in the securities of the Company following completion of the Offers and Acquisition are set out in the table below.

Director	Shares	Options
Karl Redenbach ^{1,2}	109,687,638 ²	Nil
Peter Nguyen-Brown ^{1,2}	96,937,638 ²	Nil
Matthew Brown ^{2,3}	13,750,000	Nil

Notes:

1. Held directly and through personally controlled entities.
2. The Company has agreed, subject to Shareholder approval at the General Meeting, to issue 19,500,000 Shares to Mr Redenbach, 6,750,000 Shares to Mr Nguyen-Brown and 4,250,000 Shares to Mr Brown pursuant to the Management Incentive Plan.
3. Matthew Brown has indicated that he (or his nominee) will apply for up to 500,000 Shares pursuant to the Offer.

Those Directors who will serve the Company in both executive and non-executive capacities after completion of the Acquisition will be remunerated in accordance with their respective executive and non-executive services agreements as summarised in Section 7.

Remuneration

For each of the Directors and the Proposed Directors, the remuneration proposed to be paid for the current financial year and the financial year ended 30 June 2016 is set out in the table below.

Name	FY15	FY16
Mike Hill	\$104,167 ¹	\$100,000 ¹
Karl Redenbach ²	\$Nil	US\$250,000 ³
Peter Nguyen-Brown ²	\$Nil	\$80,000 ¹
Matthew Brown ²	\$Nil	\$400,000 ⁴
Andrew Gray	\$20,833	\$80,000 ¹
Hugh Warner ⁵	\$110,167	\$10,417
Philip Kapp ⁵	\$20,833	\$2,083

Notes:

1. Mr Hill has agreed to receive only 40% of his salary monthly, with the remaining 60% accrued, until such time as the Company can afford to pay the salaries in full. Mr Gray and Mr Nguyen-Brown have agreed to receive only 50% of their respective salary monthly, with the remaining 50% accrued, until such time as the Company can afford to pay the salaries in full. Please refer to Sections 7.6 and 7.7 for further details.
2. Mr Redenbach, Mr Brown and Mr Nguyen-Brown are currently Proposed Directors of the Company and have not received any remuneration from the Company.
3. Comprises the base salary payable to Mr Redenbach. Mr Redenbach will not be entitled to any superannuation contribution. Based on an exchange rate of A\$1.00: US\$0.7649 (being the exchange rate published by the Reserve Bank of Australia on 29 June 2015), Mr Redenbach will be paid A\$320,554. In addition to the base salary, Mr Redenbach may be paid a discretionary cash bonus of up to 67% of his base salary if certain performance targets are met. As at the date of this Prospectus, the performance targets have not yet been determined by the Board.
4. Comprises the base salary and superannuation payable to Mr Brown. Of

the \$400,000, \$50,000 will be accrued. In addition to the base salary, Mr Brown may be paid a discretionary cash bonus of up to 67% of his base salary if certain performance targets are met. As at the date of this Prospectus, the performance targets have not yet been determined by the Board.

5. Upon completion of the Offer and the Acquisition, it is intended that Hugh Warner and Philip Kapp will resign as Directors.

For the purpose of incentivising and tying the rewarding of the Directors to the performance of the Company and LiveTiles following completion of the Acquisition, the Company has agreed, subject to Shareholder approval at the General Meeting, to issue:

- (a) 19,500,000 Shares to Mr Redenbach;
- (b) 6,750,000 Shares to Mr Nguyen-Brown;
- (c) 4,250,000 Shares to Mr Brown;
- (d) 2,250,000 Shares to Mr Hill; and
- (e) 2,250,000 Shares to Mr Gray.

The Shares will be issued pursuant to the Management Incentive Plan as summarised in Section 8.7.

Other than the termination payments summarised in Sections 7.6 to 7.7 there are no retirement benefit schemes for Directors, although if they are paid they will receive statutory superannuation contributions.

1.18

AGREEMENTS WITH DIRECTORS, PROPOSED DIRECTORS OR RELATED PARTIES

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Company's Board has followed that process in approving the current agreements with related parties. Current Directors who did not have a material personal interest in each agreement considered that they are reasonable in the circumstances as the agreements were made on reasonable commercial terms and on terms that would be reasonable in the circumstances if the parties involved were dealing at arm's length.

Section 7 outlines summaries of the agreements entered into with the Directors, Proposed Directors and related parties by the Company. For the purpose of this Section, the key agreements of that nature are as follows.

1.19

AGREEMENTS RELATING TO THE ACQUISITION

- (a) Share Sale Agreement between the Company and the current shareholders of LiveTiles (refer to Section 7.1);
- (b) Proposed Executive Services Agreement between the Company and Karl Redenbach (refer to Section 7.8);
- (c) Proposed Executive Services Agreement between the Company and Matthew Brown (refer to Section 7.9); and
- (d) Proposed Non-Executive Services Agreement between the Company and Peter Nguyen-Brown (refer to Section 7.10).

1.20

GENERAL AGREEMENTS OR AGREEMENTS WITH EXISTING DIRECTORS

- (a) Executive Services Agreement between the Company and Mike Hill for the position of Executive Chairman (refer to Section 7.6);
- (b) Non-Executive Services Agreement between the Company and Andrew Gray for the position of Non-Executive Director (refer to Section 7.7);
- (c) Executive Services Agreement between the Company and Hugh Warner for the position of Executive Director (refer to Section 7.6);
- (d) Non-Executive Services Agreement between the Company and Philip Kapp for the position of Non-Executive Director (refer to Section 7.7); and
- (e) Deed of Indemnity, Insurance and Access between the Company and each of the Directors and Proposed Directors (refer to Section 7.11).



2

DETAILS OF THE OFFER

LiveTiles' intranet home page, built with LiveTiles

2.1

THE OFFERS

Pursuant to the Offer, the Company invites applications for 73,333,333 Shares at an issue price of \$0.15 per Share to raise \$11,000,000 (before costs). the Company may elect to accept oversubscriptions for up to a further 6,666,667 Shares to raise a further \$1,000,000.

Pursuant to the Cleansing Offer, the Company offers 1,000 Shares at an issue price of \$0.15 per Share to raise \$150.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue (subject to potential ASX imposed escrow which may apply).

Details of the rights and liabilities attaching to the Shares are set out in Section 8.2.

2.2

MINIMUM SUBSCRIPTION

If the minimum subscription to the Offer of \$11,000,000 has not been raised within four months after the date of this Prospectus (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares under the Offer within the time prescribed under the Corporations Act, without interest.

2.3

CONDITIONAL OFFERS

The Offer and the Cleansing Offer under this Prospectus are subject to a number of conditions, including:

- (a) the Company raising the minimum subscription of \$11,000,000 under the Offer; and
- (b) Shareholders approving the resolutions relating to the Acquisition at the General Meeting.

In the event that the above conditions are not met, the Company will not proceed with the Offer or the Cleansing Offer and no Shares will be issued. If this occurs, the Company will repay all application monies received, without interest and in accordance with the Corporations Act.

2.4

APPLICATIONS

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

Applications for Shares under the Cleansing Offer must only be made by investors at the direction of the Company and must be made using the Cleansing Offer Application Form.

Applications for Shares under the Offer must be for a minimum of 13,333 Shares and thereafter in multiples of 2,000 Shares and payment for the Shares must be made in full at the issue price of \$0.15 per Share.

Completed Application Forms and accompanying cheques, made payable to "Modun Resources Ltd" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Application Forms so that they are received by no later than the respective Closing Dates.

The Company reserves the right to close the Offers early.

2.5

ASX LISTING

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offers.

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

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

2.6

ISSUE

Subject to the satisfaction or waiver of the conditions for completion of the Acquisition of LiveTiles referred to in Section 7.1 and ASX granting conditional approval for the Company's Shares to be reinstated to Official Quotation, the issue of the Shares offered by this Prospectus will take place as soon as practicable after the respective Closing Dates.

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

The Directors, in consultation with Blue Ocean, will determine the recipients of the issued Shares under the Offer in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the relevant Closing Date.

2.7

APPLICANTS OUTSIDE AUSTRALIA

New Zealand

Warning Statement to New Zealand Investors.

New Zealand Investors are advised:

- (a) The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.
- (b) The Offer and content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Offer must be made.
- (c) There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.
- (d) The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.
- (e) Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation

to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

- (f) The taxation treatment of Australian securities is not the same as for New Zealand securities.
- (g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
- (h) The Offer may involve a currency exchange risk. The currency for the Shares is not New Zealand dollars. The value of the Shares will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- (i) If you expect the Shares to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.
- (j) If the Shares are able to be traded on a securities market and you wish to trade the Shares through that market, you will have to make arrangements for a participant in that market to sell the Shares on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the Shares and trading may differ from securities markets that operate in New Zealand.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong. This document has not been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Future Ordinance (Cap. 571) of the Laws of Hong Kong (SFO). Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

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

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

Singapore

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

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

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

2.8

OVERSUBSCRIPTIONS

Oversubscriptions for up to a further 6,666,667 Shares may be accepted to raise up to a further \$1,000,000. Any oversubscriptions are not underwritten.

2.9

UNDERWRITTEN OFFER

The Offer is fully underwritten. Refer to Section 7.4 for a summary of the underwriting agreement entered into with Blue Ocean Equities Pty Limited.

2.10

LEAD MANAGER

Blue Ocean Equities Pty Limited (Lead Manager) is acting as lead manager to the Offer.

2.11

COMMISSIONS PAYABLE

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



3

BACKGROUND ON LIVETILES AND ITS BUSINESSES

3.1

BACKGROUND

LiveTiles is an Australian proprietary company headquartered in New York, with offices in Melbourne and Richland (Washington State).

LiveTiles, together with its three subsidiaries (together the LiveTiles Group), is involved in the development of a proprietary software tool that deploys on top of Microsoft's cloud collaboration platforms including SharePoint, Office 365 and Azure, enabling organisations to build and deploy modern user-friendly interfaces and business solutions, including intranets and extranets.

At the heart of LiveTiles' effectiveness is its simplicity. The 'drag and drop' design editor, which simply installs into Office 365 and functions like a 'presentation layer' over the Microsoft technology, is easy to navigate and loaded with pre-configured applications and tiles that are simply placed on to, and moved around, a blank canvas. These applications and tiles include a range of document, calendar and task tiles, news and image carousels, Yammer and discussion feeds, and the ability to embed videos and presentations; allowing the user to more easily generate and reconfigure their internal browser-based (intranet) and external browser-based (extranet) interfaces using those Microsoft products.

An intranet is a computer network that uses internet technology to share information, operational systems and

computing services within an organisation. An extranet is a computer network that allows controlled access from outside of an organisation's intranet.

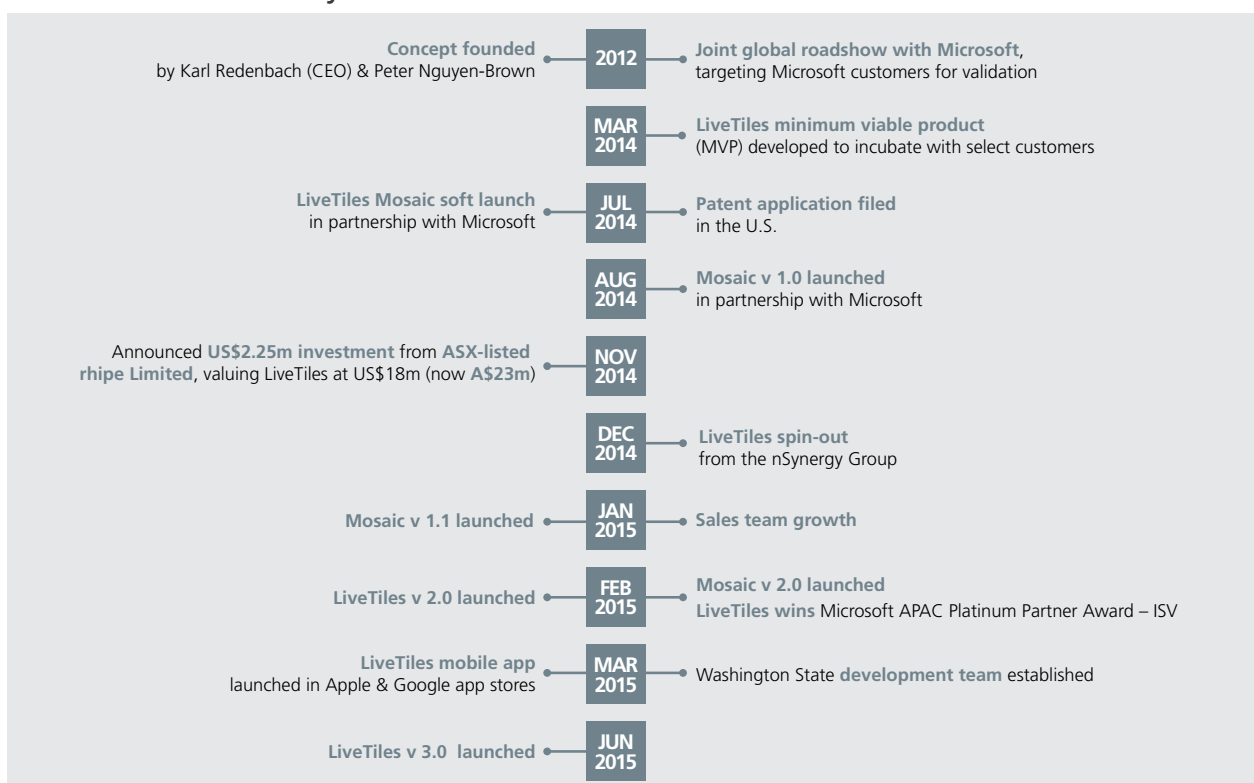
The LiveTiles Group includes:

- (a) LiveTiles Holdings Pty Ltd (ACN 603 266 888);
- (b) LiveTiles Pty Ltd (ACN 601 177 691) (wholly owned subsidiary);
- (c) LiveTiles R and D Pty Ltd (ACN 158 548 700) (wholly owned subsidiary); and
- (d) LiveTiles LLC (a company incorporated in the United States of America, company number 46-5181168) (wholly owned subsidiary).

The LiveTiles concept was founded in 2012 by Karl Redenbach and Peter Nguyen-Brown. Prior to December 2014, LiveTiles was part of the nSynergy Group. The nSynergy Group's core business was technology consulting. In December 2014, LiveTiles was demerged from the nSynergy Group when rhipe Limited (ASX: RHP) (rhipe) acquired the nSynergy Group.

The key events in the development of the LiveTiles business are illustrated below:

The LiveTiles Growth Story



In February 2015, it was announced that LiveTiles had achieved the 2014 Microsoft Asia Pacific Platinum Partner Award in the Independent Software Vendor category.

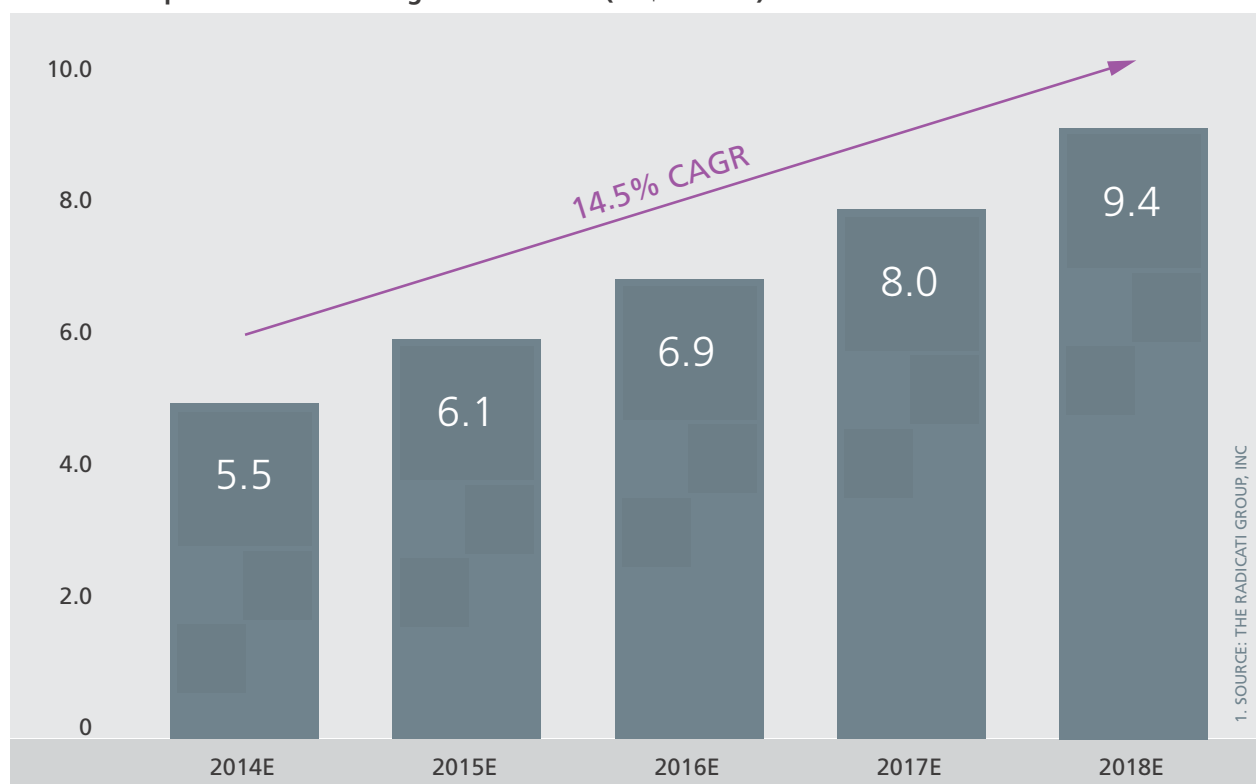
LiveTiles proposes to use its listing on the ASX to gain access to capital for the purpose of accelerating growth by funding additional sales and marketing activities as well as continuing product development to build a strong market presence in the growing enterprise content management sector.

3.2

INDUSTRY OVERVIEW

LiveTiles operates within the fast-growing enterprise content management (ECM) market, which describes the management of a business' internal information, records and data from creation to disposal. The ECM market was estimated to be worth approximately US\$5.5 billion in 2014 and reasonable estimates indicate that this ECM market will continue to grow over coming years.

Global Enterprise Content Management Market (US\$ billions)¹



Growth in the ECM market is being driven by:

- (a) the proliferation of data and content;
- (b) the ongoing shift to digital information;
- (c) increasing use of mobile devices in the workplace; and
- (d) the consumerisation of enterprise technology.

Within the ECM market, LiveTiles products currently integrate with Microsoft's SharePoint, Office 365 and Azure platforms. Every SharePoint, Office 365 and Azure Platform-as-a-Service customer is a potential LiveTiles customer.

SharePoint is one of Microsoft's core enterprise products. It is a web-based platform developed by Microsoft which integrates intranet, content management and document management. SharePoint was first launched in 2001 and is primarily sold to the business market.

Office 365 is the brand name used by Microsoft for a group of products and services that provide productivity software and related services to its subscribers via the cloud.

Azure is Microsoft's fast-growing cloud computing platform for building, deploying and managing applications and services through a global network of Microsoft-managed data centres. Azure was launched in 2010 and represents a delivery platform for LiveTiles.

