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**POTASH MINERALS LIMITED  
(TO BE RENAMED BUDDY LIMITED)  
ACN 121 184 316**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10.30am (WST)  
**DATE:** 9 November 2015  
**PLACE:** DLA Piper, Level 31 Central Park, 152-158 St Georges Terrace, Perth WA  
6000

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6380 2555.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 10.30am (WST) on 9 November 2015 at:

DLA Piper  
Level 31, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

### Your vote is important

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The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.30am (WST) on 7 November 2015.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2015."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BEN BINNINGER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Ben Binninger, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 24,278,979 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 6. RESOLUTION 5 - CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, subject to and conditional upon the passing of all the Essential Resolutions, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities as described in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. RESOLUTION 6 – CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, subject to and conditional upon the passing of all the Essential Resolutions, for the purpose of section 246B of the Corporations Act and for all other purposes, the Company is authorised to issue Performance Shares on the terms and conditions set out in the Explanatory Statement.”*

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**8. RESOLUTION 7 – ISSUE OF CONSIDERATION SECURITIES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional upon the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue:*

- (a) 500,000,000 Consideration Shares;*
- (b) 100,000,000 Performance Shares;*
- (c) 2,807,715 Options; and*
- (d) 32,270,858 Performance Rights,*

*at Settlement, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or*
  - (ii) a Closely Related Party of such a member; and**
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.*

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and*

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 9. RESOLUTION 8 – CAPITAL RAISING PROSPECTUS OFFER

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 125,000,000 Shares at an issue price of \$0.10 per Share under the Prospectus as part of the Capital Raising on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 10. RESOLUTION 9 – CAPITAL RAISING SHARE PURCHASE PLAN OFFER

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 25,000,000 Shares at an issue price of \$0.10 per Share under the Share Purchase Plan as part of the Capital Raising on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may underwrite or sub-underwrite the offer of Shares under the SPP and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 11. RESOLUTION 10 – PLACEMENT OF CAPITAL RAISING OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 30,000,000 Capital Raising Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote,

in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**12. RESOLUTION 11 – PLACEMENT OF TRANSACTION OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 12,500,000 Transaction Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**13. RESOLUTION 12 – CHANGE OF COMPANY NAME**

To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

*“That, subject to and conditional upon the passing of all the Essential Resolutions, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to “**Buddy Limited**” with effect from the date that ASIC alters the Company’s registration following Settlement.”*

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**14. RESOLUTION 13 – ELECTION OF DIRECTOR – DAVID MCLAUHLAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all the Essential Resolutions, for the purpose of clause 13.3 of the Constitution and for all other purposes, Mr David McLauchlan, a Proposed Director who being eligible and having consented to act, be appointed as a Director of the Company on and from Settlement.”*

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**15. RESOLUTION 14 – ELECTION OF DIRECTOR – RICHARD BORENSTEIN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all the Essential Resolutions, for the purpose of clause 13.3 of the Constitution and for all other purposes, Mr Richard Borenstein, a Proposed Director who being eligible and having consented to act, be appointed as a Director of the Company on and from Settlement.”*

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**16. RESOLUTION 15 – ELECTION OF DIRECTOR – ALEXANDER GOUNARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all Essential Resolutions, for the purpose of clause 13.3 of the Constitution and for all other purposes, Mr Alexander Gounares, a Proposed Director who being eligible and having consented to act, be appointed as a Director of the Company on and from Settlement.”*

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**17. RESOLUTION 16 – ADOPTION OF EMPLOYEE INCENTIVE RIGHTS PLAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all the Essential Resolutions, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Rights Plan and for the issue of securities under that plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who is eligible to participate in the employee incentive scheme and any associates of those persons, including any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**18. RESOLUTION 17 – REPLACEMENT OF CONSTITUTION**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:



*"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."*

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**Dated: 7 October 2015**

**BY ORDER OF THE BOARD**

**Mr Ananda Kathiravelu  
Chairman**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

All Resolutions other than Resolutions 1 to 4 and 16 are Essential Resolutions and will be taken to have been rejected by Shareholders and the Acquisition will not proceed if any of the Essential Resolutions are not passed. All Essential Resolutions must be passed for the Acquisition to proceed.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.potashmin.com.au](http://www.potashmin.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent

financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

**Notes:**

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BEN BINNINGER

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless

they otherwise agree among themselves) be determined by drawing lots;

- (c) A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (d) In determining the number of Directors to retire, no account is to be taken of:
  - (i) a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/ or
  - (ii) a Managing Director,each of whom are exempt from retirement by rotation.

The Company currently has three Directors and accordingly one must retire.

Mr Ben Binninger, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr Binninger was the Chief Executive Officer of the Company's potash investments subsidiary, Citadel Capital Holdings Inc (**Citadel**), and was appointed as Non-Executive Director of Potash Minerals Limited on 14 October 2011.

Mr Binninger, who is resident in California, has a long and distinguished career that includes several senior executive leadership roles. His experience in resource companies includes Rio Tinto, ARCO, Hercules and EXXON. These roles include oversight of businesses in 24 countries ranging in size from a few million dollars to a billion dollars and provide a relevant base of experience to guide the Company's potash assets through their development trajectory.

Mr Binninger brings an unusual combination of global management, strategic positioning and financial expertise with hands on operating experience in chemicals, energy, materials, environmental, mining and consulting. He has commercialised novel technologies and developed new products and businesses. His broad functional background includes sales, marketing, distribution, operations, technology, planning, financial and business development. Mr Binninger is currently a director of Kreido Biofuels Incorporated and has had no other directorships of listed companies in the past 3 years.

The Company does not consider Mr Binninger to be an independent director.

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#### **4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES**

##### **4.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 4.2 below).

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

#### 4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$16,995,285.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. At the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: POK) and Options exercisable at \$0.20 on or before 30 November 2015 (ASX Code: POKO). The Company does not have any unquoted securities on issue.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (iv) less the number of Shares cancelled in the previous 12 months.

- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

#### **4.3 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

**(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 1.1(a)(i), the date on which the Equity Securities are issued.

**(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.0675 50% decrease in Issue Price	0.135 Issue Price	0.2025 50% increase in Issue Price
746,394,894 (Current Variable A)	Shares issued - 10% voting dilution	74,639,489 Shares	74,639,489 Shares	74,639,489 Shares
	Funds raised	\$5,038,165	\$10,076,331	\$15,114,496
1,119,592,341 (50% increase in Variable A)	Shares issued - 10% voting dilution	111,959,234 Shares	111,959,234 Shares	111,959,234 Shares
	Funds raised	\$7,557,248	\$15,114,496	\$22,671,744
1,492,789,788 (100% increase in Variable A)	Shares issued - 10% voting dilution	149,278,979 Shares	149,278,979 Shares	149,278,979 Shares
	Funds raised	\$10,076,331	\$20,152,662	\$30,228,993

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

- There are currently 746,394,894 Shares on issue comprising:
  - 121,394,894 existing Shares as at the date of this Notice of Meeting; and
  - 625,000,000 Shares which will be issued if Resolutions 7, 8 and 9 are passed at this Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 2 October 2015.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares, no Performance Shares have been issued and no Performance Rights have been converted into Shares before the date of issue of the Equity Securities.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued expenditure on the Company's current assets/Projects (funds would then be used for project, feasibility studies and ongoing project administration), general working capital etc; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including/excluding previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;



- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 24 November 2015 (**Previous Approval**).

The Company has issued 9,711,592 Shares pursuant to the Previous Approval and a further 14,567,387 Shares for other purposes, being a total of 24,278,979 Shares.

During the 12 month period preceding the date of the Meeting, being on and from 6 November 2014, the 24,278,979 Shares issued represents approximately 16.37% of the total diluted number of Equity Securities on issue in the Company on 6 November 2014, which was 148,299,363.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

#### **4.4 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

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## **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES**

### **5.1 General**

On 11 June 2015, the Company issued 24,278,979 Shares at an issue price of \$0.02 per Share to raise \$485,579.58.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 24,278,979 Shares were issued;
- (b) the issue price was \$0.02 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated investor clients of Armada Capital. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used to assess new opportunities, necessary expenditure on the Hatch Point Potash Project and for general working capital purposes.

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## 6. BACKGROUND TO PROPOSED ACQUISITION OF BUDDY

### 6.1 General background

The Company was incorporated on 11 August 2006 and was admitted to the Official List of the ASX on 18 December 2006. The Company's primary operations during this time has been mineral exploration and developing a potash project in the Paradox Basin of south east Utah in the United States.

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

On 20 July 2015, the Company announced that it had entered into a binding heads of agreement (**HOA**) with Buddy Platform Inc. (a US state of Delaware "C-Corporation") (**Buddy**) and directors of Buddy, David McLauchlan, Jeffrey MacDuff and Richard Borenstein (**Buddy Directors**) under which the Company has been granted a conditional option to acquire 100% of the issued capital of Buddy from all shareholders of Buddy (**Vendors**) (**Acquisition**). In consideration for the Vendors agreeing to the Acquisition, the Company will issue the

Consideration Shares to Vendors and the Performance Shares to certain directors and senior management of Buddy and the Company (**Performance Share Recipients**).

The Acquisition is conditional on, among other things, the Company being satisfied that:

- (a) all options to acquire Buddy Shares or Preferred Shares currently on issue (**Buddy Options**) will be cancelled at Settlement in consideration for the Company issuing 2,807,715 Options and 32,270,858 Performance Rights (**Replacement Securities**); and
- (b) all notes, warrants and Preferred Shares on issue are either converted or lapse such that at Settlement, the Company will acquire all the Buddy Shares and Buddy shall have no other securities on issue or rights to acquire securities.

A summary of the material terms of the HOA is set out in Section 6.6(a) below.

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition and associated transactions. Each of the Resolutions are conditional upon the approval by Shareholders of each of the Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Resolutions will fail and Settlement will not occur.

A summary of the Resolutions is as follows:

- (a) as the Company is currently a mineral exploration company, the Acquisition, if successfully completed, will represent a significant change in the nature or scale of the Company's operations to a technology company, for which Shareholder approval is required under ASX Listing Rule 11.1.2 (Resolution 5);
- (b) the creation of a new class of shares, being the Performance Shares (the terms and conditions of which are set out at Schedule 2) (Resolution 6);
- (c) the issue at Settlement of:
  - (i) 500,000,000 Shares (**Consideration Shares**) to the Vendors in consideration for the acquisition of 100% of the Buddy Shares on issue;
  - (ii) 100,000,000 Performance Shares (**Performance Shares**) to the Performance Share Recipients;
  - (iii) 2,807,715 Replacement Options (on the terms and conditions set out in Schedule 6) and 32,270,858 Performance Rights (on the terms and conditions set out in Schedule 8) to holders of Buddy Options (with the Performance Rights to be issued under the performance rights plan the subject of Resolution 16),

(**Consideration Securities**) (Resolution 7); and
- (d) the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules and, to achieve this, must successfully undertake a capital raising by issuing up to 125,000,000 Shares at an issue price of \$0.10 to

raise up to \$12,500,000 via the Prospectus and Share Purchase Plan (**Capital Raising**) (Resolutions 8 and 9);

- (e) issue at Settlement up to 30,000,000 Options on the terms and conditions set out in Schedule 3 to persons nominated by the Company in consideration for those persons assisting to raise funds under the Capital Raising (Resolution 10) (**Capital Raising Options**);
- (f) issue at Settlement up to 12,500,000 Options on the terms and conditions set out in Schedule 4 to persons nominated by the Company in consideration for those persons assisting with the transaction the subject of the HOA (Resolution 11) (**Transaction Options**);
- (g) the change of the Company's name to "Buddy Limited" at Settlement (Resolution 12);
- (h) the appointment of 3 Proposed Directors nominated by Buddy to the Board, being David McLauchlan, Richard Borenstein and Alexander Gounares (Resolutions 13 to 15);
- (i) the adoption of an Employee Incentive Rights Plan (Resolution 16); and
- (j) the adoption of a new constitution (Resolution 17).

## 6.2 Overview of Buddy

### (a) **Industry Overview and Background**

There is an ever expanding evolution in the way in which everyday objects are connected to the internet – and that is the connectivity of "things". All around us, common appliances, devices or "things" (cars, light bulbs, door locks, etc...) are being connected to the Internet, and this is fundamentally changing how we use those devices, and how their use is measured. Collectively, this connectivity is referred to as the "Internet of Things" (**IoT**).