The wide, global usage of these Microsoft products present significant opportunities to LiveTiles, given LiveTiles' products are designed to substantially improve the user experience of these Microsoft products.

3.3

LIVETILES PRODUCTS

The LiveTiles Group has developed two proprietary software products, being “LiveTiles” and “LiveTiles Mosaic”.

LiveTiles

LiveTiles is a proprietary software tool that enables organisations to build modern, user-friendly web interfaces deployed as a presentation layer over Microsoft’s cloud collaboration platforms including SharePoint, Office 365 and Azure. The LiveTiles product is focused on enterprise (business) customers of all sizes.

LiveTiles is primarily used by organisations as a modern user interface for intranets and extranets that are powered by Microsoft’s SharePoint software. LiveTiles can be used to generate touch-enabled and mobile-friendly interfaces and is device-agnostic and very easy to reconfigure.

LiveTiles version 1.0 was launched in March 2014 and deployed to early enterprise customers on a free basis as a deliberate strategy to quickly achieve visibility in the enterprise software market and collect valuable customer feedback.

LiveTiles commenced charging new enterprise customers subscription fees in conjunction with the launch of LiveTiles version 2.0 in February 2015. LiveTiles version 2.0 includes several important enhancements relative to LiveTiles version 1.0 including:

- a major overhaul of the design user interface with a focus on simplification of the user experience and moving towards HTML 5 web technology;

- introducing key usability improvements including drag to resize and an undo function;
- tighter integration with the SharePoint experience; and
- improved page load performance.

LiveTiles Mosaic



LiveTiles Mosaic is focused on the Kindergarten to year 12 education market. LiveTiles Mosaic is a free education solution that lets any school using the Office 365 product to build collaborative, touch-friendly classrooms in the cloud.

LiveTiles Mosaic allows teachers to create interactive learning spaces via LiveTiles’ ‘drag and drop’ functionality, and connect students to the classroom anywhere, on any device, at any time. LiveTiles Mosaic was created to help teachers excite students with cloud-based learning opportunities, and to give students the chance to become proficient at Office 365 and associated technologies that are commonly used in the business world.

LiveTiles Mosaic has been deployed into schools and school districts representing approximately 2,200 schools in



Australia, the United States of America and more than 20 other countries. LiveTiles estimates that this school base has approximately 2.0 million students and teachers.

3.4

INTELLECTUAL PROPERTY

LiveTiles relies on a combination of trademark, copyright, trade secret and patent laws in the United States and other jurisdictions as well as confidentiality procedures and contractual provisions to protect LiveTiles' proprietary technology and its brands. LiveTiles also enters into confidentiality and intellectual property rights agreements with its employees, contractors and other third parties and controls access to software, documentation and other proprietary information.

LiveTiles has applied to the United States Patent and Trademark Office (USPTO) to register LiveTiles as a trademark. The trademark application is pending and LiveTiles is expecting a response from the USPTO in the near term.

LiveTiles has filed a United States non-provisional patent application. The application was filed on 2 July 2014 and is

entitled "Browser-based designer tool for a user interface and the administration of tiles". This application is pending before the USPTO. Based on USPTO guidelines, LiveTiles expects a response from the USPTO in late 2015 or early 2016. A continuation-in-part to the application was filed on 7 May 2015 and covers further aspects of the browser-based designer tool for a user interface.

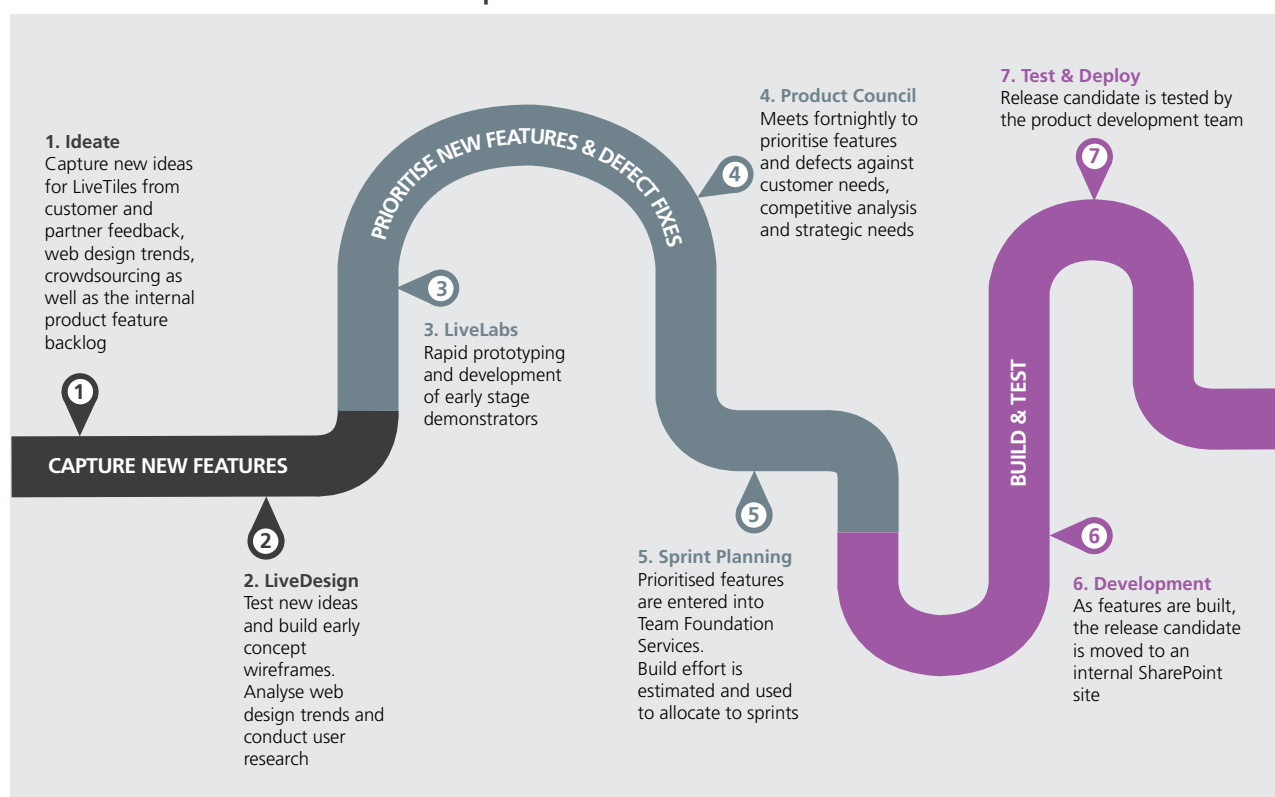
3.5

PRODUCT DEVELOPMENT

LiveTiles' product development team is responsible for the development, testing and certification of its products. LiveTiles is focused on continuous innovation and improving the reliability, performance and flexibility of its products. From time to time, internal research and development activities are supplemented with outside development resources.

The following diagram provides an overview of the LiveTiles product development process:

Overview of LiveTiles' Product Development Process



3.6

LIVETILES BUSINESS MODEL

LiveTiles product

Since the launch of version 2.0 of the LiveTiles product in February 2015, LiveTiles has provided its software to enterprise customers on a subscription basis. The level of subscription fees are based on the number of licenced users. Small customers pay US\$1.00 per user per month and discounts are offered as the number of licenced users increases. For example, the subscription fee for a customer with 10,000 licenced users is currently US\$0.74 per user per month, which equates to US\$88,800 per annum.

Customers have the option of paying annually upfront or monthly. To date, the majority of LiveTiles' customers have elected to pay annually upfront. LiveTiles recognises revenue rateably over the term of the subscription period.

LiveTiles expects that many of its customers who received LiveTiles version 1.0 for free prior to February 2015 can be converted to subscription fee-paying customers in conjunction with being upgraded to LiveTiles version 2.0.

LiveTiles Sales and Marketing

LiveTiles' sales and marketing strategy is focused on:

- (a) Increasing penetration with existing customers – many of LiveTiles' existing customers use LiveTiles within part of their organisation. As LiveTiles' customers realise the benefits of the LiveTiles product, LiveTiles aims to grow the licenced user base within the organisation by targeting additional business units, with the ultimate goal of achieving enterprise-wide deployments; and
- (b) Pursuing new customers – LiveTiles will continue to aggressively target new enterprise customers, with a particular focus on the United States of America, the United Kingdom, Europe and the Asia-Pacific region.

LiveTiles employs a direct sales team of 8 inside sales and enterprise sales personnel who are organised by account size and region. LiveTiles intends to continue to grow its direct sales team in the short term.

As a core part of its strategy, in late 2014 LiveTiles started to develop an ecosystem of partners in order to expand its reach to both large and small enterprises. As at 15 June 2015, LiveTiles had 70 partners, primarily comprising consulting and implementation services providers across the United States of America, the United Kingdom and Europe.

In the Asia-Pacific region (including Australia), LiveTiles has an exclusive distribution arrangement with rhipe (summarised in Section 7.5 of this Prospectus). rhipe, in turn, has a channel partner network of more than 1,500 partners across the Asia-Pacific region. In April 2015, rhipe announced that it had been appointed as one of only two companies to Microsoft Australia's Cloud Solutions Provider program. This will enable rhipe to bundle the LiveTiles product with Microsoft's Office 365 platform. rhipe expects to launch the LiveTiles product to its channel partners in June 2015.

LiveTiles partners receive commission in the range of 10% to 30% of subscription fees, depending on their LiveTiles certification level. rhipe's commission level is 30%.

LiveTiles employ a variety of marketing programs across traditional and social channels to target prospective and current customers and partners. LiveTiles' primary marketing activities include:

- Content marketing: Deployed into three distinct programs: awareness, educational and solution recognition. Each prospect is assigned a predetermined content journey to ensure relevancy and progressive profiling. Data is captured using tier 1 marketing automation and analytics software. Content includes blogs, articles, infograms, e-newsletters, white papers, eBooks, webinars, case studies and instructional videos.
- Advertising: LiveTiles' advertising schedule is chiefly focused in the digital space, using Google AdWords and Remarketing, LinkedIn banners and sponsored content and Facebook advertising. LiveTiles also invests in advertising space in industry journals, both in print and online formats.
- Events: Fundamental to LiveTiles' awareness program is its global events calendar, which includes sponsorships in several major Microsoft events (e.g. Worldwide Partner Conference, SharePoint Conference), technology industry tradeshows (such as the National Retail Federation) and numerous customer-focused SharePoint conferences.
- Social media and public relations: LiveTiles actively pursues media placement in key publications and channel networks including social engagement across Twitter, LinkedIn, Instagram, YouTube, Google+, Pinterest and Facebook, and awards submissions for both company and product innovation.
- Customer loyalty and remarketing: To promote ongoing customer value and loyalty, LiveTiles maintains several social communities in which customers can interact with key personnel in real time. LiveTiles also uses these communities to gather general product sentiments, feedback and ideas for future releases.
- Partner marketing and enablement: LiveTiles provides value to its partners through enablement and training programs, marketing resources and ongoing communications around product updates and associated benefits.

LiveTiles Mosaic

LiveTiles Mosaic is offered for free. LiveTiles' strategy is to rapidly grow the LiveTiles Mosaic user base, with a view to it becoming the leading web and mobile user interface in the Kindergarten to year 12 education market.

LiveTiles will explore various potential alternatives to monetise the LiveTiles Mosaic user base in future. LiveTiles has no current intention to charge subscription fees for LiveTiles Mosaic.

The LiveTiles Value Proposition

Business software is often cumbersome, difficult to use and expensive to reconfigure. LiveTiles helps solve these problems by providing the following benefits to organisations:

Higher user adoption	• LiveTiles drives higher user adoption, enabling organisations to capture more value from their IT spend. • Beautiful, intuitive design that excites users (user-driven approach). • Better and faster employee communication. • Mobile friendly and device agnostic.
Easy to use and configure	• LiveTiles can be configured and used by business users with minimal IT expertise. • LiveTiles contains tools and features recognisable to users of popular consumer web services, so users are more familiar with LiveTiles' user interface than typical enterprise applications. As a result, LiveTiles can be used with minimal training.
Rapid deployment	• LiveTiles' software allows organisations to easily, quickly and inexpensively deploy the product. • IT administrators can quickly add users, set up permissions, organise content and begin using LiveTiles almost immediately without the need to procure and provision hardware or install and configure software.
Seamless integration	• LiveTiles integrates seamlessly with: - o the Office 365 platform (including SharePoint, Yammer, Lync, OneDrive, Exchange); and - o a wide range of external content including YouTube, Twitter, Facebook and LinkedIn.
Cost effective	• LiveTiles reduces the time and cost to create and change pages. • Minimal training required. • No coding required.

Customers

(a) LiveTiles

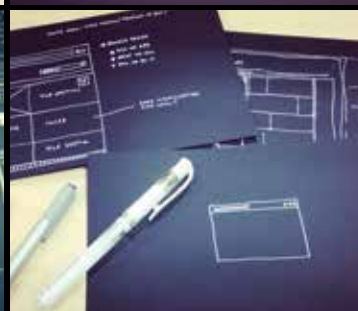
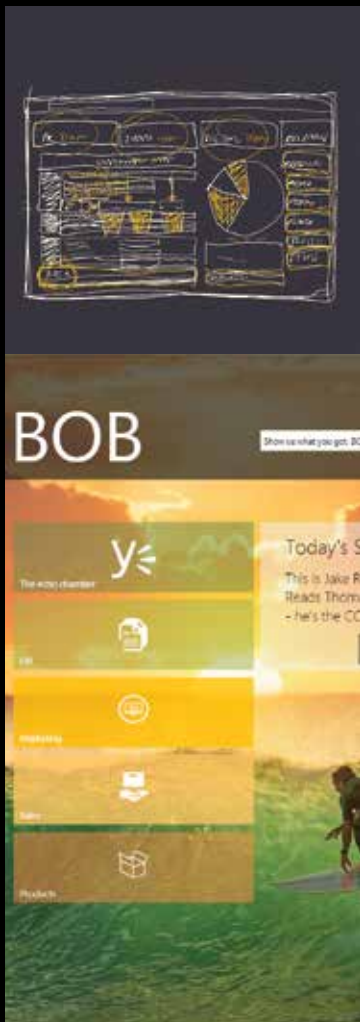
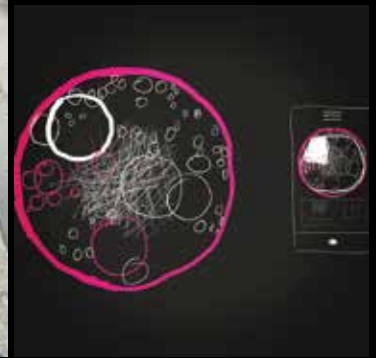
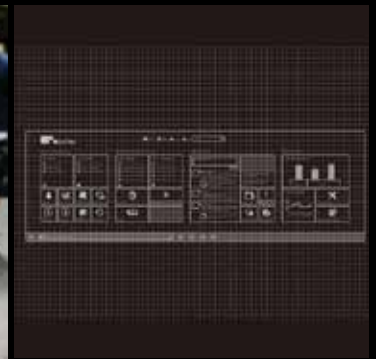
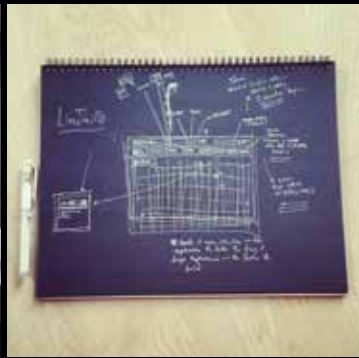
As at 16 June 2015 LiveTiles has been adopted by 75 enterprise customers around the world. Existing customers include:

- **PepsiCo:** one of the world's leading food and beverage companies with over US\$66 billion in net revenue in 2014 and a global portfolio of diverse brands including Pepsi, Lays, Gatorade and Tropicana. PepsiCo's products are sold in more than 200 countries and territories around the world.
- **Nike:** one of the world's largest suppliers of athletic shoes and apparel and a major manufacturer of sports equipment, with revenue in excess of US\$27 billion in its 2014 fiscal year.
- **Best Buy:** a leading provider of technology products, services and solutions. Best Buy has more than 1,600 stores and locations in the United States, Canada and Mexico. Best Buy generates annual revenue of more than US\$40 billion.
- **Siemens:** Siemens is headquartered in Germany and is the largest engineering company in Europe, with global revenue of approximately €72 billion in 2014.

- **Australia Post:** Australia Post is a self-funding Government Business Enterprise wholly-owned by the Commonwealth Government of Australia. Australia Post generated revenue of approximately \$6.4 billion in 2014.
- **Commonwealth Bank:** Commonwealth Bank is Australia's largest bank, providing integrated financial services, including retail, premium, business and institutional banking, funds management, superannuation, insurance, investment and share-broking products and services.

(b) LiveTiles Mosaic

LiveTiles Mosaic has been deployed into schools and school districts representing approximately 2,200 schools in Australia, the United States of America and more than 20 other countries. LiveTiles estimates that this school base has approximately 2.0 million students and teachers.





4

INVESTIGATING ACCOUNTANT'S REPORT

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1 July 2015

The Directors
Modun Resources Ltd
(To be renamed LiveTiles Limited)
Suite 7, 245 Churchill Avenue
SUBIACO WA 6008

Dear Sirs

RE: INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors of Modun Resources Ltd ("Modun" or "the Company") for inclusion in a Prospectus to be dated on or around 1 July 2015 ("the Prospectus") relating to the proposed offer and issue by Modun of 73,333,333 New Shares (post consolidated) to be issued at a price of 15 cents (on a post consolidated basis - refer below) each to raise a gross \$11,000,000 (the Offer as described in the Prospectus). The Company reserves the right to accept oversubscriptions for a further \$1,000,000 (a further up to 6,666,667 shares). The Company, subject to shareholder approval, (see below) proposes to change its name to LiveTiles Limited.

The Prospectus also contains an offer of 1,000 post consolidated shares to raise \$150 as part of a Cleansing Offer more fully described in the Prospectus.

Further details are outlined below, including summary details on the proposed acquisition of all of the shares in LiveTiles Holdings Pty Ltd ("LiveTiles"), a software company, for the consideration of 225,000,000 post consolidated shares, more fully described below and in the Prospectus.

2. Basis of Preparation

This report has been prepared to provide investors with information on historical results, the condensed statement of financial position (balance sheet) of Modun and the pro-forma consolidated statement of financial position of Modun as noted in Appendix 2. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporations Act 2001. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stantons International Securities Pty Ltd (trading as Stantons International Securities) has not been requested to consider the prospects for Modun (including its proposed subsidiary, LiveTiles), the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so.

Stantons International Securities accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Sections 1 and 5 of the Prospectus and all investors should read the risks of investing in the Company.

3. Background

Modun is an ASX listed mineral exploration and evaluation company. The Company's only significant mineral asset is the Nuurst Thermal Coal Project ("Nuurst Project") in Mongolia. All other mineral interests have been divested. The Nuurst Project is subject to a conditional sale agreement (via the sale of Modun's 100% held subsidiary, Modun Resources LLC ("Modun LLC") which owns 100% of the Nuurst Project).