Buddy is of the view that IoT can create significant economic value. However, before this economic value can be unlocked, several criteria will need to be satisfied:

- (i) interoperability between IoT systems is critical (i.e. systems must be capable of transferring data to one another);
- (ii) most IoT data available today is not accessed or analysed and of the data that is, it is typically for detecting and managing issues that have occurred, not prediction or optimisation, which is where the bulk of the value is;
- (iii) a majority of the value created by the IoT is in business to business scenarios, despite the bulk of the hype being around consumer scenarios (such as fitness monitors and self-driving cars);
- (iv) developing economies stand to benefit just as advanced economies do as Buddy considers that a significant proportion of the global economic value created by the IoT has the potential to come from emerging economies;

- (v) end users – be they consumers, businesses or other organisations – stand to gain a majority of the value created from the IoT; and
- (vi) capturing the full potential of IoT applications will require innovation in technologies and business models, as well as investment in new capabilities and talent.

Buddy has built a global data exchange (a platform for managing and accessing data generated by connected (IoT) devices) that enables organisations whose core IP is not big data, to access this value. In an industry that depends on interoperability and the ability for end users to access the data generated by these devices, appliances and sensors – Buddy stands as a crucial ingredient to unlocking those trillions of dollars of value.

Buddy's management and board of directors have extensive and successful track records, and are supported by a significant and reputable 'tech' board of advisors. The company's CEO, David McLauchlan, is an Australian business technologist and engineer who spent nearly eleven years at Microsoft Corporation in Redmond, Washington. Mr. McLauchlan formerly founded and sold TVinteract, a tool for professional television broadcasters to display social media on-screen, and presently sits on the Technical Advisory Board for the Bill & Melinda Gates Foundation in Seattle, Washington.

Among the board of directors and advisors of Buddy are:

- (i) Alexander Gounares (CEO of Polyverse, former CTO of AOL, former Vice President at Microsoft, former technical advisor to Bill Gates);
- (ii) Richard Borenstein (Chairman, Sequoia Partners, Silicon Valley investor and limited partner);
- (iii) Charlie Kindel (Director of Product, Alexa & Echo at Amazon, ex-General Manager, Windows Phone at Microsoft);
- (iv) Jessica Michaels (Bread 'n' Butter Digital, US Portfolio Manager, Australian Fund); and
- (v) Parag Garg (Vice President Engineering/Product for Connected Devices at Sears).

(b) **The nature of Buddy's business**

Following completion of the Acquisition, the Company will acquire the Buddy IoT data platform (**Platform**).

Buddy is based in the cloud technology capital of the world, Seattle, Washington (USA) – home to Microsoft, Amazon, Inrix, Tableau, GoDaddy and large satellite offices for Facebook, Twitter, Google, Uber, Dropbox, Apple, Splunk, Hulu, Salesforce and Alibaba. Buddy is one of the world's first data aggregation and management platforms to focus on IoT and connected device data.

Founded in 2011 and headed by CEO and founder David McLauchlan, the company services a rapidly growing market of organisations whose

products or infrastructure generates huge volumes of valuable data, but which are without the systems or in-house expertise to manage, secure or access it. With cars, appliances, phones and now even our light bulbs becoming connected, there's never been so much data needed to be handled by companies whose core competency is not "big data".

Buddy provides a software as a service (**SaaS**) platform to get connected device data easily and securely into the tools organisations are already using, delivering immediate value from a resource they were previously unable to tap into.

Specifically, Buddy's platform is comprised of three interdependent components – (1) the BuddyAPI; (2) the BuddyVault; and (3) BuddyView.

(i) **BuddyAPI**

BuddyAPI is a set of cloud-hosted application program interfaces (**APIs**) physically located in various regions around the world, to which any connected device can stream its' telemetry, current state, error status or other information. As commonly found devices and appliances are becoming connected, quite often the connectivity is added to enable consumer-facing scenarios ("turn on my dishwasher from my iPhone", "set my thermostat while travelling away from home", etc). What is often overlooked is that the connectivity added to support the consumer-facing scenarios can also be used to get real-time access to how devices or appliances are performing in the marketplace. How many are sold? How long do they take to set up? How much are they used? Which features are most commonly used? How many have failed, and why? How many are out of consumable supplies? The answers to these questions drive product and business-level decision making in all industries, and when a connected device streams or "pushes" this data to Buddy, it has become available, often for the very first time, to organisations in a form that can be consumed by the existing business intelligence tools they already use.

(ii) **BuddyVault**

Once data is pushed to the BuddyAPI, it is processed and managed by the BuddyVault. Currently, Buddy offers the BuddyVault infrastructure in the United States, Europe, China (Shanghai & Hong Kong) and Australia, with Brazil intended to be the next deployment location.

Importantly, with the growing focus on the security and privacy of data, Buddy has the ability to store or not to store the data processed by the BuddyVault. The technology developed by Buddy allows the company to receive very large amounts of data, calculate the queries or count the events prescribed by the customer, and then either save the data or permanently throw the data away. The latter scenario is important where customers want to extract learnings and actions from the data flow, but have privacy policies that do not permit them to archive or store the data. This makes Buddy an ideal solution for markets such as government, healthcare, defence, data involving minors, etc.

(iii) **BuddyView**

Once processed, Buddy offers the BuddyView output mechanism as a means to provide back to the customer either a “shaped” feed of the data, or the results of the aforementioned queries. BuddyView offers completely custom-crafted APIs that customers can call to get real-time results of queries on their data streams. Otherwise, BuddyView can push data via an industry-standard open database connection, or directly into customers’ big data systems such as Hadoop. Finally, BuddyView can connect directly into business intelligence systems such as Tableau Software, Splunk, Salesforce.com, Microsoft Dynamics and more.

With complete flexibility on the data ingestion channel via the BuddyAPI, and a wide range of industry standard export channels, customers need only add 3-5 lines of code to any connected device to enable that data to be consumed in any number of tools and services they already use.

By not requiring customers to staff up large software development teams, by not requiring special hardware nor the installation of heavy software agents, and by catering to the widest possible spread of data consumption products, Buddy has positioned itself to become the world’s leading virtual “exchange” for connected device & sensor data.

The proposed ASX listing will provide a platform for Buddy to grow a global business, take a leadership position in the management and aggregation of IoT data, while expanding the company’s commercial footprint in Australia.

(c) **Competition & Market Share**

While there are a tremendous number of new entrants into the IoT ecosystem, as well as a growing number of entrenched “majors” stepping into the space, there are very few competitors to the specific functionality that Buddy offers.

Typically, in the IoT enablement sector organisations either provide tools to analyse IoT data (such as visualisation products or enablement technology like new database systems), or components to make devices connected (network stacks for the devices, IoT chipsets for devices, firmware agents to enable data capture, etc). Buddy sits in between these two categories, feeding data from devices and sensors that may be enabled by the silicon or vertical stack providers, into the databases or analytics systems offered by the tools sector. Importantly, Buddy is not a hardware provider, and does not offer analytics, insight or prediction. These are verticals that require industry or solution-specific customisation (especially the tools sector) and so Buddy offers a horizontal platform that enables connectivity between and across all verticals. This is how the company differentiates itself from competition.

Buddy has a number of competitors of similar size to Buddy, some of whom have been the subject of acquisitions by significantly larger companies. However, Buddy is of the view that the greatest (short-term) competitive threat is more likely to be “DIY” – organisations building a solution themselves. After winning business from organisations which initially built their solution themselves (but which later realised they were

ill-equipped to managed the size and scope of solution required), Buddy remains extremely confident that DIY organisations will simply become well-informed customers with the passage of time and growth in data needs.

The fact remains that one of Buddy's strongest competitive advantages is that building a system of the scale and capability that Buddy has, is quite simply, extremely difficult. For organisations which don't have an inbuilt big data competency, or for whom managing this data isn't a source of revenue, Buddy offers a very strong value proposition. This is especially true for organisations which intend to monetise the data generated, but simply wish not to manage the infrastructure needed to generate it.

(d) **Revenue Potential**

Buddy generates revenue from customers who pay to utilise Buddy's data management and processing capabilities. Customers pay a monthly charge to access Buddy's services, and then pay to access the data once hosted/managed/processed. Buddy's model is to make it as easy and affordable to send large quantities of data into Buddy, and then charge customers to get access to the data.

This model reflects the reality that since the industry is nascent, it must be as affordable as possible for organisations to send their data to Buddy. Once stored, and as organisations realise more and more opportunities to leverage their data, paying to access it becomes a decreasing hurdle for Buddy's customers. Likewise, the more data is stored, the greater the desire to access it – especially over increasing time.

(e) **Strategy Post Listing**

Post-listing, the Company intends to operate the Buddy Platform from headquarters in Seattle, Washington with a substantial development office located in Australia. By leveraging both locations to conduct core technical development, the Company will be able to turn some challenges (differing timezones, USD-AUD currency fluctuations) into advantages. For example, staffing people in Seattle and Australia means the Company will have an effective workday of some 18-20 hours. Raising capital in AUD but driving revenue in USD means that the Company will be able to spend both USD and AUD in locations where the currency exchange rate of the day will dictate is the most prudent. This will also allow the Company to take advantage of Australian Government offerings such as the "Research & Development Tax Incentive" and the "Export Market Development Grant".

(f) **Intellectual Property**

While Buddy realises that the protection of intellectual property has great importance in certain markets and sectors, Buddy's differentiators are the careful application of existing, well-developed technologies and not the invention of new technologies by themselves. Buddy has pre-disclosed some IP and will file new applications post re-quotation, however Buddy's primary defence against competitors will be speed to market and agility in evolution. Buddy expects the IoT market to be so large as to require multiple competitors in the space and does not consider litigating patents as a viable means to "winning" in this space.



It should be mentioned that this is also a function of the environment in which Buddy has grown. The US venture industry generally considers the pursuit of patents a far less important exercise than does the Australian venture industry.

### 6.3 Re-compliance with Chapters 1 and 2 of the Listing Rules

ASX has advised the Company that, given that the Company is proposing to make a change in its activities from a resource exploration and development company to a technology company, it has exercised its discretion to require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules prior to the Company completing the Acquisition.

For this purpose, the Company will be required to re-comply with the conditions to listing on ASX set out in Chapters 1 and 2 of the ASX Listing Rules in order to achieve Settlement and before it can be re-instated to trading on ASX following Settlement.

ASX Listing Rule 2.1 Condition 2 provides that it is a condition of quotation of the main class of a company's securities of an entity seeking admission to ASX that the issue price of the securities for which the company seeks quotation must be at least 20 cents in cash. In addition, ASX Listing Rule 1.1 Condition 11 provides that for an entity to be admitted to the official list, the exercise price for any options on issue must be at least 20 cents in cash.

On 2 October 2015, ASX granted the Company a waiver from the requirements outlined above to enable the Company to issue securities for the purpose of satisfying ASX Listing Rule 2.1, Condition 2 at \$0.10 per Share with all Options issued or to be issued having an exercise price of not less than \$0.02 after the completion of the Acquisition. This waiver is subject to Shareholders approving the Company undertaking the Capital Raising at \$0.10 and issuing Options in connection with the Acquisition with exercise prices below \$0.20.

### 6.4 Capital Raising

For the purposes of the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, the Company intends to undertake the Capital Raising through the issue of up to 125,000,000 Shares at an issue price of \$0.10 per Share which will raise up to \$12,500,000.

The Capital Raising will comprise:

- (a) the issue of the Prospectus with a minimum subscription of \$7,500,000 (**Minimum Subscription**) and a maximum subscription of \$10,000,000 (**Maximum Subscription**) with a further offer of up to \$2,500,000 in oversubscriptions from any Shortfall Shares (defined below) under the SPP Offer; and
- (b) an offer to Eligible Shareholders under a Share Purchase Plan pursuant to ASIC class order relief to raise \$2,500,000 (**SPP Offer**).

The total capital raising of \$12,500,000 under the Prospectus Offer will reduce by the number of SPP Shares taken up under the SPP Offer, such that the total Capital Raising will not exceed \$12,500,000.

Under the SPP Offer, Eligible Shareholders may each apply for up to \$15,000 of new Shares (**SPP Shares**) at an issue price of \$0.10 consistent with the Prospectus Offer. Shares not taken up pursuant to the SPP Offer (**Shortfall Shares**) will form

the shortfall. The Shortfall Shares will be offered to investors as oversubscriptions under the Prospectus. The Directors reserve the right to issue any Shortfall Shares at their discretion.