On 24 November 2014, the Company entered into a highly conditional agreement to sell 100% of Modun LLC for up to US\$8,000,000 payable as to US\$1,000,000 in cash (US\$100,000 deposit paid) and US\$7,000,000 in deferred royalty payments on the basis of US\$0.50 per tonne for the first 14,000,000 tonnes of coal extracted and sold by the purchaser, a Mongolian based entity. The conditional agreement technically expired on 30 April 2015 but negotiations are continuing with the other party so that the sale can be finalised. A 5% commission is payable if the sale is completed.

On 27 April 2015, the Company announced the proposed acquisition of all of the shares in LiveTiles. LiveTiles is incorporated in Australia as a non-listed private company. LiveTiles via its wholly owned subsidiaries LiveTiles LLC (USA based) and LiveTiles Pty Ltd (Australian based) operates as a software company and currently has developed two software tools called LiveTiles Mosaic (for the education industry) and LiveTiles (for the commercial enterprise sector). In addition, LiveTiles (the company) owns a 100% interest in LiveTiles R and D Pty Ltd ("LiveTiles R&D") that is undertaking the research and development for software associated with the business. Further details are outlined on the LiveTiles Group below and in the Prospectus, particularly sections 1.1 and 3.

The Consideration for the Acquisition is as follows:

- 225,000,000 post consolidated ordinary shares ("Consideration Shares") are to be issued to the shareholders of LiveTiles to acquire all of the shares in LiveTiles.

Furthermore, it is proposed to issue 35,000,000 incentive shares ("Plan Shares") to two of the shareholders of LiveTiles and some of the current and proposed Directors/Management of LiveTiles and Modun.

	Consideration Shares	Plan Shares
1. NIA Tech Pty Ltd as Trustee of The Odeon Discretionary Trust	90,187,638	-
2. ZTH Tech Pty Ltd as Trustee of The Triton Discretionary Trust	90,187,638	-
3. rhipe LiveTiles Pty Limited	24,469,224	-
4. Various LiveTiles employees	5,568,750	-
5. nSynergy Employee Trust	5,586,750	-
6. Peter Nguyen-Brown (director of LiveTiles and proposed director of Modun)	-	6,750,000
7. Karl Redenbach (director of LiveTiles and proposed director of Modun)	-	19,500,000
8. Matthew Brown (CFO of LiveTiles and proposed director of Modun)	9,000,000	4,250,000
9. Andrew Gray (a director of Modun)	-	2,250,000
10. Michael Hill (a director of Modun and LiveTiles)	-	2,250,000
Total post consolidated shares to be issued	<u>225,000,000</u>	<u>35,000,000</u>

NIA Tech Pty Ltd as Trustee of the Odeon Discretionary Trust (“NIA”) is controlled by Peter Nguyen-Brown (“Nguyen-Brown”), a director of LiveTiles. ZTH Tech Pty Ltd as Trustee of the Triton Discretionary Trust (“ZTH”) is controlled by Karl Redenbach (“Redenbach”), a director of LiveTiles. rhipe LiveTiles Pty Limited is a wholly owned subsidiary of rhipe Limited (“Rhipe”), a company listed on the Australian Securities Exchange (“ASX”).

The Consideration Shares to be issued to the various LiveTiles employees, including Matthew Brown, (14,568,750 in total) have a condition attached that in effect results in forfeiture of such shares in the event that an employee resigns. Further details on shares issued under the Employee Share Plan are outlined in section 8.8 of the Prospectus.

The Plan Shares to be issued, subject to the approval of the Modun Management Incentive Plan, are in effect incentive shares and the summarised terms of the Plan Shares are as follows:

- An interest free, limited recourse loan will be made to each recipient of the Plan Shares at an issue price of 15 cents each (assumes post consolidated issue price of the Capital Raising Shares and deemed issue price of the Consideration Shares);
- The Plan Shares vest upon the later of satisfying, in respect of each tranche, the following time and performance conditions:
 - The participant remaining employed or engaged by the Modun Group or LiveTiles Group on the anniversary specified in the table below from the date of grant of the Plan Shares;
 - The date on which the weighted average closing price (“VWAP”) of a Modun share over the 20 days is equal to or greater than the vesting price in the specified table below:

Tranche	Time Vesting	Performance Vesting
		(VWAP)
1	Second Anniversary	25 cents
2	Third Anniversary	35 cents
3	Fourth Anniversary	45 cents

- Dividends paid on the Plan Shares must be applied to repaying the loan and voting rights on the Plan Shares are suspended until vesting.

The Plan Shares will be issued in 3 Tranches as noted above, being 15,000,000 Tranche 1 and 10,000,000 for each of Tranches 2 and 3. Thus Mr Nguyen-Brown and Mr Redenbach will be issued 2,250,000 and 6,000,000 Tranche 1 Plan Shares respectively, 2,000,000 and 6,000,000 Tranche 2 Plan Shares respectively and 2,500,000 and 7,500,000 Tranche 3 Shares respectively. Mr Brown will be issued 2,250,000 Tranche 1 Plan Shares and 2,000,000 Tranche 2 Plan Shares whilst Messrs Gray and Hill will be issued 2,250,000 Tranche 1 Plan Shares only.

The proposed acquisition of the LiveTiles Group and its business undertakings are referred to as the Acquisition in the Prospectus. There are a number of condition precedents, including:

- Completion of a capital raising by the Company of at least \$9,000,000 (and a maximum of \$12,000,000) (the Company has now agreed to raise \$11,000,000 with the right to accept over-subscriptions of a further up to \$1,000,000);
- Completion of a 1 for 50 consolidation of capital;
- The Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and ASX providing conditional approval to the re-instatement of the Company to trading on ASX following Completion of the Acquisition;

- The Company obtaining shareholder and all other regulatory and third party approvals required; and
- Mr Redenbach (co-founder and CEO of LiveTiles) and Mr Brown (CFO of LiveTiles) entering into executive services agreements with Modun and Mr Nguyen-Brown (co-founder and non-executive director of LiveTiles) entering into an engagement agreement with Modun.

LiveTiles

Based on information provided to us by LiveTiles

“LiveTiles is incorporated in Australia as a non-listed private company. LiveTiles is a software tool that deploys on top of Microsoft’s cloud collaboration platforms, including SharePoint, Office365 and Azure, enabling organisations to rapidly build and deploy modern business solutions, including intranets and extranets. LiveTiles is headquartered in New York and also has offices in Melbourne and Richland (Washington State, USA). LiveTiles has 23 employees across the United States of America, Australia and the United Kingdom.

The LiveTiles concept was founded in 2012 by Karl Redenbach and Peter Nguyen-Brown. Prior to December 2014, LiveTiles was part of the nSynergy Group. The nSynergy Group’s core business was technology consulting (“nSynergy”). nSynergy was also founded by Karl Redenbach and Peter Nguyen-Brown and has operations in Australia, the United States of America, United Kingdom and China. In December 2014, LiveTiles was separated from the nSynergy Group when rhipe Limited acquired nSynergy. After completion of the rhipe transaction, Karl Redenbach continued with LiveTiles as the Chief Executive Officer and Peter Nguyen-Brown has remained with nSynergy.

In February 2015, LiveTiles won the 2014 Microsoft Asia Pacific Platinum Partner Award in the Independent Software Vendor category.

Products

LiveTiles has two products: LiveTiles and LiveTiles Mosaic.

LiveTiles

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LiveTiles is primarily used by organisations as a modern user interface for intranets and extranets that are powered by Microsoft’s SharePoint software. LiveTiles is touch-enabled, mobile-friendly, device-agnostic and very easy to reconfigure. LiveTiles version 1.0 was launched in March 2014 and deployed to early enterprise customers on a free basis as a deliberate strategy to quickly achieve visibility in the enterprise software market and collect valuable customer feedback. LiveTiles commenced charging new enterprise customers subscription fees in conjunction with the launch of LiveTiles version 2.0 in February 2015. LiveTiles version 2.0 includes several important enhancements relative to LiveTiles version 1.0 including:

- a major overhaul of the design user interface with a focus on simplification of the user experience and moving towards HTML 5 web technology;
- introducing key usability improvements including drag to resize and an undo function;
- tighter integration with the SharePoint experience; and
- tighter page load performance.

LiveTiles Mosaic

LiveTiles Mosaic is focused on the K-12 education market. LiveTiles Mosaic is a free education solution that lets any school with an Office 365 tenant build collaborative, touch-friendly classrooms in the cloud. LiveTiles Mosaic allows teachers to create interactive learning spaces via LiveTiles' 'drag and drop' functionality, and connect students to the classroom anywhere, on any device, at any time. LiveTiles Mosaic was created to help teachers excite students with cloud-based learning opportunities, and to give students the chance to become proficient at Office 365 and associated technologies that are commonly used in the business world.

LiveTiles Mosaic has been deployed into schools and school districts representing approximately 2,200 schools in Australia, the United States of America and more than 20 other countries. LiveTiles estimates that this school base has approximately 2.0 million students and teachers. LiveTiles Mosaic is built on the same underlying software as the LiveTiles product.

End of extract from information provided by LiveTiles

Further information on LiveTiles and the environment it is involved in is outlined in the Prospectus, particularly Sections 1 and 3.

Shareholders' approval for the Acquisition and other ancillary resolutions are being sought at the upcoming Extraordinary General Meeting which will be held on 30 July 2015 ("EGM").

Completion of the Acquisition is subject to a number of condition precedents being satisfied or waived. These conditions include the receipt of shareholder approval for all the resolutions being sought at the EGM, completion of a capital raising which is being conducted under this Prospectus and the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules.

In the event that shareholders of the Company approve the Acquisition (and all other conditions precedents being satisfied or waived), this will result in the Company changing the scale of its activities. Therefore, in accordance with Listing Rules, the Company's securities will become suspended and remain so, until it has re-complied with Chapters 1 and 2 of the Listing Rules.

The Acquisition (of LiveTiles) is outlined in detail in Sections 1 and 7.1 of the Prospectus.

A summary of the adjusted unaudited balance sheet (statements of financial position) of LiveTiles as at 31 March 2015 is noted elsewhere in this report.

In June 2015, Modun advanced LiveTiles \$500,000 by way of a Convertible Note ("Note") with a term of six months. Modun has the right to have LiveTiles repay the Note in cash or convert the principal amount of the Note into ordinary shares in LiveTiles on the basis of a \$33.75 million valuation of LiveTiles.

On 29 June 2015, the Company issued a Notice of Meeting ("Notice") and an Explanatory Statement attached to the Notice ("ES") that seeks shareholder approval for the following:

- Resolution 1 relates to the change of nature and scale of activities of the Company;
- Resolution 2 refers to the proposed 1 for 50 consolidation of capital;
- Resolution 3 relates to the adoption of an Employee Share Plan;
- Resolution 4 relates to the adoption of a Management Incentive Plan;
- Resolution 5 relates to the proposal to the issue of Consideration Shares and Plan Shares to ZTH and Redenbach;
- Resolution 6 relates to the proposal to the issue of Consideration Shares and Plan Shares to NIA and Nguyen-Brown;
- Resolution 7 relates to the issue of 9,000,000 Consideration Shares to Matthew Brown (part of the 14,568,750 employee Consideration Shares);

- Resolution 8 relates to the issue of 30,055,974 Consideration Shares to rhipe and the nSynergy Trust;
- Resolution 9 relates to the issue of up to 80,000,000 post consolidated shares to raise up to a gross \$12,000,000 (and a minimum of \$9,000,000) as part of the Capital Raising (refer above regarding final capital raising);
- Resolution 10 relates to the issue of 4,250,000 Plan Shares to Matthew Brown and approval of a loan to Matthew Brown;
- Resolution 11 relates to the issue of 2,250,000 Plan Shares to Andrew Gray and approval of a loan to Andrew Gray;
- Resolution 12 relates to the issue of 2,250,000 Plan Shares to Mike Hill and approval of a loan to Mike Hill;
- Resolution 13 seeks approval for Mike Hill to participate in the Capital Raising to the extent of up to 666,667 Capital Raising Shares;
- Resolution 14 seeks approval for Andrew Gray to participate in the Capital Raising to the extent of up to 3,333,334 Capital Raising Shares;
- Resolution 15 relates to the approval to dispose of the Nuurst Coal Project;
- Resolution 16 relates to the proposal to change the name of the Company to LiveTiles Limited;
- Resolution 17 relates to the approval to adopt a new Constitution;
- Resolution 18 relates to the approval to appoint Karl Redenbach as a director of the Company;
- Resolution 19 relates to the approval to appoint Peter Nguyen-Brown as a director of the Company;
- Resolution 20 relates to the approval to appoint Matthew Brown as a director of the Company.

This report assumes that shareholders will approve all of the 20 Resolutions on 30 July 2015. An independent expert's report prepared by us in May 2015 summarised the proposed acquisition (of LiveTiles) as not fair (as we could not ascribe a fair value to the shares in LiveTiles) but reasonable to the existing shareholders of Modun and our report was attached to the Notice and Explanatory Statement mailed to shareholders in June 2015.

The Company is to enter into new Employment Agreements with Karl Redenbach and Matthew Brown all to be effective from completion of the Acquisition. The employment and engagement arrangements (including part deferment of the payment of salaries) for Karl Redenbach, Peter Nguyen-Brown, Matthew Brown and the directors of Modun post completion of the Acquisition are set out in Sections 1.19, 1.20 and 7 of the Prospectus.

The current Board of Directors is expected to change in the near future as a result of the Acquisition. The Board is currently Michael Hill (Executive Chairman), Hugh Warner (Executive Director), Philip Kapp (Non-executive Director) and Andrew Gray (Non-executive Director). The Company Secretary is Andrew Whitten. Messrs Karl Redenbach, Peter Nguyen-Brown and Matthew Brown will become new directors of the Company from Completion (as defined) of the Acquisition. Hugh Warner and Philip Kapp will resign following completion of the Acquisition and Mike Hill will continue as the Non-executive Chairman. Mr Matthew Brown will also become the CFO.

On 12 December 2014, LiveTiles LLC and LiveTiles Pty Ltd (each a wholly owned subsidiary of LiveTiles) ("LiveTiles Subsidiaries") entered into an agreement with rhipe Australia Pty Limited (a wholly owned subsidiary of rhipe) ("Reseller") pursuant to which the LiveTiles Subsidiaries appointed the Reseller with:

- the non-exclusive rights to market, resell and distribute the LiveTiles product and any other products developed by LiveTiles from time to time (Products) and the support, assurance, new releases and related services for the Products (Support) globally and in the Asia Pacific region; and

- the exclusive right to market, resell and distribute the Products and Support to cloud hosting providers in the Asia Pacific region.

Potential investors should read the Prospectus in full. We make no comments as to ownership or values of the current and proposed assets of the LiveTiles Group. Further details on all significant (material) contracts entered into by the Company and LiveTiles relevant to new and existing investors are referred to in Section 7 of the Prospectus.

4. **Scope of Examination**

You have requested Stantons International Securities to prepare an Independent Accountant's Report on:

- (a) The consolidated statement of profit and loss and other comprehensive income of Modun for the year ended 30 June 2014 and the nine months ended 31 March 2015;
- (b) The consolidated statement of financial position of Modun as at 31 March 2015 (after adjusting for administration, corporate and due diligence costs of \$250,000 for the period 1 April 2015 to 30 June 2015); and
- (c) The consolidated pro-forma statement of financial position of Modun at 31 March 2015 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 3.

All of the financial information referred to above has not been audited (except for the statement of profit and loss and other comprehensive income of Modun for the year ended 30 June 2014) however has been subject to audit review. The consolidated financial accounts of LiveTiles have also been audited for the year ended 31 December 2014. The Directors of Modun are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions. We have however examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report.

The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion.

Our examination included:

- a) Discussions with Directors and other key management of Modun;
- b) Review of contractual arrangements;
- c) A review of publicly available information; and
- d) A review of work papers, accounting records and other documents.

5. **Opinion**

In our opinion, the pro-forma consolidated statement of financial position as set out in Appendix 2 presents fairly, the pro-forma consolidated statement of financial position of Modun as at 31 March 2015 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3. No opinion is expressed on the historical results and statements of financial position, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the statements of financial position as at 31 March 2015 and the results of the period identified.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 March 2015 that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. Other Matters

At the date of this report, Stantons International Securities Pty Ltd or Stantons International Audit and Consulting Pty Ltd (Trading as Stantons International) do not have any interests in Modun either directly or indirectly, or in the outcome of the offer. Stantons International Securities Pty Ltd and Stantons International (who are the auditors of Modun) were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Stantons International Securities Pty Ltd consents to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES PTY LTD



John Van Dieren – FCA
Director

INVESTIGATING ACCOUNTANT'S REPORT

APPENDIX 1 – CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Modun Year ended 30 June 2014 (Audited)	Modun Nine Months ended 31 March 2015 (Unaudited)
	\$	\$
Revenue- interest income	16,181	16,661
Continuing Operations		
Depreciation	(21,228)	(8,134)
Employment/director related expenses	(488,510)	(251,102)
Professional fees	(362,252)	(146,840)
Rental expenses	(69,946)	(38,153)
Travel costs	(47,663)	(62,068)
Other expenses	(156,386)	(96,677)
Loss on sale of fixed assets	(18,708)	
Share based payments	-	(727,000)
Foreign exchange gain	727	63,767
Net (loss) before tax	(1,147,755)	(1,293,545)
Income tax	-	-
Net (loss) after tax	(1,147,755)	(1,293,545)
Profit from discontinued operations after tax	-	-
Net profit (loss) attributable to the members	(1,147,755)	(1,293,545)
Other Comprehensive Income	-	-
Exchange differences on translating foreign operations	(1,285,458)	1,256,138
Total Comprehensive (Loss) for the period	(1,285,458)	1,256,138
Profit (Loss) attributable to:		
Equity holders of the Company	(1,147,755)	(1,293,545)
	1,147,755	(1,293,545)
Total Comprehensive Profit (Loss) attributable to:		
Equity holders of the Company	(2,433,213)	37,407
	(2,433,213)	37,407

APPENDIX 2 – UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Modun Consolidated 31 March 2015 \$000's	Modun Pro-forma Unaudited Consolidated 31 March 2015 \$000's
Current Assets			
Cash assets	3	940	11,312
Receivables and prepayments	4	11	587
Total Current Assets		<u>951</u>	<u>11,899</u>
Non-Current Assets			
Plant and equipment		5	17
Capitalised exploration costs	5	4,744	4,744
Investment in subsidiaries	6	-	-
Total Non Current Assets		<u>4,749</u>	<u>4,761</u>
Total Assets		<u>5,700</u>	<u>16,660</u>
Current Liabilities			
Trade and other payables	7	212	1,904
Employee entitlements	8	19	67
Total Current Liabilities		<u>231</u>	<u>1,971</u>
Total Liabilities		<u>231</u>	<u>1,971</u>
Net Assets		<u>5,469</u>	<u>14,689</u>
Equity			
Issued capital	9	302,879	17,873
Share based payment/premium reserve	10	1,091	829
Accumulated losses	11	(298,501)	(4,013)
Total Equity		<u>5,469</u>	<u>14,689</u>

Condensed Notes to and forming part of the above condensed consolidated statements of financial position are attached.

INVESTIGATING ACCOUNTANT'S REPORT

APPENDIX 3

CONDENSED NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. Statement of Significant Accounting Policies

(a) Basis of Accounting

The audited and unaudited condensed consolidated Statement of Profit and Loss and Other Comprehensive Income and unaudited condensed consolidated Statements of Financial Position have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards) and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated. The financial statements have been prepared on a going concern basis that is dependent on the capital raising being successful.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

(c) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

(d) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(e) Trade and other accounts payable

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(f) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

(g) Revenue and Other Income

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

Interest revenue is recognised on an accrual basis.

(h) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(i) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Modun and its subsidiaries ("the Group").

Subsidiaries are all those entities over which the Company has control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

In preparing the consolidated financial statements all intercompany balances and transactions, income, expenses and profit and loss resulting from intergroup transactions have been eliminated in full.

Minority interests held by the Company are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the statement of financial position, separately from parent shareholders' equity.

(j) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(k) Critical accounting estimates and judgements

In preparing this Financial Report, the Company has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

(l) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(m) Key judgements

Carrying value of exploration assets

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Group's accounting policies requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale of the respective areas of interest will be achieved. Critical to this assessment is estimates and assumptions as to ore reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of an ore reserve becomes available, may impact the assessment of exploration and evaluation assets. If, after having capitalised the expenditure, a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the income statement in accordance with the Group's accounting policies.

Share Based Payments

The Company measures the cost of equity settles transactions with directors and employees by reference to the fair value of the equity instruments as at the date at which they are granted. The assessed fair value of the share options at the grant date is allocated equally over the period from the grant date to the vesting date. The fair value at the grant date is determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the share price, the expected volatility of the underlying share, the expected dividend, and the risk-free interest rate for the term of the option.

Impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative figures. Recoverable amounts of relevant assets are reassessed using value-in use calculations which incorporate various key assumptions.

(n) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period include impairment of capitalised case funding costs, goodwill on consolidation and investments in subsidiaries.

(o) Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (“FVTPL”), ‘held-to-maturity’ investments, ‘available-for-sale’ (“AFS”) financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and AASB 139 ‘Financial Instruments: Recognition and Measurement’ permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item.

AFS financial assets

Listed shares held by the Company that are traded in an active market are classified as AFS and are stated at fair value. The Company also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured). Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(p) **Foreign currencies**

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements. All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

(q) **Intangible assets**

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. If impaired, a write down will occur.

Acquired both separately and from a business combination

Intangible assets acquired separately are acquired at cost and from a business combination are acquired at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortization is charged on assets with finite lives, this expense is taken to the income statement.

Intangible assets, excluding development costs, created within the business are not acquired and expenditure is charged against the income statement in the year in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Other intangible assets

Other intangible assets that are acquired by the consolidated entity are stated at cost less accumulated amortisation (see below) and impairment losses.

Expenditure on internally generated goodwill and brands is recognised in the statement of comprehensive income as an expense as incurred.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

A summary of the policies applied to the consolidated entity's intangible assets is as follows:

Goodwill and intangible assets with an indefinite life are systematically tested for impairment at each balance sheet date. Capitalised development costs and patents and trademarks with a finite life are amortized. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted as appropriate. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(r) Accounting for business combinations

The Company has adopted IFRS 3 *Business Combinations*. All business combinations are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Company measures goodwill as the fair value of the consideration transferred including the acquired amount of any non-controlling interest in the acquiree, less the net acquired amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Company and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized in other expenses.

Transaction costs that the Company incurs in connection with a business combination, such as stamp duty, finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then a part of the market-based measure of the replacement awards is included in the consideration transferred. If future services are required, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

In accordance with "AASB 3: Business Combination" (AASB 3), the merger will be recorded under the reverse acquisition principals which results in the Legal Parent (in this case, Modun) being accounted for as the subsidiary, while the Legal Acquiree (in this case, LiveTiles), being accounted for as the parent. Under the reverse acquisition principals, the consideration to be provided by LiveTiles was determined to be \$5,322,418 (based on the 15.0 cents issue price of the New Shares under the Prospectus), which is the fair value of the 35,482,791 post consolidated Consideration Shares owned by the former Modun shareholders at the completion of the merger.

The excess of fair value of the shares owned by the former Modun shareholders and the fair value of the identifiable net assets of Modun immediately prior to the completion of the merger is to be accounted for under "AASB: Share-based Payment" (AASB 2) and resulted in the recognition of a premium of approximately \$147,000 and will be being written back to the statement of profit and loss and other comprehensive income. The net assets of Modun will be recorded at fair value at the completion of the merger. No adjustments are expected to be required to the historical book values.

(s) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(t) Exploration Expenditure

Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to any abandoned area will be written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

2. Actual and Proposed Transactions to Arrive at Pro-forma Unaudited Consolidated Statement of Financial Position

Actual and proposed transactions adjusting the 31 March 2015 unaudited consolidated condensed Statement of Financial Position of Modun (after allowing for a further \$250,000 in administration (including 50% of fees due to the current directors), due diligence and other costs and added to creditors) in the pro-forma consolidated Statement of Financial Position of INT are as follows:

- (a) The 1 for 50 consolidation of capital;
- (b) The completion of the Capital Raising of a gross amount of \$11,000,000 (73,333,333 Capital Raising Shares) and incurring capital raising costs of \$1,200,000;
- (c) The acquisition of all of the shares in LiveTiles by way of an issue of 225,000,000 ordinary Consideration Shares at a deemed issue price of 15 cents per share for a total deemed consideration of \$33,750,000 (and using reverse acquisition accounting principles and writing back a premium on consolidation that relates to Modun);
- (d) The issue of 35,000,000 Plan Shares for incentivising management and employees of Modun. The Plan Shares are akin to an option and have been valued at a deemed fair value of \$829,000;
- (e) The repayment of Modun Group (only) creditors as at 31 March 2015 (as adjusted) of \$212,000 (rounded);
- (f) The issue of 1,000 shares for \$150; and
- (g) The payment of the deferred/contingent service fees payable to the existing directors of the Company to 31 July 2015 of \$191,667.

The below mentioned financial figures excludes a \$500,000 advance by way of a Convertible Note ("Note") made by Modun to LiveTiles in June 2015 for a six month period. Modun has the right to have LiveTiles repay the Note in cash or convert the principal amount of the Note into ordinary shares in LiveTiles on the basis of a \$33.75 million valuation of LiveTiles.

	Note 2	Unaudited Consolidated Modun 31 March 2015 \$000's	Unaudited Consolidated Modun Pro-forma 31 March 2015 \$000's
3. Cash Assets			
The movements in cash assets are as follows:			
Unaudited 31 March 2015		940	940
Issue of New Shares	(b)	-	11,000
Prospectus issue costs	(b)	-	(1,200)
Repayment of payables	(e)	-	(212)
Cash of Live Tiles Group	13	-	976
Issue of shares	(f)	-	-
Payment of contingent fees	(g)	-	(192)
		<u>940</u>	<u>11,312</u>
4. Receivables and Prepayments			
Current			
Other receivables		11	11
Receivables and prepayments of LiveTiles Group	13	-	576
		<u>11</u>	<u>587</u>
5. Capitalised Exploration Expenditure			
At cost		<u>4,677</u>	<u>4,677</u>
		<u>4,677</u>	<u>4,677</u>

On 24 November 2014, the Company entered into a highly conditional agreement to sell 100% of Modun LLC for up to US\$8,000,000 payable as to US\$1,000,000 in cash (US\$100,000 deposit paid) and US\$7,000,000 in deferred royalty payments on the basis of US\$0.50 per tonne for the first 14,000,000 tonnes of coal extracted and sold by the purchaser, a Mongolian based entity. The conditional agreement technically expired on 30 April 2015 but negotiations are continuing with the other party so that the sale can be finalised. A 5% commission is payable if the sale is completed.

6. Investments in subsidiaries

Shares in wholly owned subsidiaries			
Modun Resources LLC		201	201
Modun Resources Pte Ltd		-	
Nuurst Mineral Corporation LLC (owned by Modun Resources LLC)		-	
LiveTiles (and its subsidiaries) (to be 100% owned)	13	-	33,750
		<u>201</u>	<u>33,951</u>
Less eliminated on consolidation		<u>(201)</u>	<u>(33,951)</u>
		<u>-</u>	<u>-</u>

	Note 2	Unaudited Consolidated Modun 31 March 2015 \$000's	Unaudited Consolidated Modun Pro-forma 31 March 2015 \$000's
Loans to existing Modun subsidiaries		6,470	6,470
Loans to LiveTiles		-	-
Share based payments	(d)	-	829
		6,470	7,299
Eliminated on consolidation		(6,470)	(7,299)
Total Investments		-	-
7. Trade and other payables			
Trade and other payables		212	212
Payables of LiveTiles Group	13	-	1,904
Less: Repayment of Modun payables		-	(212)
		212	1,904
Loans from INT			
Share based payments	(d)	-	829
Loan from Modun (owing by LiveTiles)		-	-
Less: Eliminated on consolidation		-	(829)
		-	-
8. Employee entitlements			
Annual leave- Modun	13	19	19
Annual leave- LiveTiles	13	-	48
		19	67
9. Issued Capital			
1,774,139,534 shares as at 31 March 2015		302,879	302,879
Consolidation of capital	(a)	-	-
35,482,791 post consolidated shares on issue		302,879	302,879
Reversal of Modun capital on reverse acquisition		-	(302,789)
13,217,867 shares on issue in LiveTiles		-	2,751
73,333,333 New Shares pursuant to the Prospectus	(b)	-	11,000
225,000,000 Consideration Shares to acquire LiveTiles using reverse acquisition accounting	(c)	-	5,322
35,000,000 Plan Shares	(d)	-	-
Issue of 1,000 shares	(f)	-	-
		302,789	19,073
Less: estimated share issue costs	(c)	-	(1,200)
Pro-forma		302,789	17,873

The number of Modun shares on issue after the Proposed Transaction is completed will be 368,817,124.

The Plan Shares have been treated on an akin to a share option (and valued at \$829,000) in accordance with generally accepted accounting principles. If the owners of the shares pay the debts owing on the Loan Shares, the monies received (up to \$5,250,000) will be disclosed under issued capital (with no further shares being issued).

In the event that the Company accepts the maximum oversubscriptions of \$1,000,000, the number of shares on issue increases to 375,483,791, issued capital increases to \$19,733,000 after allowing for additional capital raising costs of \$50,000 and cash at bank increases by \$950,000 to \$12,262,000.

	Note 2	Unaudited Consolidated Modun 31 March 2015 \$000's	Unaudited Consolidated Modun Pro-forma 31 March 2015 \$000's
10. Share Based Payments/Premium Reserve			
Balance as at 31 March 2015		1,091	1,091
Less: Reversed on acquisition accounting		-	(1,091)
Reserves of LiveTiles		-	-
Issue of Plan Shares	(h)	-	829
		<u>1,091</u>	<u>829</u>

The number of post consolidated share options on issue as at 31 March 2015 are as follows:

- 7,000,000 unlisted share options, exercisable at 10 cents each, on or before 31 October 2017;
- 720,000 unlisted share options, exercisable at \$2 each, on or before 31 December 2015;
- 720,000 unlisted share options, exercisable at \$3 each, on or before 31 December 2015; and
- 640,000 unlisted share options, exercisable at \$5 each, on or before 31 December 2015.

The post-consolidated Plan Shares that will be on issue will total 35,000,000 and vest as follows:

Tranche	Time Vesting	Performance Vesting
		(VWAP)
1	Second Anniversary	25 cents
2	Third Anniversary	35 cents
3	Fourth Anniversary	45 cents

The above figures for the Plan Shares accounts for 100% of the fair values as ascribed by us when preparing an independent expert's report for Modun in May 2015, however for actual accounting purposes, the total of the values will be accounted for over the estimated/actual vesting periods. The financial accounts for the year ended 30 June 2016 will disclose a lower figure and future years will account for the values.

For details on the Plan Shares and the Management Incentive Plan that will be outstanding, refer the Background Section of this report and section 8.7 of the Prospectus.

	Note 2	Unaudited Consolidated Modun 31 March 2015	Unaudited Consolidated Modun Pro-forma 31 March 2015
		\$000's	\$000's
11. Accumulated losses			
Balance as at 31 March 2015		298,501	298,501
Less: Reversal on reverse acquisition	(b)	-	(298,501)
Less: premium on acquisition	(b)	-	(147)
Accumulated losses of LiveTiles Group	13	-	3,139
Plan Shares	(d)	-	829
Contingent fees paid	(g)	-	192
		<u>298,501</u>	<u>4,013</u>

12. Contingent Assets, Liabilities and Commitments

The Company has the following contingent liabilities and commitments that have not been accounted for in the pro-forma consolidated statement of financial position as at 31 March 2015.

The Mongolian Tax Authority ("The Authority") has conducted a tax review of the Company's wholly owned subsidiary, Modun Resources LLC ("Modun LLC"). Following the completion of the review, the Authority lodged a claim against Modun LLC for additional withholding tax to be paid as a result of the acquisition of the Nuurst Licence in 2011. The Group does not believe any additional withholding tax is required to be paid and is defending its position through the appeals and mediation process in place in Mongolia. The Group considers that it is probable that the judgement will be in its favour and have therefore not recognised a provision in relation to this claim. The potential undiscounted amount that Modun LLC could be required to be paid if there was an adverse judgement against Modun LLC is estimated to be approximately \$360,000 (exclusive of legal costs and any penalty/interest applied).

The Executive Services Agreements of Rick Dalton and Daniel Rohr were terminated during the year ended 30 June 2014 and were replaced with new service agreements to reflect the part-time nature of their on-going responsibilities. The Company reached agreement with both executives that entitlements due to them as a result of the termination of their initial agreements of up to \$100,925 for Rick Dalton and up to \$94,365 for Daniel Rohr, which will be paid out of the proceeds of the sale or part sale of the Nuurst Project. No accrual has been made for these payments as they are contingent upon the sale or part sale of the Nuurst Project.

The Company has agreed to enter into service contracts with Mr Karl Redenbach and Mr Mathew Brown as noted in the Background Section 3 of this report and Sections 1.17 and 7 of the Prospectus. Six months' notice is required to terminate the contracts.

In addition, there are service contracts involving Mike Hill and Hugh Warner each at the rate of \$250,000 per annum, however on completion of the Acquisition of LiveTiles, Mr Hill will become a non-executive director and Hugh Warner will resign as a director. Under the service agreements with Hill and Warner and also the non-executive directors of Modun, Messrs Andrew Gray and Philip Kapp, only 50% of the fees were payable to each party as cash and the remaining 50% payable when the financial situation of the Company improved. To 31 March 2015, the non accrued fees totalled \$91,667 (all the fees due to Kapp were accrued to 31 March 2015) and we have allowed for the payment of such fees (and 50% of the fees to 31 July 2015) in preparing the pro-forma statement of financial position as noted in this report. The total amount involved is \$191,667.

A Secretarial Agreement has been entered into with Whittens & McKeough Pty Ltd in relation to the provision of company secretarial services to be provided by Andrew Whitten at the rate of \$3,000 per month plus GST.

The non-executive directors who will remain on the Board of Modun post completion of the Acquisition are entitled to maximum director fees of \$80,000 per annum.

Further details are outlined in section 1.17 of the Prospectus and the Material Contracts Section 7 of the Prospectus.

In addition, the Company has entered into Indemnity Deeds with each Executive and Non-Executive Director.

LiveTiles has lease commitments as at US\$692,347 as at 31 December 2014 (as at 31 March 2015 rental of premises commitments totalled approximately \$406,840).

Based on discussions with the Directors and legal advisors, to our knowledge, the Company has no other material commitment or contingent liabilities not otherwise disclosed in this Investigating Accountant's Report (refer Background section 3) and in the Prospectus.

Investors should read the Prospectus for further possible contingencies and commitments.

For details on proposed commitments pertaining to the expanded Modun Group, refer to the Use of Funds Section 1.8 of the Prospectus.

13. Summary of LiveTiles from the unaudited consolidated Statements of Financial Position as at 31 March 2015

	Note	Unaudited Consolidated LiveTiles 31 March 2015 \$000's	Adjusted Consolidated LiveTiles Pro-forma 31 March 2015 \$000's
Cash at bank		226	976
Receivables and prepayments		2,790	576
Plant and equipment		12	12
Total assets		3,028	1,564
Creditors and accruals (including related parties)		4,626	1,904
Provisions- Employee liabilities		48	48
Total liabilities		4,674	1,952
Net Assets (Liabilities)		(1,646)	(388)
Equity			
Issued capital		2,001	2,751
Reserves		-	-
Accumulated losses		(3,647)	(3,139)
Net Equity (Deficiency)		(1,646)	(388)

We have adjusted the audited consolidated financial statements of LiveTiles as follows:

- The issue of further shares in LiveTiles to raise a gross \$750,000;
- The collection of around a net \$2.214 million from an research and development rebate relating to the 2013/2014 tax year less PAYG debt;
- Conversion of around \$1.78 million owing to related parties but not accrued and treated as nil consideration;
- Repayment of part of the related party loans of around \$2.214 million; and
- Allowing for \$1,272,000 of operating costs estimated to 30 June 2015.

Modun
31 March 2015
\$

The costs of the LiveTiles Acquisition from Modun's point of view ignoring reverse acquisition accounting is as follows:

Shares issued (225,000,000 Consideration Shares at a deemed 15.0 cents each)	33,750,000
Total Acquisition costs	<u>33,750,000</u>

Using reverse acquisition accounting, the capital and reserves of Modun are eliminated on acquisition and the capital and reserves of LiveTiles are disclosed under consolidated equity. The total acquisition costs of \$33,750,000 are only disclosed in the general ledger of Modun. The deemed value attributable to the Consideration Shares is \$5,322,000 (rounded) and the net assets of Modun are disclosed at \$5,469,000 (rounded) and thus the premium on acquisition approximates \$147,000 (rounded) and this

has been disclosed as a profit on acquisition using reverse acquisition accounting. The final amount on acquisition of LiveTiles may well be different and could alter to a small goodwill on reverse acquisition and this would be expensed to the statement of profit and loss and other comprehensive income.

Recoverability of the investment in the subsidiary LiveTiles and recoverability of any future loans made to LiveTiles is dependent on the success of existing and future business of LiveTiles. The Company, in the absence of justifiable profits in the future by LiveTiles may need to impair the investment (including any loan funds).

14. LiveTiles Consolidated Statement of Profit or Loss and other Comprehensive Income

	Year Ended 31 December 2014 (Audited)	Three Months Ended 31 March 2015 (Unaudited)
	\$000's	\$000's
Revenue	43	11
Other Income		
Research and development grant income	2,942	-
Sundry income	-	5
Related party debt forgiven	3,125	-
Net foreign exchange gain	27	-
Interest income	1	-
Administration expenses	(1,460)	(677)
Employee benefit expenses	(2,238)	(943)
Consultancy costs	(1,084)	-
Finance costs	(102)	-
Operating profit (loss)	1,254	(1,604)
Net profit (loss) before income tax	1,254	(1,604)
Income Tax Expense	-	-
Net profit (loss) after income tax	1,254	(1,604)
Other Comprehensive Income		
Total comprehensive income for the year	-	-
(Loss) attributable to the members of the parent entity	1,254	(1,604)
Total Comprehensive Income attributable to the members of the parent entity	1,254	(1,604)

5

RISK FACTORS

5.1

INTRODUCTION

The Shares offered under this Prospectus are considered highly speculative. An investment in our Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to our business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

5.2

COMPANY SPECIFIC RISKS

(a) Reinstatement of Shares to trading on ASX

It is anticipated that the Company's Shares will be suspended or placed in a trading halt prior to market open on the date of the General Meeting. In the event all Acquisition resolutions are approved at the General Meeting, it is anticipated that the Company's securities will remain suspended until completion of the Share Sale Agreement and Offer, re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its listed Shares may consequently remain suspended from quotation.