Resolution 9 seeks shareholder approval for the issue of the SPP Shares (which successful applicants for SPP Shares apply for under the terms of the SPP Offer). The approval sought under Resolution 9 includes approval for the issue of the Shortfall Shares.

The Company expects to lodge the Prospectus with ASIC and make the SPP Offer before the date of the Meeting, each of which will be conditional upon Shareholders approving the Essential Resolutions.

Funds raised under the Capital Raising are intended to be used in the manner set out in Section 6.5 below.

The Capital Raising is intended to be completed in accordance with the timetable set out in Section 6.10 below.

## 6.5 Use of funds

Following Settlement, the Company expects to use its cash funds as follows:

FUNDS AVAILABLE	Minimum Subscription (\$7,500,000)	Percentage of Funds (%)	Maximum Subscription (\$10,000,000)	Percentage of Funds (%)	Maximum Subscription + SPP Offer (\$12,500,000)	Percentage of Funds (%)
Existing cash reserves of the Company <sup>1</sup>	\$1,460,000	16%	\$1,460,000	13%	\$1,460,000	10%
Funds raised from the Capital Raising	\$7,500,000	84%	\$10,000,000	87%	\$12,500,000	90%
Total	\$8,960,000	100%	\$11,460,000	100%	\$13,960,000	100%
ALLOCATION OF FUNDS	Minimum Subscription (\$7,500,000)	Percentage of Funds (%)	Maximum Subscription (\$10,000,000)	Percentage of Funds (%)	Maximum Subscription + SPP Offer (\$12,500,000)	Percentage of Funds (%)
Engineering & Development <sup>2</sup>	\$3,600,000	40.2%	\$4,500,000	39.3%	\$5,500,000	39.4%
Program Costs <sup>3</sup>	\$650,000	7.3%	\$875,000	7.6%	\$1,100,000	7.9%
Hosting & Infrastructure <sup>4</sup>	\$850,000	9.5%	\$950,000	8.3%	\$1,050,000	7.4%
Marketing <sup>5</sup>	\$750,000	8.4%	\$1,000,000	8.7%	\$1,250,000	9.0%
Business Development & Sales <sup>6</sup>	\$950,000	10.6%	\$1,175,000	10.3%	\$1,425,000	10.2%
Working Capital and Corporate Administration <sup>7</sup>	\$1,575,000	17.6%	\$2,180,000	19.0%	\$2,660,000	19.1%
Expenses associated with the Acquisition <sup>8</sup>	\$585,000	6.4%	\$780,000	6.8%	\$975,000	7.0%
<b>TOTAL</b>	<b>\$8,960,000</b>	<b>100.0%</b>	<b>\$11,460,000</b>	<b>100.0%</b>	<b>\$13,960,000</b>	<b>100.0%</b>

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## Notes

1. These funds represent existing cash held by the Company and Buddy at or around the date of this Notice of Meeting. The Company and Buddy expect to incur costs within the ordinary course of their respective businesses which will diminish this amount prior to Settlement.
2. Engineering and development costs include:
  - (a) Payroll & payroll taxes; and
  - (b) Employee benefits.
3. Program costs include:
  - (a) Travel;
  - (b) Contractors; and
  - (c) Training expenses.
4. Hosting and infrastructure costs refer to the costs of the equipment and server time required to deliver the service. Note that as of September 2015, Microsoft provides subsidies equal to the cost of the server and hosting costs incurred by Buddy, however as a practice, Buddy does account for the cost of these services.
5. Marketing includes all costs related to advertising and promoting the Buddy Platform product.
6. Business development & sales includes all business development and outbound evangelism costs, including trade shows, corporate events, non-marketing sponsorships and the cost of business development staff.
7. Working capital and corporate administration costs include the general costs associated with the management and operation of the business including administration expenses, management salaries, directors' fees, rent and other associated costs.
8. Refer to the table below for the itemised costs of the expenses associated with the Acquisition:

Estimated Costs of Acquisition	Proposed Subscription (\$7,500,000)	Minimum	Proposed Subscription + SPP Offer (\$12,500,000)	Maximum
ASX Fees	\$180,005		\$183,005	
ASIC Fees	\$2,320		\$2,320	
Legal, Accounting and Due Diligence Expenses	\$150,000		\$150,000	
Shareholder Meeting / Share Registry Costs	\$30,000		\$30,000	
Printing	\$8,000		\$8,000	
Capital Raising Fees	\$450,000		\$700,000	
<b>TOTAL</b>	<b>\$820,325</b>		<b>\$1,073,325</b>	

5. Working capital includes the general costs associated with the management and operation of the business including administration expenses, salaries, directors' fees, rent and other associated costs.

The above tables are statements of current intentions as of the date of this Notice of Meeting. As with any budget, intervening events 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.

## 6.6 Key Contracts

### (a) HOA

The Heads of Agreement dated 20 July 2015 (**HOA**) sets out the terms upon which Buddy Directors agree to procure that:

- (i) the holders of common shares in Buddy (**Buddy Shares**); and
- (ii) the holders of series A Preferred Shares in Buddy (which will convert into Buddy Shares at or before Settlement),

(together, the **Buddy Shareholders**) grant to the Company an option (**Option**) to acquire 100% of the Buddy Shares on issue held by Buddy Shareholders in the proportions set out in the HOA.

The material terms of the HOA are as follows:

- (i) (**Option Facilitation Fee**): As announced on 30 July 2015, the Company paid Buddy a cash sum of \$250,000 in consideration for the Buddy Directors procuring that the Vendors grant the Option to the Company and paid Buddy an additional \$250,000 in consideration for exercising the Option on 31 August 2015;
- (ii) (**Consideration**): the consideration payable by the Company in respect of the Acquisition is as follows:
  - (A) 500,000,000 Consideration Shares to the Vendors in proportion to the number of Buddy Shares held; and
  - (B) 100,000,000 Performance Shares to the Performance Share Recipients in the proportions set out in the HOA which shall convert into an equal number of Shares upon satisfaction of the following milestones:
    - (I) one third of the Performance Shares shall convert upon the Company logging 20,000,000 total discrete connections to any Buddy server or service (**Interactions**) by any approved network connected hardware or software application (**Device**) per day for no less than 3 consecutive weeks within a period of 24 months from the date of completion of the Capital Raising; and
    - (II) one third of the Performance Shares shall convert upon the total number of devices creating an Interaction with a Buddy application that it has not previously interacted with (New Connection) exceeding 500,000 per week for no less than three (3) consecutive weeks within a period of 24 months from the date of completion of the Capital Raising; and
    - (III) one third of the Performance Shares upon the Company satisfying the following milestones

within a period of 36 months from the date of completion of the Capital Raising:

- (a) total daily device interactions with the Buddy Platform exceed 50,000,000 per day for no less than 3 consecutive weeks; and
- (b) total number of devices creating new connections to Buddy exceeding 1,000,000 per week for no less than 3 consecutive weeks.