(b) Microsoft relationship

LiveTiles has a close relationship with Microsoft and LiveTiles' products currently integrate with various Microsoft products including SharePoint, Office 365 and Azure. If LiveTiles is unable to maintain a close relationship with Microsoft, or if any such Microsoft products are discontinued or experience declining market share, the Company's market position and financial performance may be adversely affected.

(c) Reliance on sales & marketing success

Following completion of the Offer, the Company intends to fully commercialise the LiveTiles product by focussing on sales and marketing. There is no guarantee that LiveTiles' sales and marketing strategy will be

successful. Even if LiveTiles successfully commercialises its products, there is a risk that the Company may not generate sufficient revenue to cover its operating costs.

(d) Limited trading history

LiveTiles is an early-stage business with a limited trading history. Since commencement of the LiveTiles concept in 2012, LiveTiles' activities have primarily comprised spending money to develop LiveTiles' products.

Like many early-stage businesses, LiveTiles has incurred losses since inception. LiveTiles officially commenced charging its commercial customers licence fees for the use of the LiveTiles product in February 2015.

Given LiveTiles' limited trading history, it is difficult to evaluate LiveTiles' business or its prospects and no assurance can be given that LiveTiles will be able to implement its business plan and ultimately become commercially viable.

(e) Intellectual property risks

If LiveTiles fails to protect its intellectual property rights adequately, competitors or potential competitors may gain access to its technology which could harm the LiveTiles business. LiveTiles currently has no granted patents (only a patent applications) and LiveTiles may not be able to obtain patent protection in the future. If any patents are granted in the future, they may not provide LiveTiles with any competitive advantages, or may be challenged by third parties.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to LiveTiles in every country in which its products are available. Accordingly, despite its efforts, LiveTiles may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

LiveTiles may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to LiveTiles and cause a distraction to management. In addition, unauthorised use of the LiveTiles brand in counterfeit products may result in potential revenue loss and have an adverse impact on LiveTiles' brand value and perceptions of its product qualities.

In addition, the Company needs to ensure that it does not infringe any third party intellectual property rights as it develops its products.

For further information on the intellectual property rights held by the LiveTiles Group, please refer to Section 3.4.

(f) Conditions of the Acquisition

The Acquisition is subject to the fulfilment of certain conditions. If the conditions precedent summarised in Section 7.1 are not met, the Acquisition will not be completed.

(g) Reliance on key personnel

The development of LiveTiles' business has been largely due to the effort, experience and leadership

of its management team, including the co-founder and CEO, Karl Redenbach. LiveTiles is also dependent on the continued service of its existing development personnel because of the complexity of its technologies. Despite the Company's best efforts to attract and retain key personnel (including by entering into services agreements and offering performance based equity incentives), there is no assurance that LiveTiles or the Company will be able to retain the services of such persons. The Company's ability or inability to attract and retain key personnel could have a material effect upon the Company's business, results of operations and financial condition.

(h) Reliance on partners

LiveTiles relies on partners to distribute the LiveTiles product to their underlying customers. If LiveTiles is not able to attract and retain suitably qualified and productive partners, it may not be able to implement its business plan.

As detailed in Section 7.5, LiveTiles has an exclusive distribution arrangement with rhipe in the Asia-Pacific region. If rhipe does not execute adequately or if LiveTiles does not appropriately support rhipe, LiveTiles' financial performance may be adversely affected.

(i) Liquidity risk

Upon reinstatement of the Company's securities to quotation on ASX, a significant portion of the Shares on issue will be subject to escrow restrictions imposed by the ASX Listing Rules and the Voluntary Escrow Agreements. This will impact liquidity in the Shares as a large portion of the issued capital may not be able to be traded freely for a period of up to 24 months.

5.3

INDUSTRY SPECIFIC

(a) Competition and new technologies

The LiveTiles Group will be participating in a highly competitive market. Some of the LiveTiles Group's competitors may have greater financial and other resources than the LiveTiles Group and, as a result, may be in a better position to compete for future business opportunities.

However there are few, if any, specific competitors who have a dominant market share and dictate the structure or practices in the market. The fact that there are few, if any, dominant competitors makes market entry and penetration easier. However, the LiveTiles Group will need to ensure that it can position, and differentiate, itself from its competitors to gain market share. There is no certainty that the LiveTiles Group will be successful in this market.

The industry in which the LiveTiles Group operates is subject to rapid change. LiveTiles will have no influence over the activities of its competitors, whose activities may negatively affect the operating and financial performance of LiveTiles. For example, new technologies could overtake LiveTiles' products,

in which case the LiveTiles Group's revenue and profitability could be adversely affected.

(b) Product faults

Software products frequently contain undetected defects or bugs when first introduced or when new versions or enhancements are released. LiveTiles has on occasions found defects and bugs in its products and new defects or bugs may be detected in its existing or future products. If that occurs, LiveTiles' revenue may be adversely affected.

(c) Customer service risk

Customers may need to engage with members of the LiveTiles Group's customer service personnel in certain circumstances, including if they have questions about LiveTiles' products or if there is a dispute between a customer and LiveTiles. The LiveTiles Group will need to recruit and retain staff with the requisite skills to appropriately respond to such matters. Poor customer service experiences may result in the loss of customers. If the LiveTiles Group loses key customer service personnel, fails to provide adequate training and resources for customer services personnel, or if the computer systems relied on by customer services personnel are disrupted, this could lead to adverse publicity, litigation, regulatory inquiries or a decrease in customers, all of which may negatively impact the LiveTiles Group's financial performance.

5.4

GENERAL RISKS

(a) Future capital requirements

Further funding may be required by the Company to support its ongoing activities and operations, including the need to develop new products, improve existing products, enhance its operating infrastructure and to acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such funding will be available on satisfactory terms (or at all) at the relevant time. Any inability to obtain additional funding (or inability to obtain funding on reasonable terms) will adversely affect the financial condition and financial performance of the Company.

(b) Currency risk

A large proportion of LiveTiles' revenue and expenses are denominated in US dollars, whereas the Company reports in Australian dollars. LiveTiles also expects to generate revenue in other foreign currencies including the British Pound and the Euro. The Company will therefore be subject to foreign currency fluctuations which may materially affect its financial position and operating results. For example, a depreciation of the US dollar relative to the Australian dollar may result in lower than anticipated revenue as a result of the translation of the US dollar revenue into Australian dollars. Conversely, an appreciation of the US dollar relative to the Australian dollar may result in higher

than anticipated expenses as a result of the translation of the US dollar expenses into Australian dollars.

(c) Insurance coverage

LiveTiles faces various risks in connection with its business and may lack adequate insurance coverage. For example, LiveTiles does not currently maintain business interruption or third party liability insurance. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its profitability will be adversely affected.

(d) Potential acquisitions risk

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(e) Market conditions risk

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular.

(f) General economic and political risks

Changes in the general economic and political climate in Australia and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any activities that may be conducted by the Company.

(g) Regulatory risk

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

5.5

HIGHLY SPECULATIVE INVESTMENT RISK

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company, the LiveTiles Group or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the LiveTiles Group and the value of the Company's securities.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.



6

BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

6.1 DIRECTORS AND KEY PERSONNEL

In accordance with the terms of the Share Sale Agreement and with effect from completion of the Acquisition, Hugh Warner and Philip Kapp will retire as the Directors of the Company and three nominees of LiveTiles, being the Proposed Directors, will be appointed to the Board of the Company. Andrew Gray will remain in his existing role and Mike Hill will continue as the Company's Non-Executive Chairman following Completion.

Hugh Warner and Philip Kapp are each entitled to a termination notice period of 3 months.

Each of the Proposed Directors has entered into an employment and services agreement with a member of the LiveTiles Group in connection with their roles as directors and/or Management of the LiveTiles Group. The Company proposes to enter into services and employment agreements with the Proposed Directors, which will take effect from Completion. The terms of these agreements are summarised in Sections 7.8 to 7.10.

Detailed summaries of the background and experience of each of Mike Hill, Andrew Gray and the Proposed Directors are set out in Section 1.15.

6.2 SENIOR MANAGEMENT OF LIVETILES

LiveTiles' key management personnel are as follows.

(a) Simon Tyrrell

Chief Product Officer

Simon Tyrrell joined LiveTiles in mid-2013. Prior to joining LiveTiles, Simon was the Chief Strategy Officer and Product Innovation Manager at nSynergy Group, a global technology consulting business. Simon has 13 years of IT experience including 11 years consulting on enterprise collaboration solutions.

(b) Felicity Turner

Vice President, Sales & Marketing

Felicity Turner joined LiveTiles in October 2014. Prior to joining LiveTiles, Felicity was a Productivity Solution Specialist and Azure Solution Specialist at Microsoft. Previously, Felicity founded and sold two Australian-based technology businesses. Felicity has 24 years of IT experience across networking, application development, business intelligence, data warehousing and Microsoft cloud (Office 365 and Azure).

Felicity has a Bachelor of Informatics from Griffith University.

6.3 ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

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

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.modunresources.com).

Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

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

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

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

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

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

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

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

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Chief Executive Officer). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

External audit

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

Audit committee

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

Diversity policy

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

6.4

DEPARTURES FROM RECOMMENDATIONS

The Company is required to disclose the extent to which it follows the Recommendations during each financial year in its annual financial report and where applicable any departures from the Recommendations must be separately identified and explained.

The Company's departures from the Recommendations will be announced to ASX prior to the Company's re-instatement to trading.





7

MATERIAL CONTRACTS

7.1

SHARE SALE AGREEMENT

On 27 April 2015, the Company announced that it had entered into the Share Sale Agreement with LiveTiles, ZTH Tech, NIA Tech and rhipe LiveTiles to acquire 100% of the issued share capital of LiveTiles, an unlisted Australian company based in New York.

A summary of the key terms of the Share Sale Agreement is set out below.

Pre-Completion

Prior to Completion:

- (a) LiveTiles will undertake a share split on the basis that every one (1) LiveTiles share is divided into 10,000 LiveTiles shares;
- (b) LiveTiles will issue 855,857 shares (on a post-share split basis) to certain employees of LiveTiles;
- (c) LiveTiles will issue 37,471 shares (on a post-share split basis) to rhipe LiveTiles;
- (d) LiveTiles will issue shares to ZTH Tech and NIA Tech in discharge of consultancy fees and accrued salaries to the value of \$1,780,000 owing to ZTH Tech and NIA Tech by the LiveTiles Group;
- (e) LiveTiles will issue shares in LiveTiles equal to 2.5% of the shares on issue in LiveTiles, being 328,200 shares (on a post-share split basis), to the nSynergy Trust; and
- (f) ZTH Tech and NIA Tech will subscribe for, and LiveTiles will issue, \$750,000 worth of shares in LiveTiles.

In addition, the Company has subscribed for, and LiveTiles has issued, a convertible note in LiveTiles with a face value of \$500,000. The terms of the Convertible Note Deed Poll are summarised in Section 7.2.

Conditions Precedent

Completion of the Acquisition pursuant to the Share Sale Agreement is conditional on the satisfaction or waiver of the following remaining conditions precedent (together the Conditions):

- (a) **(Buyer Shareholder Approvals)** the Company obtaining all necessary Shareholder approvals required under the ASX Listing Rules, the Corporations Act and any other applicable law or regulation in relation to the Acquisition, including:
 - (i) ASX Listing Rule 11.1.2 authorising a change in the nature and scale of activities of the Company (as required);
 - (ii) ASX Listing Rule 7.1 for the issue of the Shares under the Offer, the issue of Shares to certain Sellers under the Employee Share Plan and the trustee of the nSynergy Trust (Corporate Trustee) and in connection with the Company's re-compliance (as required);

- (iii) approval for the purpose of Item 7 of Section 611 of the Corporations Act for the issue of the Consideration Shares to the ZTH Tech and NIA Tech;
- (iv) ASX Listing Rule 7.2 Exception 9 as an exception to ASX Listing Rule 7.1 and for the purposes of sections 200B and 200E of the Corporations Act for the issue of securities of the Company under the Management Incentive Plan;
- (v) ASX Listing Rule 10.14 for the issue of securities of the Company under the Management Incentive Plan to Andrew Gray, Mike Hill, Karl Redenbach, Peter Nguyen-Brown and Matthew Brown;
- (vi) approval for the purposes of section 254H of the Corporations Act of the consolidation of the Company's issued capital, for the sole purpose of re-compliance and on a fifty for one basis; and
- (vii) approval of the Management Incentive Plan;
- (b) **(Re-Compliance)** the ASX providing the Company with a list of conditions (including satisfaction of Chapters 1 and 2 of the Listing Rules and such other conditions being reasonably acceptable to the Company and Sellers) which, when satisfied, will result in ASX reinstating the Company's Shares to quotation on ASX;
- (c) **(Capital Raising)** the Company completing a capital raising of no less than \$9,000,000 (or such other amount as may be agreed between the parties), through the issue of Shares. This Condition will be satisfied on completion of the Offer;
- (d) **(Executive and Non Executive Contract)** Karl Redenbach and Matthew Brown each entering into an employment agreement with the Company and Peter Nguyen-Brown entering into a non-executive director engagement agreement with the Company in each case, in a form to be agreed between the Company and each such person (each acting reasonably);
- (e) **(Voluntary Escrow Agreement)** each of ZTH Tech and NIA Tech entering into a voluntary restriction deed (Voluntary Escrow Agreement) in relation to the Consideration Shares to be issued to ZTH Tech and NIA Tech, for the period ending on the second anniversary of date on which Completion occurs;
- (f) **(ASIC relief)** the Company obtaining relief from compliance with section 609 of the Corporations Act in relation to ZTH Tech and NIA Tech's entry into the Voluntary Escrow Agreements; and
- (g) **(Patent Application)** the transfer of non-provisional patent application no. 61/842,719, in respect of a browser-based designer tool for a user interface and the administration of tiles, into the sole name of a member of the LiveTiles Group.

The remaining Conditions must be satisfied or waived by no later than 31 October 2015 (or any other date as agreed in writing between the Company and ZTH Tech, NIA Tech and rhipe LiveTiles) (End Date).

Consideration

On completion of the Acquisition, the Company will issue 225,000,000 Shares (on a post-Consolidation basis) (Consideration Shares) to the shareholders of LiveTiles at the date of Completion (or their nominees).

Termination before Completion

ZTH Tech, NIA Tech and rhipe LiveTiles (acting collectively) or the Company may terminate the Share Sale Agreement by giving not less than 2 business days' written notice to the other parties if:

- (a) at any time after the End Date, a Condition is not satisfied, waived by the party or all the parties (as applicable) with the benefit of that Condition or deemed to have been waived; or
- (b) at any time before Completion, the Company or any of ZTH Tech, NIA Tech and rhipe LiveTiles (as the case may be) has given a notice that a Condition to which it does not have the benefit is incapable of being satisfied by the End Date (unless that Condition is satisfied before the notice is given).

rhipe LiveTiles' right to subscribe

The Company, ZTH Tech and NIA Tech had agreed to each use their respective reasonable endeavours to ensure that rhipe LiveTiles (or its nominee) has a right to subscribe for up to 12.5% of the Shares offered pursuant to the Offer on the same terms and conditions as the other subscribers under the Offer (in so far as possible).

rhipe LiveTiles has indicated that it does not intend to subscribe for any Shares under the Offer.

Completion

Completion of the Acquisition will occur on that date which is 5 business days after satisfaction or waiver of the last of the Conditions, or such other date as the Company, ZTH Tech, NIA Tech and rhipe LiveTiles agree (Completion).

Board Composition

Each of ZTH Tech, NIA Tech and rhipe LiveTiles is entitled to nominate a nominee for appointment to the Board (Nominee Directors). The Nominee Directors, as at Completion, are as follows:

- in respect of ZTH Tech, Karl Redenbach;
- in respect of NIA Tech, Peter Nguyen-Brown; and
- in respect of rhipe LiveTiles, Mike Hill.

With effect from Completion, Karl Redenbach, Peter Nguyen-Brown and Matthew Brown will be appointed as Directors (subject to the Proposed Directors providing written consent to act and signing a letter of appointment acceptable to the Company acting reasonably).

Karl Redenbach will be appointed as Chief Executive Officer of the Company and Matthew Brown will be appointed as Chief Financial Officer.

Hugh Warner and Philip Kapp will resign as directors, secretaries, employees and public officers (as applicable) of the Company.

If, following Completion, ZTH Tech's, NIA Tech's or rhipe LiveTiles' (including any related body corporate of that Seller and/or its guarantor) holding of ordinary shares in the share capital of the Company falls below 7.5% of the ordinary issued share capital of the Company (Relevant Threshold Event), that Seller must procure that its Nominee Director resigns from his or her position as Director within 5 business days after the Relevant Threshold Event.

Management Incentive Plan offers

Within 10 business days after Completion, and subject to the requisite Shareholder approval being obtained, the Company must make an offer of Shares under the terms of the Management Incentive Plan to each of Karl Redenbach, Peter Nguyen-Brown, Matthew Brown, Andrew Gray and Mike Hill.

Termination

ZTH Tech, NIA Tech and rhipe LiveTiles (acting collectively) or the Company may elect to terminate their obligations under the Share Sale Agreement, by giving written notice to the other parties, if at any time before Completion the other (or any of the others in the case of the Sellers) materially breaches the Share Sale Agreement.

Miscellaneous

The Share Sale Agreement also contains a number of standard terms and conditions, including representations and warranties, considered standard for an agreement of this nature.

7.2

CONVERTIBLE NOTE DEED POLL

In accordance with the terms of the Share Sale Agreement, the Company has subscribed for, and LiveTiles has issued, a convertible note of LiveTiles (LiveTiles Convertible Note). The LiveTiles Convertible Note was issued on the terms and subject to the conditions of a convertible note deed poll (LiveTiles Convertible Note Deed Poll). The key terms of the proposed LiveTiles Convertible Note Deed Poll are set out below.

General Information

- (a) The LiveTiles Convertible Note has a face value of \$500,000.
- (b) The LiveTiles Convertible Note is an unsecured obligation of LiveTiles.
- (c) The LiveTiles Convertible Note is not transferable.

Interest

Interest on the LiveTiles Convertible Note will be calculated on the outstanding principal at the official RBA cash rate as at the issue date (being 15 June 2015) and may be periodically capitalised and added to the outstanding principal.

Maturity Date

The LiveTiles Convertible Note will mature six months after the date of issue (Maturity Date).

On the Maturity Date, LiveTiles must either (at the Company's election):

- (a) repay the outstanding principal of the LiveTiles Convertible Note in full; or
- (b) convert the outstanding principal of the LiveTiles

Convertible Note into ordinary shares in the capital of LiveTiles on the basis of a \$33.75 million valuation of LiveTiles.

In the event that the Company fails to make the above election, the Company will be deemed to have elected to convert the LiveTiles Convertible Note into LiveTiles shares.

Voluntary Repayment

LiveTiles may at any time, repay the outstanding principal of the LiveTiles Convertible Note in full at any time at its sole election.

Termination of Share Sale Agreement

If for any reason the Share Sale Agreement is terminated or completion of the Acquisition does not occur, LiveTiles must repay the outstanding principal of the LiveTiles Convertible Note by no later than the Maturity Date.

Conversion Provisions

Other than as set out in this Section 7.2, the Company will have no right to require the conversion of the LiveTiles Convertible Note into ordinary shares in the capital of LiveTiles.

Redemption

The Company will have no right to require the redemption of the LiveTiles Convertible Note.

7.3

TERM SHEET – SALE OF NUURST THERMAL COAL PROJECT

As announced on 24 November 2014, the Company entered into a highly conditional agreement (Nuurst Sale Agreement) with a Mongolian based company (Purchaser), pursuant to which the Purchaser (or its nominee) has agreed to acquire, and the Company has agreed to sell, 100% of the issued share capital of Modun Resources LLC (Modun LLC) and novate to the Purchaser 100% of the intercompany debt. Modun LLC owns 100% of the Nuurst Thermal Coal Project, which comprises Mongolian mining license MV-017349 and all associated rights, data, improvements and all site assets (Project).

Consideration and Exclusivity Fee

In consideration of the acquisition, the Purchaser will pay the Company US\$8,000,000, of which:

- (a) US\$1,000,000 is payable in cash (Cash Consideration); and
- (b) US\$7,000,000 is payable in deferred royalty payments, paid on the basis of \$0.50 per tonne for the first 14 million tonnes of coal extracted and sold by the Purchaser (Deferred Consideration).

In consideration for the payment by the Purchaser to the Company of US\$100,000 (Exclusivity Fee), which was paid on 25 November 2015, the Company granted to the

Purchaser a period of up to 90 days (Exclusivity Period) during which to conduct due diligence on the Project and enter into a binding agreement with the Company. As announced on 5 February 2015, the Company and the Purchaser subsequently agreed to extend the Exclusivity Period by 8 weeks, which has since expired. Whilst the Exclusivity Period has expired, the Company continues to negotiate with the Purchaser as well as with additional third parties.

The Exclusivity Fee is 100% refundable only in either of the two following instances:

- (a) if the Company fails to obtain the approval of its Shareholders for the sale; or
- (b) if the Purchaser's due diligence investigations determines that the Project's mining license has not been validly granted or that the JORC report announced by the Company in November 2012 is found to have been misrepresented or false. For the avoidance of doubt, once the Purchaser gives notice of its intention to proceed with the acquisition of the Modun LLC, the Exclusivity Fee will no longer be refundable under this paragraph (b).

Upon the Purchaser providing written notice, during the Exclusivity Period, of its intention to undertake the acquisition and executing the requisite formal agreements and receiving the necessary approvals to acquire the Project, the Purchaser will pay the balance of the Cash Consideration, being US\$900,000, to the Company at settlement.

Conditions

The agreement is subject to the following conditions:

- (a) the Purchaser completing, to its satisfaction, legal, accounting and technical due diligence within the Exclusivity Period;
- (b) the Company assisting in the transaction due diligence and providing all data and support to the Purchaser;
- (c) the granting of any necessary consents, approvals, exemptions, authorisations and regulatory approvals including:
 - (i) the approval from any required general meeting by the Company; and
 - (ii) the consent from the Government of Mongolia's Mineral Resources Authority of Mongolia regarding the transaction (if required by Mongolian Law); and
- (d) no material adverse change occurring or affecting the Project.

7.4

UNDERWRITING AGREEMENT

By an agreement between Blue Ocean Equities Pty Limited (ACN 151 186 935) (Blue Ocean) and the Company (Underwriting Agreement), Blue Ocean has agreed to manage and fully underwrite and the Offer for 73,333,333 Shares (Underwritten Shares) on the terms and conditions set out in the Underwriting Agreement.

The obligation of Blue Ocean under the Underwriting Agreement to subscribe for that number of Shares equal to the amount by which the number of Underwritten Shares exceeds the number of Shares for which valid applications are received by the Closing Date (Shortfall Shares) is subject to the satisfaction or waiver of the following remaining conditions precedent:

- (a) execution of restriction agreements or escrow agreements, each in a form and substance satisfactory to Blue Ocean, by the restricted or escrowed Shareholders (as the case may be) as required by the ASX prior to 5:00 pm (Sydney time) on 12 August 2015 (or such other date as agreed between the parties) (Allotment Date); and
- (b) ASX indicating in writing that it will grant permission for quotation of the Shares (subject only to customary listing conditions) on or before 5:00 pm Sydney time) on the Allotment Date.

Pursuant to the Underwriting Agreement, the Company has agreed to pay Blue Ocean:

- (a) an offer management fee of 1% (plus GST) of the issue price per Share on all of the Shares offered under the Offer; and
- (b) an underwriting fee of 4% (plus GST) of the issue price per Share on all of the Shares offered under the Offer (excluding 4,500,000 Shares in aggregate to be issued to Mike Hill, Andrew Gray and Matthew Brown).

The obligation of Blue Ocean to underwrite the Offer is subject to certain events of termination. Blue Ocean may, until the Allotment Date, terminate its obligations under the Underwriting Agreement if it becomes aware of the happening of any of the following events:

- (a) a statement contained in this Prospectus is misleading or deceptive or a matter is omitted from this Prospectus (having regard to the provisions of Sections 710 and 711 of the Corporations Act);
- (b) this Prospectus does not contain (having regard, among other things, to the matters set out in Section 710 of the Corporations Act) all such information as investors and their professional advisers would reasonably require and reasonably expect to find in it for the purpose of making an informed assessment of the assets, liabilities, financial position and performance, profits, losses and prospects of the Company and each entity which the Company controls (together the Group) (in so far as the position in relation to an entity in the Group will or may affect the overall position of the Company) and the rights attaching to the Shares under the Offer;
- (c) the report of the due diligence committee in connection with the Offer or any other information made available by or on behalf of the Company to Blue Ocean in relation to the Company, the Group, any entity in the Group or the Offer is misleading or deceptive in any way;
- (d) any material adverse change occurs in the assets, liabilities, financial position and performance, profits, losses or prospects of the Company and the Group (in so far as the position in relation to an entity in the Group will or may affect the overall position of the Company) including any adverse change in the assets, liabilities, financial position and performance, profits, losses or prospects of the Group from those respectively

disclosed in this Prospectus or the public information made by or on behalf of the Company in relation to the affairs of the Company or the Offer;

- (e) there is introduced or there is announced a proposal to introduce into the Parliament of Australia or any State of Australia in which the Company offers products or services a new law or any authority of the Commonwealth or any State in which the Company offers products or services adopts or announces a proposal to adopt a new policy, any of which does or is likely to adversely affect the successful promotion of those products or services or the industry in which the Company conducts its business in a material way;
- (f) there is a difference between the information contained in the draft prospectus for the Offer dated 24 June 2015 and the information contained in the final Prospectus lodged with ASIC;
- (g) at any time after issue of this Prospectus:
 - (i) the Company becomes aware of a matter that is materially adverse from the point of view of an investor as envisaged in Section 719(1) of the Corporations Act;
 - (ii) there occurs a significant change affecting any matter contained in this Prospectus, as envisaged in Sections 719 and 724 of the Corporations Act;
 - (iii) there arises a significant new matter, the inclusion in this Prospectus of information about which would have been required by Chapter 6D of the Corporations Act if it had arisen when this Prospectus was prepared, as envisaged in Sections 719 and 724 of the Corporations Act;
 - (iv) an event occurs in relation to the Company or the Group (in so far as the position in relation to an entity in the Group will or may affect the overall position of the Company), as set out in Sections 652C(1) and (2) of the Corporations Act; or
 - (v) the Company withdraws this Prospectus;
- (h) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United Kingdom, the United States of America, Japan, the Peoples' Republic of China or the Republic of India;
- (i) the S&P/ASX All Ordinaries Index decreases to a level that is at least 10% below the level of that Index as at the close of trading on the date of the Underwriting Agreement and remains at or below that level for 2 consecutive business days or closes 10% below that level on the business day before the Allotment Date;
- (j) any of the following occurs:
 - (i) a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material

respect for at least two days on which that exchange is open for trading;

- (iii) any materially adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in, Australia, the United States of America or the United Kingdom, or the international financial markets or any materially adverse change in national or international political, financial or economic conditions; or
- (iv) after the date of the Underwriting Agreement, a change or development (which was not publicly known prior to the date of the Underwriting Agreement) involving a prospective materially adverse change in taxation affecting the Company or the Offer occurs;
- (k) a director of the Company is charged with an indictable offence;
- (l) there occurs a material contravention by the Company or any entity in the Group of the Corporations Act, any applicable law or its constitution;
- (m) approval to the official quotation of all of the Shares under the Offer on the ASX is refused, not granted or granted subject to any condition which is unacceptable to Blue Ocean (acting reasonably) on or before completion of the allotment and transfer of all of the Shares under the Offer;
- (n) approval to the official quotation of all of the Shares under the Offer on the ASX is withdrawn or qualified on a basis which Blue Ocean on reasonable grounds considers unacceptable before completion of the allotment and transfer of all of the Shares under the Offer;
- (o) the ASIC issues an order or indicates an intention to hold a hearing arising out of or in connection with the Offer under Section 739 of the Corporations Act or the ASIC commences an examination of any person or requires any person to produce documents arising out of or in connection with the Offer or the Company under Sections 19 or 30 to 33 of the Australian Securities and Investments Commission Act;
- (p) an application is made by the ASIC for an order under Section 1324B of the Corporations Act in relation to this Prospectus;
- (q) any person (other than Blue Ocean) who has previously consented to the inclusion of its name in this Prospectus or to be named in this Prospectus withdraws that consent;
- (r) any person gives a notice under Section 730 of the Corporations Act in relation to this Prospectus;
- (s) there is a default by the Company in the performance of any of their material obligations under the Underwriting Agreement;
- (t) a material representation or warranty contained in the Underwriting Agreement on the part of the Company is or becomes untrue or incorrect in any material respect and the matters rendering the warranty untrue or incorrect are not remedied to the satisfaction of Blue Ocean prior to the issue of the notice of the number of Shortfall Shares;
- (u) any of the material contracts set out in Section 7 are varied without Blue Ocean's prior written consent;
- (v) any of the material contracts set out in Section 7 are repudiated, rescinded or terminated without Blue Ocean's prior written consent;
- (w) any litigation, arbitration or other legal proceeding is commenced against any entity in the Group;
- (x) any of the following events occurs in respect of the Company or any member of the Group:
 - (i) the person is dissolved, wound up or placed into bankruptcy or an order is made by a court or an application is made to a court for an order and is not withdrawn or dismissed within 10 business days or a resolution is passed or the person gives notice of its intention that the person be dissolved, wound up or placed into bankruptcy;
 - (ii) a liquidator, provisional liquidator or trustee in bankruptcy is appointed in respect of the person or any property of the person or an application is made to a court and is not withdrawn or dismissed within 10 business days for an order that a liquidator, provisional liquidator or trustee in bankruptcy be appointed in respect of the person or any property of the person;
 - (iii) a controller or administrator is appointed in respect of the person or any property of the person or takes possession or gains control of any property of the person;
 - (iv) except to reconstruct or amalgamate while solvent, the person enters into, or resolves to enter into, a scheme of arrangement, administration, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them;
 - (v) the person is (or states that it is) insolvent or an insolvent under administration (each as defined in the Corporations Act);
 - (vi) as a result of the operation of Section 459F(1) of the Corporations Act, the person is taken to have failed to comply with a statutory demand;
 - (vii) execution or other process issued on a judgment, decree or order of a court (whether an Australian Court or not) in favour of a creditor against the person, or another person authorised to be sued as nominal defendant on behalf of the person, is returned wholly or partly unsatisfied, or the person makes a statement from which it may be reasonably deduced that such an event has occurred;
 - (viii) the person takes any step to obtain protection or is granted protection from its creditors under any applicable legislation; or
 - (ix) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction;
- (y) the Company fails to provide a closing certificate at the time of delivery of the notice of the number of Shortfall Shares or the closing certificate is false, misleading or deceptive in a material way or contains a material omission; or
- (z) the conditions precedent are not satisfied or waived.

Blue Ocean may not terminate its obligations under the Underwriting Agreement after the occurrence of an event in paragraph (a), (b), (c), (e) or (f) above unless it believes on reasonable grounds acting bona fide that the event has, or is likely to have, a materially adverse effect on the Company or the Group (in so far as the position in relation to an entity in the Group will or may affect the overall position of the Company) or on the outcome of the Offer or it could give rise to a material liability of Blue Ocean.

The Company has agreed to indemnify Blue Ocean and its officers, employees, advisers and related bodies corporate and hold them harmless from and against all claims, demands, damages, losses, costs, expenses and liabilities suffered or incurred directly or indirectly as a result of:

- (a) any of the warranties or representations by the Company contained in the Underwriting Agreement not being true and correct;
- (b) any breach of the Underwriting Agreement by the Company;
- (c) the distribution of this Prospectus, the Application Form and any supplementary or replacement documents to this Prospectus lodged with ASIC under section 719 of the Corporations Act in connection with the Offer; or
- (d) any advertising or publicity of the Offer issued with the knowledge and consent of the Company and without the prior written consent of Blue Ocean,

subject to exemptions relating to, amongst other things, fraud, recklessness, wilful misconduct or gross negligence by them.

The Underwriting Agreement also contains a number of representations, warranties and undertakings that are considered standard for an agreement of this type.

7.5

LIVETILES DISTRIBUTION AND RESELLER AGREEMENT – RHIFE AUSTRALIA PTY LIMITED

On 12 December 2014, LiveTiles LLC and LiveTiles Pty Ltd (each a wholly owned subsidiary of LiveTiles) (LiveTiles Subsidiaries) entered into an agreement with rhife Australia Pty Limited (a wholly owned subsidiary of rhife) (Reseller) pursuant to which the LiveTiles Subsidiaries appointed the Reseller with:

- (a) the non-exclusive rights to market, resell and distribute the LiveTiles product and any other products developed by LiveTiles from time to time (Products) and the support, assurance, new releases and related services for the Products (Support) globally and in the Asia Pacific region; and
- (b) the exclusive right to market, resell and distribute the Products and Support to cloud hosting providers in the Asia Pacific region.

In addition, the LiveTiles Subsidiaries have appointed rhife, and each subsidiary of rhife, as a reseller on the same terms as the appointment of the Reseller.

The Reseller will order supplies of the Products and Support from the LiveTiles Subsidiaries as are required from time to time. The Reseller will pay the LiveTiles Subsidiaries a monthly or annual subscription price for the Products and Support which are determined based on the size of the user base (Prices). The Prices may be reviewed by the LiveTiles Subsidiaries twice annually on 31 December and 30 June in each year. The LiveTiles Subsidiaries have agreed to make the Products and Support available to the Reseller to resell and distribute to customers at a minimum 30% discount to the prices for the Products and Support set out in any price list published by the LiveTiles Subsidiaries from time to time.

The LiveTiles Subsidiaries have granted the Reseller a non-transferrable, non-exclusive, royalty free license to use the LiveTiles Subsidiaries intellectual property (which includes patents, trademarks, design rights, copyright, trade or business names, know-how and trade secrets and any other similar rights or obligations) solely for the purpose of performing its obligations under the agreement. The license automatically terminates on termination of the agreement.

The agreement continues for an initial term of five years and then successive further terms of five years, unless terminated earlier by either party. Either party may terminate the agreement at any time by giving the other party written notice if:

- (a) the other party breaches any provision of the agreement and fails to remedy that breach within 15 days after receiving notice from the first party requiring it to do so; or
- (b) the other party becomes subject to an insolvency event.

The Reseller may terminate the agreement without cause, by giving the LiveTiles Subsidiaries 60 days' written notice.

7.6

EXECUTIVE SERVICE AGREEMENT

On 1 September 2014 the Company entered into Executive Services Agreements (ESAs) with both Mike Hill and Hugh Warner whereby:

- (a) the Company employs Mr Hill and Mr Hill serves the Company as Executive Chairman; and
- (b) the Company employs Mr Warner and Mr Warner serves the Company as Executive Director.

Under the terms of the ESAs, the Company has agreed to pay Mr Hill and Mr Warner each a total salary of \$250,000 (gross) per year inclusive of superannuation and directors' fees. Each Executive's entitlement to salary accrues daily and is payable in equal monthly instalments in arrears. Each Executive's salary is reviewed annually by the Company.

Pursuant to the ESAs, both Mr Hill and Mr Warner have agreed to receive only 50% of their salary monthly up until such time as the Company can afford to pay the salaries in full. At that time, the Board will approve and direct the payment of the accrued but unpaid salary. From the date of that Board approval onwards, 100% of the salary will be paid in equal monthly instalments.

The Company may at any time during each Executive's employment pay to the Executive a performance-based bonus over and above their salary. In determining the extent of any performance-based bonus the Company shall take into consideration the key performance indicators of the relevant Executive and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.

The Company will reimburse each Executive for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred in the performance of his duties in connection with the business of the Company and its related bodies corporate.

Pursuant to the ESAs and on the terms and conditions set out in Section 8.6:

- (a) Mr Hill has been granted 3,000,000 Options (on a post-Consolidation basis); and
- (b) Mr Warner has been granted 1,700,000 Options (on a post-Consolidation basis).

The Company may, by directors' resolution and otherwise in accordance with the Corporations Act and Constitution, terminate either of the ESAs by giving three (3) months' written notice to the relevant Executive or making a payment in lieu of all or part of the notice period.

The Executives may, at their sole discretion, terminate their respective ESAs by giving three (3) months' written notice to the Company.

7.7

NON-EXECUTIVE SERVICE AGREEMENT

The Company has entered into Non-Executive Services Agreements (NESAs) whereby:

- (a) the Company engages Andrew Gray as a contractor and Mr Gray provides the Company with the services of a Non-Executive Director; and
- (b) the Company engages Philip Kapp as a contractor and Mr Kapp provides the Company with the services of a Non-Executive Director.

Pursuant to the NESAs, Mr Gray and Mr Kapp provide services to the Company as independent contractors, not as employees. As independent contractors, the Non-Executives acknowledge and agree that they are not entitled to receive or accrue annual leave, personal/carer's leave, long service leave or any other employee benefits during the term of their respective engagements.

Under the terms of the NESAs, the Company has agreed to pay each Non-Executive a fee of \$50,000 (gross) per year inclusive of directors' fees. The Non-Executives' entitlement to the fee accrues daily and is payable in equal monthly instalments in arrears. The fees paid to the Non-Executives by the Company are reviewed annually.

Pursuant to the NESAs, both Mr Gray and Mr Kapp have agreed to receive only 50% of their salary monthly up until such time as the Company can afford to pay the salaries in full. At that time, the Board will approve and direct the payment of the accrued but unpaid salary. From the date

of that Board approval onwards, 100% of the salary will be paid in equal monthly instalments.

The Company may at any time during each Non-Executives' engagement, pay to the Non-Executive a performance-based bonus over and above the fee noted above. In determining the extent of any performance-based bonus the Company shall take into consideration the key performance indicators of the relevant Non-Executive and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.