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

(iii) **(Conditions Precedent)**: Settlement is conditional upon the satisfaction or waiver of the following conditions precedent:

- (A) the Company being satisfied in its sole discretion that all Shareholders will be required to transfer their Buddy Shares to the Company if and when Settlement occurs;
- (B) ASX approving the terms of the Performance Shares under ASX Listing Rules 6.1 and 6.2;
- (C) the Company receiving valid applications for at least AUD\$7,500,000 worth of Shares under the Capital Raising;
- (D) the Company being satisfied that all options held in Buddy (**Buddy Options**) will be cancelled at Settlement in consideration for the Company issuing to the holders of Buddy Options:
  - (I) 2,807,715 options to acquire Shares on the terms set out in Schedule 6 (**Replacement Options**); and
  - (II) 32,270,858 performance rights on the terms set out in Schedule 8 (**Performance Rights**),

which will be issued to the holders of Buddy Options on a pro rata basis;

- (E) the Company being satisfied in its sole discretion that all:
  - (I) notes convertible into Buddy Shares or Preferred Shares);
  - (II) all warrants to acquire Buddy Shares or Preferred Shares; and
  - (III) all Preferred Shares (including any Preferred Shares issued in respect of the Buddy Options, Buddy Notes and Buddy Warrants),

are either converted into Buddy Shares or lapse in accordance with their terms (or a combination of the two) such that, at Settlement, the Company shall acquire all Buddy Shares on issue and Buddy shall otherwise have no securities on issue or rights to acquire securities in existence;

- (F) the conditional approval by ASX to reinstate the Company's securities to trading on ASX (after the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the Company and Buddy;
  - (G) the Company receiving all Shareholder and regulatory approvals required to complete the Acquisition; and
- (iv) **(Board Changes):** upon Settlement occurring, two existing directors of the Company will retire and three nominees of Buddy will be appointed to the board of the Company.

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

(b) **Commercial Contracts**

Buddy has entered into a number of contractual relationships with customers, suppliers and partners. Some of these are agreements contemplating a full commercial relationship, some contemplate a "proof of concept" or "trial" relationship that is intended to lead to a full commercial relationship, and others contemplate a partnership intended to drive additional business and customers to both Buddy and the partner.

Due to the confidential nature of these agreements, specific terms of many of these agreements cannot be revealed. Buddy will, wherever possible, share details of new agreements with shareholders – and will detail the agreements currently in place for shareholders in the forthcoming prospectus.

## 6.7 Delaware law "merger"

The Acquisition of Buddy by the Company is being implemented by way of a merger. To facilitate the merger, the Company will incorporate a Delaware corporation, which will be a wholly-owned subsidiary of the Company (**US Subsidiary**). In order that the Buddy Shareholders are entitled to the equivalent of "roll over relief" in the US and to effect the merger in accordance with Delaware law, the Company will issue the Consideration Shares to the US Subsidiary, and then immediately following such issue, Buddy and the US Subsidiary will merge together. At the effective time of the merger, the following actions will happen simultaneously:

- (a) the US Subsidiary will merge with and into Buddy, with Buddy surviving the merger and continuing to exist as a wholly-owned subsidiary of the Company;
- (b) the US Subsidiary will cease to exist; and

- (c) the Consideration Shares will be distributed to the Buddy Shareholders as consideration for their Buddy Shares.

All other substantive conditions precedent for completion of the Acquisition (including all Shareholder approvals) will be satisfied by the time the merger is effected and the Consideration Shares are issued. If any other conditions are not satisfied, the Acquisition will not proceed and the merger will not occur.

Section 259C(1) of the Corporations Act provides that an issue of shares of a company to an entity it controls is void except in certain circumstances set out in sections 259C(1)(a) to (d). Section 259C(2) specifically allows ASIC to exempt a company from the operation of section 259C.

Section 606(1) of the Corporations Act prohibits a person from acquiring a relevant interest in issued voted shares in a listed company if the person acquiring the securities or someone else's voting power in the company increases to more than 20%. Section 655A allows ASIC to exempt a company from the operation of a provision of Chapter 6 (which includes section 606(1)).

The Company is currently in the process of obtaining ASIC relief to enable it to issue the Consideration Shares to the US Subsidiary to effectuate the merger without contravening section 259C(1) or 606(1) of the Corporations Act. Settlement under the HOA (and any merger agreement entered into in replacement thereof) is conditional on the Company obtaining this relief from ASIC. Accordingly, if the Company is unable to obtain the ASIC relief then the HOA may be terminated and the Acquisition will not proceed.

## 6.8 Effect on Capital Structure

A pro forma capital structure following Settlement (assuming \$12,500,000 is raised under the Capital Raising) is set out below:

	Shares	Options	Performance Shares	Performance Rights
Current	121,394,894	48,220,948 <sup>1</sup>	Nil	Nil
Consideration Securities	500,000,000	2,807,715 <sup>2</sup>	100,000,000 <sup>3</sup>	32,270,858 <sup>2</sup>
Prospectus Offer Shares <sup>4</sup>	100,000,000			
SPP Offer Shares <sup>5</sup>	25,000,000	Nil	Nil	Nil
Capital Raising Options	Nil	30,000,000 <sup>6</sup>	Nil	Nil
Transaction Options	Nil	12,500,000 <sup>7</sup>	Nil	
<b>TOTAL</b>	<b>746,394,894</b>	<b>93,528,663</b>	<b>100,000,000</b>	<b>32,270,858</b>

### Notes:

1. Quoted Options exercisable at \$0.20 on or before 30 November 2015.
2. Options to be issued to holders of Buddy Options, exercisable at \$0.10 on or before the date that is 5 years from the date of issue. Full terms and conditions of the Replacement Options are set out in Schedule 6. The Performance Rights are to be issued to holders of Buddy Options on the terms set out in Schedule 8.
3. Terms and Conditions of the Performance Shares are set out in Schedule 2.
4. The minimum subscription under the Capital Raising is \$7,500,000. In the event that the minimum subscription is raised under the Prospectus Offer, 25,000,000 less Shares will be issued.
5. Assuming full subscription under the SPP Offer.