The Company will reimburse the Non-Executives for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred in the performance of his duties in connection with the business of the Company and its related bodies corporate.

Pursuant to the NESAs and on the terms and conditions set out in Section 8.6:

- (a) Mr Gray has been granted 1,500,000 Options on a post-Consolidation basis; and
- (b) Mr Kapp has been granted 800,000 Options (on a post-Consolidation basis).

The Company may, by directors' resolution and otherwise in accordance with the Corporations Act and Constitution, terminate either of the NESAs by giving three (3) months' written notice to the relevant Non-Executive or making a payment in lieu of all or part of the notice period.

The Non-Executives may, at their sole discretion, terminate their respective NESAs by giving three (3) months' written notice to the Company.

7.8

EXECUTIVE SERVICES AGREEMENT – KARL REDENBACH

Term of Agreement

The Company proposes to enter into an executive services and employment agreement with Mr Redenbach, who will serve the Company as an Executive Director and the Chief Executive Officer. It is proposed that Mr Redenbach continue in his role as Chief Executive Officer and director of LiveTiles. The agreement will take effect from the date of completion of the Acquisition, which will replace Mr Redenbach's existing agreement with LiveTiles.

Remuneration package

As set out in Section 1.17, Mr Redenbach will receive a base salary of USD\$250,000 per annum. The Company may, at its discretion, provide Mr Redenbach with a bonus. Mr Redenbach's remuneration will include director's fees for his position as a Director of the Company.

Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the

Company may immediately terminate the agreement and Mr Redenbach will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide Mr Redenbach with 6 months' written notice or make a payment of 6 months' salary in lieu of the notice period.

Mr Redenbach may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 6 months of his base salary.

7.9

EXECUTIVE SERVICES AGREEMENT – MATTHEW BROWN

Term of Agreement

The Company proposes to enter into an executive services and employment agreement with Matthew Brown, who will service the Company as an Executive Director and the Chief Financial Officer. It is proposed that Mr Brown continue in his role as Chief Financial Officer LiveTiles. The agreement will take effect from the date of completion of the Acquisition, which will replace Mr Brown's existing agreement with LiveTiles.

Remuneration package

As set out in Section 1.17, Mr Brown will receive a base salary of \$400,000 per annum (inclusive of superannuation). Of this base salary, \$50,000 per annum will be accrued, until such time as the Company can afford to pay the salaries in full. The Company may, at its discretion, provide Mr Brown with a bonus. Mr Brown's remuneration will include director's fees for his position as a Director of the Company.

Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company may immediately terminate the agreement and Mr Brown will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide Mr Brown with 6 months' written notice or make a payment of 6 months' salary in lieu of the notice period.

Mr Brown may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 6 months of his base salary.

7.10

NON-EXECUTIVE SERVICES AGREEMENT – PETER NGUYEN-BROWN

Term of Agreement

The Company proposes to enter into a non-executive services and employment agreement with Mr Nguyen-Brown, who will serve the Company as a Non-Executive Director. The agreement will take effect from the date of completion of the Acquisition, which will replace Mr Nguyen-Brown's existing agreement with LiveTiles.

Remuneration package

As set out in Section 1.17, Mr Nguyen-Brown will receive a base salary of \$80,000 per annum of which Mr Nguyen-Brown has agreed to receive only 50%, with the remaining 50% accrued, until such time as the Company can afford to pay the salaries in full. The Company may, at its discretion, provide Mr Nguyen-Brown with a bonus.

Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company may immediately terminate the agreement and Mr Nguyen-Brown will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide Mr Nguyen-Brown with 6 months' written notice or make a payment of 6 months' salary in lieu of the notice period.

Mr Nguyen-Brown may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 6 months of his base salary.

7.11

DEEDS OF INDEMNITY, INSURANCE AND ACCESS

The Company has entered into a deed of indemnity, insurance and access with each of its Directors and proposes to enter into a deed of indemnity, insurance and access with each of the Proposed Directors upon their appointment as Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

7.12

VOLUNTARY RESTRICTION AGREEMENTS

As noted in Section 7.1, ZTH Tech and NIA Tech have agreed to voluntarily escrow the Consideration Shares to be issued to them on completion of the Acquisition for the period ending on the second anniversary of the date on which Completion occurs. The voluntary escrow period would be in addition to any ASX imposed escrow period.

In addition, the Consideration Shares to be issued to certain employees of the LiveTiles Group under the Employee Share Plan (including to Matthew Brown, a Proposed Director) will be subject to voluntary escrow restrictions in accordance with the restrictions on dealing set out in Section 8.8 below.

Further, the Shares to be issued to Mike Hill, Andrew Gray and each of the Proposed Directors pursuant to the Management Incentive Plan will be subject to voluntary escrow restrictions in accordance with the restrictions on dealing set out in Section 8.7 below.

These voluntary escrow restrictions will be set out in voluntary escrow agreements to be entered into between the Company and each of ZTH Tech, NIA Tech, the employees of the LiveTiles Group who will receive Consideration Shares under the Employee Share Plan, Mike Hill, Andrew Gray and the Proposed Directors separately prior to Completion.





ADDITIONAL INFORMATION

8.1

LITIGATION

As at the date of this Prospectus, the Company and the members of the LiveTiles Group are not involved in any legal proceedings and the Directors and Proposed Directors are not aware of any legal proceedings pending or threatened against the Company or the members of the LiveTiles Group.

The Mongolian Tax Authority (the **Authority**) has conducted a tax review on the Company's wholly-owned subsidiary Modun Resources LLC (**Modun LLC**). Following completion of the review the Authority has lodged a claim against Modun LLC for additional withholding tax to be paid as a result of the acquisition of the mining licence comprising the Nuurst Thermal Coal Project in 2011. The Company does not believe any additional withholding tax is required to be paid and is defending its position through the appeals and mediation process in place in Mongolia. The Company considers that it is probable that the judgement will be in its favour and have therefore not recognised a provision in relation to this claim. The potential undiscounted amounts that the Company could be required to pay if there was an adverse judgement against Modun LLC is estimated to be approximately \$360,000 (exclusive of legal costs).

8.2

RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

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

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

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit.

(d) Winding-up

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

(e) Shareholder liability

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

(f) Transfer of Shares

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

(g) Future increase in capital

The issue of any new Shares is under the control of the

Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(h) Variation of rights

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

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of votes validly cast for Shares at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

8.3

TERMS AND CONDITIONS OF UNLISTED OPTIONS EXERCISABLE AT \$2.00 ON OR BEFORE 31 DECEMBER 2015

The Options entitle the Optionholder to subscribe for Shares in the Company on the following terms and conditions (on a post-Consolidation basis):

(a) Entitlement

Each Option entitles the Optionholder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$2.00 (Exercise Price).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 December 2015 respectively (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) Notice of Exercise

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

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
- but in any case no later than 20 Business Days after the Exercise Date, the Company will:
- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued fully paid ordinary shares of the Company.

(i) Quotation of Shares issued on exercise

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

(j) Unquoted

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

(k) Reconstruction of capital

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

(l) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) Change in exercise price

Subject to paragraph (k) an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) Transferability

Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

8.4

TERMS AND CONDITIONS OF UNLISTED OPTIONS EXERCISABLE AT \$3.00 ON OR BEFORE 31 DECEMBER 2015

The Options entitle the Optionholder to subscribe for Shares in the Company on the following terms and conditions (on a post-Consolidation basis):

(a) Entitlement

Each Option entitles the Optionholder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$3.00 (Exercise Price).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 December 2015 respectively (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) Notice of Exercise

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

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
- but in any case no later than 20 Business Days after the Exercise Date, the Company will:
- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued fully paid ordinary shares of the Company.

(i) Quotation of Shares issued on exercise

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

(j) Unquoted

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

(k) Reconstruction of capital

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

(l) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) Change in exercise price

Subject to paragraph (k) an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) Transferability

Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

8.5

TERMS AND CONDITIONS OF UNLISTED OPTIONS EXERCISABLE AT \$5.00 ON OR BEFORE 31 DECEMBER 2015

The Options entitle the Optionholder to subscribe for Shares in the Company on the following terms and conditions (on a post-Consolidation basis):

(a) Entitlement

Each Option entitles the Optionholder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$5.00 (Exercise Price).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 December 2015 respectively (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) Notice of Exercise

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

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued fully paid ordinary shares of the Company.

(i) Quotation of Shares issued on exercise

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

(j) Unquoted

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

(k) Reconstruction of capital

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

(l) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) Change in exercise price

Subject to paragraph (k) an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) Transferability

Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

8.6

UNLISTED OPTIONS EXERCISABLE AT \$0.10 EACH ON OR BEFORE 21 OCTOBER 2017.

The Options entitle the Optionholder to subscribe for Shares in the Company on the following terms and conditions (on a post-Consolidation basis):

- (a) Each Option gives the Optionholder the right to subscribe for 1 Share upon:
 - (i) exercise of the Option in accordance with these terms; and
 - (ii) payment of the Exercise Price.
- (b) The Options will expire at 5.00pm (AEST) on the date 3 years after the Optionholder was issued the Options in writing (Expiry Date).
- (c) Subject to item (v) below, Options may not be exercised until the share price of the Company has traded at \$0.25 cents or above for an average of 20 business days (using the 20 day volume weighted average price).
- (d) Subject to item (c) above and item (w) below, Optionholders may exercise Options at any time prior to the Expiry Date.
- (e) Any Option not exercised before the Expiry Date will automatically lapse at 5.00pm (AEST) on the Expiry Date.
- (f) Each Option is exercisable at \$0.10 (Exercise Price), payable in full on exercise of that Option.
- (g) An Optionholder may exercise all or some of the Options held by that Optionholder. If an Optionholder exercises only part of the Options held by that Optionholder, multiples of 2,000 Options must be exercised on each occasion.
- (h) If an Optionholder exercises fewer than all of the Options held by that Optionholder, the Company will cancel the Optionholder's holding statement and issue or cause to be issued a new holding statement for the balance of the Options held by that Optionholder.
- (i) The exercise of only some Options will not affect the rights of that Optionholder in respect of the balance of the Options held by that Optionholder.
- (j) Options may only be exercised by an Optionholder lodging with the Company:
 - (i) a signed written notice of exercise of Options specifying the number of Options being exercised;
 - (ii) the holding statement for the Options; and
 - (iii) a cheque or electronic funds transfer notice for the Exercise Price for the number of Options being exercised,
 (Exercise Notice).
- (k) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (l) Within 10 business days of receipt of the Exercise Notice and the full amount of the Exercise Price in cleared funds, the Company will allot the number of Shares to the Optionholder required under the Option Rules adopted by the Company in respect of the number of Options specified in the Exercise Notice.
- (m) Subject to item (c) above, the Corporations Act and the ASX Listing Rules, the Options are freely transferable.
- (n) All Shares allotted upon the exercise of the Options will, upon issuance, rank pari passu in all respects with other Shares.
- (o) The Company will not apply for quotation of the Options on ASX.
- (p) The Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (q) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (r) There are no participating rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give the Optionholder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (s) In the event the Company proceeds with a pro rata issue (other than a bonus issue) of securities to shareholders after the date of issue of the Options, the Exercise Price will be reduced in the manner permitted by the ASX Listing Rules applying at the time of the pro rata issue.
- (t) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased in the manner permitted by the ASX Listing Rules applying at the time of the bonus issue.
- (u) The Company is entitled to treat the registered holder of Options as the absolute holder of that Option and is not bound to recognise any equitable or other claim to, or interest in, that Option on the part of any person other than the registered holder, except as ordered

by a court of competent jurisdiction or as required by statute.

- (v) If a Change of Control Event occurs, all unvested Options will automatically vest and be free of the condition set out in item (c) above and may be exercised at any time on or before the relevant Expiry Date and in any number.
- (w) If an Optionholder's employment or engagement with the Company or a Related Body Corporate is terminated in circumstances where they are a Bad Leaver then any Options not exercised by the Optionholder before the date of the termination will automatically lapse.

For the purposes of these Option terms, "Change of Control Event" means where:

- (a) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) any person becomes bound or entitled to acquire shares in the Company under:
 - (i) section 411 of the Corporations Act (upon a scheme of arrangement being approved); or
 - (ii) Chapter 6A of the Corporations Act (compulsory acquisition following a takeover bid);
- (c) a takeover bid or other offer is made to acquire more than 50% of the voting shares of the Company and has become unconditional;
- (d) the Company passes a resolution for voluntary winding up of the Company; or
- (e) a person or a group of associated persons obtains a relevant interest in sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board.

8.7

SUMMARY OF THE MANAGEMENT INCENTIVE PLAN

The Company is seeking Shareholder approval at the General Meeting for the adoption of the Management Incentive Plan.

The key terms of the Proposed Management Incentive Plan are:

- (a) **Purpose:** The purpose of the Management Incentive Plan is to assist in the reward, retention and motivation of eligible directors and management and to align the interests of these persons more closely with the interests of the Company's Shareholders, by providing an opportunity for eligible directors and employees to acquire an ownership interest in the Company.
- (b) **Eligibility:** Participants in the Management Incentive Plan may be directors of the Company or any of its subsidiaries and full-time or part-time permanent employees of the Company or any of its subsidiaries

(Employees). The Board has the sole discretion to determine the Employees who are eligible to participate in the Management Incentive Plan (Participants). An invitation to participate will be an offer of Shares.

- (c) **Offers:** The Company may make an offer to eligible Participants on such terms and conditions as determined by the Board, including as to:
 - (i) the maximum number of Shares the subject of the offer;
 - (ii) the issue price (if any) or the manner of determining the issue price (if any) of the Shares the subject of the offer;
 - (iii) any vesting period (if any) during which the Shares will be subject to vesting conditions;
 - (iv) any other performance or vesting conditions applying to the Shares;
 - (v) the method of accepting the offer;
 - (vi) the terms and conditions of any loan that the Company will make to the eligible Participant (if applicable) for the purpose of acquiring or subscribing for Shares the subject of the offer; and
 - (vii) the offer documents, including the Management Incentive Plan rules (Management Incentive Plan Rules).
 - (d) **Issue price:** the issue price (if any) or the manner of determining the issue price (if any) of the Shares the subject of the offer will be determined by the Board in its absolute discretion.
 - (e) **Administration of Plan:** The Board is responsible for the operation of the Management Incentive Plan and has a broad discretion to determine which Participants will be offered Shares under the Management Incentive Plan.
 - (f) **Vesting:** Vesting of any Shares is subject to satisfaction or waiver of any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the Management Incentive Plan Rules, any unvested Shares will lapse immediately and be forfeited if the relevant vesting and performance conditions are not satisfied within the vesting period specified in the offer document. Once vested, Shares will be treated in same way as all other Shares, subject to the full repayment of any outstanding loan.
 - (g) **Rights:** Other than pursuant to any offer document or exception provided for in the Management Incentive Plan Rules, the unvested Shares do not confer on an employee the right to participate in new issues of Shares or other securities in the Company, including by way of bonus issues, rights issues or otherwise. Any dividends (net of any tax payable by the Participant) distributed on the Shares will be applied against any outstanding loan.
- The Management Incentive Plan Rules contain specific provisions relating to pro rata bonus issues (other than in lieu or in satisfaction of dividends or by way of dividend reinvestment), which provide for the number of unvested Shares held by a Participant to be increased by the number of Shares the Participant would have held if its Shares had vested before the bonus issue, provided that any such Shares will be subject to any vesting conditions applicable to the Participant's other Shares.

- (h) **Dealings:** Until such time that the Shares vest, Participants will not be entitled to exercise any voting rights attached to the Shares and will be restricted from selling, transferring, assigning, granting a security interest over or otherwise disposing of Shares (except as otherwise provided for in the Management Incentive Plan Rules or offer document).
- (i) **Cessation of employment:** If a Participant ceases to be employed by the Company or its subsidiaries, the treatment of its Shares will depend on the circumstances of the Participant's departure as follows:
- (i) if the Participant is regarded as a "good leaver" (eg, resigns due to ill health, is made redundant, retires or the Company is sold):
 - (A) the Participant may keep its vested Shares provided that any outstanding loan shall be repaid in full pursuant to the terms of the loan;
 - (B) the Board has the discretion whether or not to accelerate the vesting of all or some of the unvested Shares to which the Participant may be entitled; and
 - (C) unless the Board exercises its discretion under (B) or as otherwise determined by the Board, all unvested Shares will be forfeited; and
 - (ii) if the Participant is regarded as a "bad leaver" (eg is summarily dismissed, resigns to take up a new job or becomes insolvent or bankrupt):
 - (A) the Participant may keep its vested Shares provided that any outstanding loan shall be repaid in full pursuant to the terms of the loan; and
 - (B) unless otherwise determined by the Board, all unvested Shares will be forfeited.

Notwithstanding the above, the Board may, subject to compliance with the ASX Listing Rules and Corporations Act, determine to treat any unvested Shares in a manner different to the manner set out in this paragraph (i) (including without limitation determining that such unvested Shares neither vest nor lapse, applying conditions to the vesting or lapsing of unvested Shares, or otherwise forfeiting the unvested Shares) if the Board reasonably determines that the relevant circumstances warrant such treatment.

- (j) **Corporate control event:** If there is a change of control of the Company:
- (i) any unvested Shares held by a Participant will vest pro rata based on the proportion of the relevant vesting period that has elapsed as at the date the change of control occurs;
 - (ii) the Board has the discretion as to how to treat the remaining unvested Shares, including whether to accelerate vesting of some or all of the Shares.
- (k) **Breach, fraud or dishonesty:** The Management Incentive Plan Rules provide for the Board to have the power to determine that all unvested Shares held by a Participant are forfeited if that Participant has been summarily dismissed, is convicted of an offence in connection with the affairs of the Company or any of its subsidiaries, has committed fraud, defalcation or gross misconduct, is in material breach of any duties owed to the Company or its subsidiaries, has brought the Company or its subsidiaries into disrepute or there

is a material misstatement or omission in the financial statements of the Company or any of its subsidiaries.

- (l) **Effect of a Forfeiture Event:** Unless the Board determines otherwise, where Shares are forfeited, ownership of the Shares will be transferred to a nominee of the Company who must either sell the Shares or deal with them in any manner determined by the Board (including by way of buy-back or sale to a nominated person). The proceeds of any sale less any transaction costs of the Company will be applied against any outstanding loan.
- (m) **Power of Attorney:** The Participant irrevocably appoints each of the Company and any person nominated by the Company severally as its attorney to do all things necessary to give effect to the Management Incentive Plan Rules.
- (n) **Administration and variation:** The Management Incentive Plan Rules contain customary provisions in relation to administration and variation. The Board has the power to vary the Management Incentive Plan Rules, provided that the variations do not prejudice the rights and entitlements of Participants.

As detailed in Section 1.17, the Company has agreed to issue Shares under the Management Incentive Plan to each of Karl Redenbach, Peter Nguyen-Brown, Matthew Brown, Andrew Gray and Mike Hill (Director Participants). The Company will enter into a loan agreement with each Director Participant for the provision of a loan for the purpose of each Director Participant subscribing for Shares pursuant to the Management Incentive Plan.