6. Options exercisable at \$0.125 on or before 30 November 2017. Full terms and conditions of the Capital Raising Options are set out in Schedule 3.
7. Options exercisable at \$0.03 on or before 30 November 2017. Full terms and conditions of the Transaction Options are set out in Schedule 4.

## 6.9 Pro Forma Statement of Financial Position

Set out in Schedule 9 are two pro forma balance sheets of the Company assuming that all Essential Resolutions have been passed, Settlement has occurred and showing alternatively the minimum and maximum Capital Raising which is proposed to be \$7,500,000 and \$12,500,000 respectively. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

## 6.10 Indicative timetable

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

Event	Date
Dispatch of Notice of Meeting	8 October 2015
Lodgement of Prospectus with the ASIC	23 October 2015
Opening Date of the Capital Raising	23 October 2015
Meeting held to approve the Transaction	9 November 2015
Closing Date of the Capital Raising	20 November 2015
Settlement of the Acquisition	27 November 2015
Despatch of holding statements	30 November 2015
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	4 December 2015
Re-quotation of Shares (including Shares issued under the Capital Raising) on ASX	11 December 2015

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

## 6.11 Board intention if Settlement occurs

In the event that Settlement occurs, the Company proposes to:

- (a) continue development of the Platform;
- (b) undertake marketing throughout Australia and internationally; and;
- (c) pursue business development opportunities for the Platform both in Australia and internationally.

It is intended to allocate the funds raised from the Capital Raising and existing cash reserves as set out in section 6.5.



## 6.12 Composition of the Board of Directors

It is intended that the Board of Directors will comprise the following upon Settlement occurring:

- (a) Ananda Kathiravelu;
- (b) David McLauchlan;
- (c) Richard Borenstein; and
- (d) Alexander Gounares.

It is currently intended that Richard Monti and Ben Binninger will retire on Settlement and Ananda Kathiravelu will remain on the Board in his current role. One additional Board member is to be nominated at Settlement, who will be a resident of Australia. Additional Board and management resources may be considered as appropriate as the Platform develops.

## 6.13 Advantages of the proposals in the Resolutions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a technology company;
- (b) with increasing global deployment of connected devices and sensors, the Company will be exposed to an industry which has the potential to grow significantly;
- (c) the Company will obtain ownership of Buddy; and
- (d) the Company will be managed by directors and officers with significant experience in the technology industries with a view to guiding the Company to be a significant player in the global IoT industry.

## 6.14 Disadvantages of the proposals in the Resolutions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) the Company will be changing the nature and scale of its activities to primarily be a technology company, which may not be consistent with the objectives of all Shareholders;
- (b) the Acquisition will result in the Capital Raising, the issue of Consideration Securities, the Capital Raising Options and the Transaction Options which will have a dilutionary effect on the holdings of Shareholders;
- (c) future outlays of funds from the Company may be required for the operations of Buddy; and

- (d) there are additional risk factors associated with the change in nature of the Company's activities resulting from the Acquisition. Some of the key risks are summarised in Section 6.15 below.

## 6.15 Risk factors

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from Buddy, parties contracted or associated with Buddy and the HOA. The risks and uncertainties described below are not intended to be exhaustive. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire all Buddy Shares is set out below.

### (a) Risks relating to the Change in Nature and Scale of Activities

#### (i) Re-Quotation of Shares on ASX

The acquisition of Buddy constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

#### (ii) Dilution Risk

The Company currently has 121,394,894 Shares and 48,220,948 Options on issue. At Settlement, the Company proposes to issue:

- (A) the Consideration Shares;
- (B) the Performance Shares;
- (C) the Replacement Options;
- (D) the Performance Rights;
- (E) the Capital Raising Options;
- (F) the Transaction Options; and
- (G) Shares to raise at least \$7,500,000 and up to a maximum of \$10,000,000 under the Prospectus Offer and up to \$2,500,000 under the SPP Offer as part of the Capital Raising.

On issue of the Consideration Shares, the maximum subscription of Shares under the Capital Raising of \$12,500,000 at an issue price of \$0.10 per Share and no exercise of Options:

- (A) the existing Shareholders will retain approximately 16.3% of the Company's issued Share capital;
- (B) the Vendors will hold approximately 67.0% of the Company's issued Share capital; and
- (C) the investors under the Capital Raising will hold approximately 16.7% of the Company's issued Share capital.

If subsequently the performance milestones are met and all the Performance Shares are converted (and provided no other Shares are issued or Options exercised), the interests of the existing Shareholders in the Company will reduce to 14.3%, assuming maximum subscription under the Capital Raising.

If subsequently the Capital Raising Options, the Transaction Options and the Replacement Options are exercised and all Performance Rights are converted (and provided no other Shares are issued or Options exercised), the interests of the existing Shareholders in the Company will reduce to 12.49%, assuming maximum subscription under the Capital Raising.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Business.

(iii) **Liquidity Risk**

On Settlement, the Company proposes to issue the Consideration Shares, the Performance Shares, the Replacement Options, the Performance Rights, the Capital Raising Options and the Transaction Options. The Directors understand that ASX will treat these securities as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions will be made to the ASX to apply for cash formula relief in respect of these Securities.

Based on the post-Acquisition capital structure (assuming no further Shares are issued or Options exercised), the Consideration Shares will equate to approximately 67.0% of the issued Share capital on an undiluted basis (assuming maximum subscription under the Capital Raising). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(iv) **Contractual Risk**

Pursuant to the HOA, the Company has been granted the Option to acquire 100% of Buddy. The Company exercised the Option on 31 August 2015. Completion of the Acquisition is subject to the fulfilment of certain conditions precedent. The ability of the Company to achieve its stated objectives will

depend on the performance by the parties of their obligations under the HOA. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(b) **Risks in respect of Buddy's current operations**

(i) **Competition and new technologies**

The industry in which Buddy is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Buddy not being differentiated to other similar offerings.