Each loan will be provided on the following key terms and otherwise subject to the terms and conditions of the Management Incentive Plan, a summary of which is set out above:

- (a) **limited recourse:** recourse under the loan will be limited to the Shares, any dividends or distributions that are paid on the Shares and the proceeds of their sale. In the event the Shares are sold to repay the loan but the sale proceeds are insufficient to cover the amount of the loan which is outstanding, the Company cannot recover the remaining amount from the Director Participant. Conversely, where the sale proceeds are greater than the amount of the loan the Company will not receive any additional repayment as the Director Participant is entitled to the surplus proceeds;
- (b) **interest free:** the loan will be interest free; and
- (c) **term:** the term of the loan will be six years from the date of issue of the Shares, subject to earlier repayment in accordance with the terms of the Management Incentive Plan (eg all Shares are either forfeited, cancelled, bought back by the Company or sold to a third party, the Director Participant ceases to be an employee of the Company, a subsidiary of the Company or a member of the LiveTiles Group or an event of insolvency occurs).

Shareholder approval for the issue of Shares under the Management Incentive Plan to the Director Participants and the provision of the loans is being sought at the General Meeting.

8.8

SUMMARY OF EMPLOYEE SHARE PLAN

The Company is seeking Shareholder approval at the General Meeting for the adoption of the Employee Share Plan.

The key terms of the Proposed Employee Share Plan are as follows:

- (a) **Eligibility:** Participants in the Employee Share Plan may be Directors, full-time and part-time employees of the Company or any of its subsidiaries or any other person permitted to participate in the Employee Share Plan without requiring compliance with Chapters 6D.2, 6D.3 (except section 736) and 7.9 of the Corporations Act (Participants).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Employee Share Plan and has a broad discretion to determine which Participants will be offered Shares under the Employee Share Plan.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Employee Share Plan. The offer:
 - (i) will invite application for the number of Shares specified in the offer;
 - (ii) will specify the issue price for the Shares or the manner in which the issue price is to be calculated;
 - (iii) will specify any restriction conditions applying to the Shares;
 - (iv) will specify an acceptance period; and
 - (v) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be determined by the Board in its absolute discretion.
- (e) **Restrictions on Dealing in Shares:** Except as required by paragraphs (f) and (h) below, or as permitted by the following provisions, a Participant must not sell, transfer assign, mortgage, charge or otherwise grant any encumbrance over or otherwise deal its Shares or any interest in the Shares (Dealing) except as follows:
 - (i) from the issue date to 1 January 2016, the Participant must not enter into any Dealing in respect of some or all of the Shares of the Participant;
 - (ii) from 1 January 2016 to 1 January 2017, the Participant may enter into any Dealing in respect of some or all of the Shares of the Participant, up to a maximum of one-third of the total Shares held by the Participant;
 - (iii) from 1 January 2017 to 1 January 2018, the Participant may enter into any Dealing in respect of some or all of the Shares of the Participant, up to a maximum of two-thirds of the total Shares held by the Participant; and
 - (iv) after 1 January 2018, the Participant may enter into any Dealing in respect of some or all of the Shares of the Participant.

Any purported Dealing of Shares which does not comply with this paragraph (e) will not be recognised in any manner by the Company.

- (f) **Forfeiture Events:** A Participant will be deemed to have forfeited all of its Shares upon any or more of the following events (Forfeiture Event) occurring:
 - (i) either the Participant terminates the Participant's contract of employment or the Company or an associated body corporate (Employer) terminates the employment of the Participant with cause; or
 - (ii) the Participant:
 - (A) commits any act which may detrimentally affect the Employer or the Company, including but not limited to an act of dishonesty, fraud, wilful disobedience, misconduct or breach of duty;
 - (B) materially breaches their contract of employment with the Employer and does not remedy the breach within five (5) days of receipt of notice in writing from the Employer specifying the breach;
 - (C) refuses to carry out a lawful and reasonable instruction from the Employer;
 - (D) refuses, fails or is unable to perform (persistently or repeatedly) the Participant's duties (as set out in the Participant's contract of employment) competently, in a professional manner, or otherwise in accordance with their employment agreement (including but not exhaustively, meeting formal performance criteria) and written notice has been provided to the Participant accordingly;
 - (E) commits any act of bankruptcy, insolvency or compounds with creditors;
 - (F) commits any act that causes imminent, and serious, risk to the health, or safety of a person or the Employer's or the Company's businesses;
 - (G) engages in theft or fraud, or assault of any kind;
 - (H) is intoxicated at work or on occasions when representing the Employer or the Company, after work hours;
 - (I) is convicted of a criminal offence and/or breaches any other law which, in the reasonable opinion of the Employer, will detrimentally affect the Employer or the Company; or
 - (J) fails to meet the performance standards expected of that Participant by its Employer, as determined by the Employer in its absolute discretion from time to time.
- (g) **Effect of a Forfeiture Event:** Where a Forfeiture Event occurs:
 - (i) ownership and possession of the Shares shall immediately vest with the Company and the Participant shall be entitled to no consideration in respect of the forfeiture of the relevant Shares;
 - (ii) the Company may, in its absolute discretion, cancel the forfeited Shares in accordance with the requirements of the Corporations Act, subject to this paragraph (g); or
 - (iii) the Company may, in its absolute discretion, determine that the forfeited Shares are to be sold,

transferred, bought back by the Company or otherwise disposed of or allocated to other existing or new shareholders of the Company.

Except as required by law, a Participant shall have no rights to the proceeds arising from any forfeited Shares dealt with under this paragraph (g).

- (h) **Buy-back:** Subject to the provisions of this paragraph (h) and the requirements of the ASX Listing Rules and Corporations Act, the Board may resolve to buy back some or all of the Shares of any one or more Participants. If the Company elects to buy back any Plan Shares of any Participant:
- (i) the Company may, in its absolute discretion, cancel those Shares in accordance with the requirements of the Part 2J.1 of the Corporations Act, subject to paragraphs (h)(ii) and (h)(iii);
 - (ii) the Company may, in its absolute discretion, determine that the bought back Shares are to be sold, transferred, or otherwise disposed of or allocated to other existing or new Shareholders of the Company; and
 - (iii) the buy-back price payable to the relevant Participant shall be equivalent to the cash consideration paid by that Participant for the Shares. In respect of each Participant:
 - (i) from the issue date to 1 January 2016, the Board may resolve to buy-back some or all of the Shares of the Participant pursuant to this paragraph (h);
 - (ii) from 1 January 2016 to 1 January 2017, the Board may resolve to buy-back some or all of the Shares of the Participant, up to a maximum of two-thirds of the total Shares held by the Participant, pursuant to this paragraph (h);
 - (iii) from 1 January 2017 to 1 January 2018, the Board may resolve to buy-back some or all of the Shares of the Participant, up to a maximum of one-third of the total Shares held by the Participant, pursuant to this paragraph (h); and
 - (iv) after 1 January 2018, the Board may not resolve to buy-back any Shares from the Participant, other than in accordance with the Corporations Act.
- (i) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Employee Share Plan.
- (j) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Employee Share Plan when aggregated with:
- (i) the number of Shares issued during the previous 5 years under the Employee Share Plan (or any other employee share plan extended only to Eligible Employees); and
 - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,
- does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any

offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).

- (k) **Quotation on ASX:** The Company will apply for each Share to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
- (l) **Rights attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Employee Share Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

8.9

INTERESTS OF DIRECTORS AND PROPOSED DIRECTORS

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

- (a) the formation or promotion of the Company;
 - (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
 - (c) the Offer,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- (a) as an inducement to become, or to qualify as, a Director; or
 - (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

8.10

INTERESTS OF EXPERTS AND ADVISERS

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

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

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

Stantons International Securities Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 7 of this Prospectus. The Company estimates it will pay Stantons International Securities Pty Ltd a total of \$20,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Stantons International Securities Pty Ltd has not received any fees from the Company for other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to this Prospectus. The Company estimates it will pay Steinepreis Paganin \$100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$120,585 fees from the Company for legal services provided to the Company.

Blue Ocean Equities Pty Limited has acted as the Lead Manager and Underwriter to the Offer and will receive the fees described in Section 7.4 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Blue Ocean Equities Pty Limited has not received any other fees from the Company.

8.11 CONSENTS

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Stantons International Securities Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 7 of this Prospectus and to all other information relating to Stantons

International Securities Pty Ltd, in each case in the form and context in which the information and report is included. Stantons International Securities Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Stantons International Audit and Consulting Pty Ltd has given its written consent to being named as the auditor of the Company in this Prospectus. Stantons International Audit and Consulting Pty Ltd has not been involved in the preparation of this Prospectus. Stantons International Audit and Consulting Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

LiveTiles has given its written consent to being named in this Prospectus and to the inclusion of all information relating to or attributable to LiveTiles and its related entities in this Prospectus, in each case in the form and context in which they are included. LiveTiles has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the Australian legal adviser to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Blue Ocean Equities Pty Limited has given its written consent to being named as the Lead Manager and Underwriter to the Offer in this Prospectus and to all information relating to it in this Prospectus. Blue Ocean Equities Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

The Proposed Directors have each given their written consent to being named as the proposed directors of the Company and to all other information relating to them in this Prospectus, in each case in the form and context in which that information is included. None of the Proposed Directors have withdrawn their consents prior to the lodgement of this Prospectus with the ASIC.

Simon Tyrrell has given his written consent to being named as LiveTiles' Chief Product Officer in this Prospectus and to all other information relating to him in this Prospectus, in each case in the form and context in which that information is included. Mr Tyrrell has not withdrawn his consent prior to lodgement of this Prospectus with the ASIC.

Felicity Turner has given her written consent to being named as LiveTiles' Vice President, Sales & Marketing in this Prospectus and to all other information relating to her in this Prospectus, in each case in the form and context in which that information is included. Ms Turner has not withdrawn her consent prior to lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Computershare Investor Services Pty Limited has not been involved in the preparation of this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.12

EXPENSES OF THE OFFERS

The total expenses of the Offers (excluding GST) are estimated to be approximately as provided in the table below:

Expenses of the Offers	Full Subscription (\$11,000,000)
ASX Fees	\$103,286
ASIC Fees	\$2,320
Legal, Accounting and Due Diligence Expenses	\$485,000
Fees payable to Investigating Accountant	\$20,000
General Meeting / Share Registry Costs	\$15,000
Printing and Distribution	\$15,000
Miscellaneous	\$10,529
Total	\$651,135

8.13

CONTINUOUS DISCLOSURE OBLIGATIONS

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

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

8.14

ELECTRONIC PROSPECTUS

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

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.15

FINANCIAL FORECASTS

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.16

CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM (CHESS) AND ISSUER SPONSORSHIP

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security

Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.17

PRIVACY STATEMENT

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9

DIRECTORS' AUTHORISATION

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

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mike Hill
Executive Chairman
For and on behalf of
MODUN RESOURCES LTD



10

GLOSSARY

10

GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Acquisition has the meaning given to that term in Section 1.4.

Acquisition Resolutions means resolutions numbered 1-12 inclusive which relate to approval of the Acquisition, the Offer and related matters, for which Shareholders approval is being sought at the General Meeting.

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

ASIC means Australian Securities & Investments Commission.

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

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Blue Ocean means Blue Ocean Equities Pty Limited (ACN 151 186 935).

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

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Cleansing Offer means the offer of 1,000 Shares at an issue price of \$0.15 per Share to raise \$150 pursuant to this Prospectus as further described in Section 2.

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

Closing Date means the closing date of the Offer or the Cleansing Offer as set out in the indicative timetable on page 4 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer or the Cleansing Offer early).

Company means Modun Resources Ltd (to be renamed "LiveTiles Limited") (ACN 066 139 991).

Completion has the meaning given to that term in Section 7.1.

Conditions means the conditions precedent to completion of the Share Sale Agreement, as summarised in Section 7.1.

Consideration Shares has the meaning given to that term in Section 7.1.

Consolidation means the Company's proposal to consolidate the issued capital of the Company on the basis that every 50 Securities are consolidated into 1 Security (as approved at the General Meeting).

Constitution means the constitution of the Company.

Corporate Trustee means the trustee of the nSynergy Trust.

Corporations Act means the Corporations Act 2001 (Cth).

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

Employee Share Plan means the incentive plan as summarised in Section 8.8.

General Meeting means the general meeting of Shareholders to be held on 30 July 2015 at Shareholder approval is being sought for the Acquisition Resolutions.

Investigating Accountant's Report means the Investigating Accountant's Report set out in Section 4.

LiveTiles means LiveTiles Holdings Pty Ltd (ACN 603 266 888).

LiveTiles Group has the meaning given to that term in Section 1.3.

LiveTiles LLC means LiveTiles LLC (a company incorporated in the United States of America, company number 46-5181168), a wholly owned subsidiary of LiveTiles.

LiveTiles Pty Ltd means LiveTiles Pty Ltd (to be renamed "LiveTiles APAC Pty Ltd") (ACN 601 177 691), a wholly owned subsidiary of LiveTiles.

LiveTiles R and D Pty Ltd means LiveTiles R and D Pty Ltd (ACN 158 548 700), a wholly owned subsidiary of LiveTiles.

Management Incentive Plan means the incentive plan summarised in Section 8.7.

NIA Tech means NIA Tech Pty. Ltd. (ACN 158 542 271) as trustee for the Odeon Discretionary Trust.

Notice of Meeting means the notice of meeting in relation to the General Meeting released by the Company to ASX on 30 July 2016.

nSynergy Group means rhipe Cloud Solutions Pty Ltd (formerly nSynergy OSC Holdings Pty Ltd) (ACN 166 496 171) and its subsidiaries.

nSynergy Trust means a trust set up for the benefit of certain employees of rhipe Cloud Solutions Pty Ltd (formerly nSynergy OSC Holdings Pty Ltd) (ACN 166 496 171) and its subsidiaries.

Offer means the offer of 73,333,333 Shares at an issue price of \$0.15 per Share to raise \$11,000,000 pursuant to this Prospectus as further described in Section 2.

Offers means the Offer and the Cleansing Offer.

Official List means the official list of ASX.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Project means the Nuurst Thermal Coal Project.

Proposed Directors means Karl Redenbach, Peter Nguyen-Brown and Matthew Brown.

Prospectus means this prospectus.

rhipe means rhipe Limited (ACN 112 452 436) (ASX:RHP).

rhipe LiveTiles means rhipe LiveTiles Pty Limited (ACN 603 338 781).

Section means a section of this Prospectus.

Security means a security issued or to be issued in the capital of the Company, including a Share or an Option.

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

Shareholder means a holder of Shares.

Share Sale Agreement means the share sale agreement entered into between the Company, LiveTiles, ZTH Tech, NIA Tech and rhipe LiveTiles in respect of the acquisition of 100% of the issued capital in LiveTiles, the material terms of which are summarised in Section 7.1.

Sellers means the shareholders of LiveTiles at the date of Completion (or their nominees).

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

ZTH Tech means ZTH Tech Pty. Ltd. (ACN 158 542 404) as trustee for the Triton Discretionary Trust.

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NOT FOR UNAUTHORIZED DISTRIBUTION OR RELEASE IN THE UNITED STATES

This is an Application Form for Shares in Modun Resources Ltd (to be renamed LiveTiles Limited) (ACN 066 139 991) the **Company**) pursuant to the Offer under the terms set out in the prospectus issued by the Company and dated and lodged with the Australian Securities and Investments Commission on 1 July 2015 (**Prospectus**).

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus and any supplementary document. The Corporations Act 2001 (Cth) prohibits any person from passing onto another person an Application Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. While the Prospectus is current, the Company will send paper copies of the Prospectus, any supplementary document and the Application Form, on request and without charge.

1	Number of Shares you are applying for	2	Total amount payable (multiply box 1 by \$0.15 per Share)
		A\$	

I/We whose full name(s) and address appear below hereby apply for the number of Shares shown above pursuant to the Offer, on the terms set out in the Prospectus.

3 Write the name(s) you wish to register the Shares in (see reverse for instructions)

Name of Applicant 1[illegible]Name of Applicant 2 or <Account Designation>[illegible]Name of Applicant 3 or <Account Designation>[illegible]

4 **Write your postal address here** – to be registered against your holding

Number/Street[illegible][illegible]Suburb/Town[illegible]State

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Postcode

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5 **CHES Participants and existing holders of Securities in the Company** (insert your HIN or existing SRN below – including the “X” or “I” – (eve))

[illegible]

Note: if the name and address details in sections 3 & 4 above do not match exactly with your registration details held, any Share issued as a result of your application will be held on a new Issuer Sponsored number.

6 **Email Address** (see reverse of form – this is for all communications legally permissible and despatched by the Company)

5. **Efficient Practices** (see reverse of form) This is for an efficient means to the goal, performance and deep thinking, the company,

7 TFN/ABN/Exemption CodeApplicant # 1[illegible]Applicant #2

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Applicant #3

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If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

7

8 Payment Details

PAYMENT BY EFT: Please deposit payments for Shares to:

Modun Resources Ltd

BSB: 036 406

Acc: 124 008

Please use shareholding name as reference and forward a copy of the transmission with your Application Form.

PAYMENT BY CHEQUE: Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to **Modun Resources Ltd** crossed "Not Negotiable" and forwarded to the Company in accordance with the instructions below, to arrive no later than **5.00 pm (WST) on the Closing Date as defined in the Prospectus (or such other date as directed by the Company).**

Drawer

Bank

BSN or BranchAmount

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9 Contact Details

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Telephone Number

()

Contact Name (PRINT)

DECLARATION

This Application Form does not need to be signed. By lodging this Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of Shares specified in this Application Form or such lesser number as may be allocated by the Company's Directors;
- (2) agrees to be bound by the Constitution of the Company;
- (3) authorises the Company's Directors to complete or amend this Application Form and any other documentation where necessary to correct any errors or omissions;
- (4) acknowledges that he/she received a copy of the Prospectus attached to this Application Form or a copy of the Application Form before applying for Shares pursuant to the Offer;
- (5) acknowledges that he/she will not provide another person with this Application Form unless it is attached to or accompanied by the Prospectus; and
- (6) acknowledges that the Company will send his/her a paper copy of the Prospectus and any supplementary prospectus (if applicable) free of charge he/she requests so during the currency of the Prospectus.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Company's Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more Shares pursuant to the Offer than is indicated by the amount of the accompanying cheque.

INSTRUCTIONS TO COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS

The below instructions are cross-referenced to each section of the Application Form.

1 Number of Shares

Insert the number of Shares pursuant to the Offer that you wish to apply for in section 1. Applications must be for a minimum of 13,333 Shares.

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by \$0.15 – the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of one or up to three natural persons, companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown.

5 CHESS HIN or existing SRN Details

The Company participates in CHESS. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave section 5 blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

6 Email Address

As permitted under the Corporations Act, the Company will only be forwarding printed annual reports to members electing to receive one. Our Company annual report and company information will be available on the Company's website. You may elect to receive all communications despatched by the Company electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

8 Payment Details

EFT: EFTPOS payments must be made payable to **Modun Resources Ltd** using your shareholding name as a reference and forward a copy of the transmission with your Application Form. The amount paid should be the total amount shown in section 2 of your Application Form.

CHEQUE: Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to **Modun Resources Ltd** and crossed "Not Negotiable". Please complete the relevant details in section 8.

9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address

Modun Resources Ltd
PO Box A2621
Sydney NSW 1235

Hand Delivery (*Please do not use this address for mailing purposes*)

Modun Resources Ltd
5/137-139 Bathurst Street
Sydney, NSW 2000



UI design at your fingertips