The size and financial strength of some of Buddy's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, Buddy's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

The key competition risk is in achieving appreciable market share and differentiation from its key competitors.

(ii) **Sales and marketing success**

Following Settlement, the Company intends to focus on developing and marketing the Platform. By its nature, there is no guarantee that the Platform's development and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty creating market awareness of the Platform. This would likely have an adverse impact on the Company's potential profitability.

Even if the Company does successfully commercialise the Platform, there is a risk the Company will not achieve a commercial return. For example, new technology may overtake the Company's technology.

(iii) **Attracting customers to the Platform**

The Company's revenue will be affected by its ability to attract customers to the Platform. Various factors can affect the level of customers using the Platform, including:

- (A) Marketing and promotions: If the Company's marketing and promotion efforts are not effective this may result in fewer customers using the Platform; and

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(B) Brand damage: If the Company or Buddy suffer from reputational damage, customer numbers could be affected.

(iv) **Hacker attacks**

Buddy will rely upon the availability of its Platform to provide services to customers and attract new customers. Hackers could render the Platform unavailable or cause customers' personal information being compromised.

Although Buddy has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the Platform could lead to a loss of revenue for the Company while compromising customers' information could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.

(v) **Contractual Risk**

The Company will operate a business model that will have a moderate number of mid-large sized contracts. This will put a heavy revenue dependency on a relatively small number of contracts (10s-100s of customers) vs. other SaaS businesses which may have large numbers of contracts (1000s-10,000s) each of smaller dollar amounts.

Additionally, existing contracts may be terminated at will (with at least 30, 60 or 90 days notice) by either Buddy or the customer.

(vi) **Contractual Third Party Risk**

The Company relies on third parties for key deliverables in its business model. This includes payment gateway providers, sales staff and integration of the platforms to the market dispensing software packages. A failure of any one of these parties without an appropriate countermeasure could cause a disruption to operations. The company is continually assessing the risk and opportunities associated with its business model and other than disruptions for short periods of time due to service delivery failure is not solely reliant on any one party for delivery.

(vii) **Domain name risk**

The Platform will depend to some extent on customers being attracted to the Buddy website. Buddy has leased the Buddy.com domain name for the purposes of its website. The lease is from a related party to the CEO. However, should the Company not renew or otherwise lose control of its domain name it would lose all website traffic directed to that domain. This may adversely affect the Company's revenue. To mitigate this risk, Buddy owns some 30+ variations of the "Buddy" wording as domain names, and operates the technical platform from the "BuddyPlatform.com" domain.

(viii) **Staff Risk**

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

This risk is mitigated as Buddy has historically had low levels of staff turnover in the development teams. In addition, all staff contracts contain express provisions with respect to ownership of intellectual property and restraints of trade to limit any potential loss suffered by Buddy to the maximum extent possible.

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

Buddy intends to pursue IP protection in the form of patents post-Settlement for newly developed technologies. However, if the Company fails to protect the intellectual property rights of Buddy adequately, competitors may gain access to its technology which may harm its business. Buddy feels strongly that patent protection & litigation does not constitute a feasible defence against competition in this industry.

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

Market conditions depending, the Company 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 the Company and cause a distraction to management.

In addition, unauthorised use of the "Buddy" brand in counterfeit products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

(x) **Dependence on the internet**

The successful continuation of the Platform will depend to some extent on the continued acceptance of the internet as a communications and commerce platform for individuals, devices and enterprises. The internet could become less viable as a business tool due to delays in the development or adoption of new standards and protocols to handle increased

demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality-of-service.

The performance of the internet and its acceptance as a business tool have been harmed by "viruses," "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If for any reason the internet does not remain a widespread communications medium and commercial platform, the demand for the Company's products would be significantly reduced, which would harm its business.

(xi) **Currency Risk**

Buddy expects to derive a majority of its revenue from the United States, in US dollars. Accordingly, changes in the exchange rate between the United States dollar and the Australian dollar would be expected to have a direct effect on the performance of Buddy.

(c) **General Risks Relating to the Company**

(i) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

(ii) **Risk of High Volume of Share Sales**

If Settlement occurs, the Company will have issued a significant number of new Securities to various parties. Some of the Vendors and others that receive Shares as a result of the Acquisition or the Capital Raising may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of the Company's Shares.

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

(iii) **Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the performance of the Australian dollar on world

markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(iv) **Additional Requirements for Capital**

The capital requirements of the Company depend on numerous factors. Depending on the ability of the Company to generate income from its operations, the Company may require further financing in addition to amounts raised under the Capital Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(v) **Litigation Risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither the Company nor Buddy are currently engaged in any litigation.

(vi) **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

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

- (A) general economic outlook;
- (B) interest rates and inflation rates;
- (C) currency fluctuations;



- (D) changes in investor sentiment toward particular market sectors;
- (E) the demand for, and supply of, capital; and
- (F) terrorism or other hostilities.

(vii) **Force Majeure**

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(viii) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

(d) **Investment Speculative**

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

**6.16 Plans for the Company if the Resolutions are not passed**

If the Essential Resolutions are not passed and the Agreement is not completed, the Company will continue to focus on resources and energy exploration and look for potential business acquisitions to take the Company forward.

**6.17 Directors' interests in the Agreement**

None of the Company's existing Directors have any interest in the proposed Acquisition, other than as disclosed in this Notice.

**6.18 Vendors**

None of the Vendors or their associates are related parties of the Company (other than by virtue of becoming Directors upon Settlement) and they have no existing interest in the Company's Securities.

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## **7. RESOLUTION 5 – CHANGE TO NATURE AND SCALE OF ACTIVITIES**

### **7.1 General**

Resolution 5 seeks approval from Shareholders for a change in the nature and scale of the activities of the Company to change the focus to technology and to developing the Platform.

As outlined in Section 6.1 of this Explanatory Statement, the Company has entered into the HOA pursuant to which the Company shall acquire all of the Buddy Shares.

A summary of the terms and conditions of the HOA is set out in Section 1.6(a) above and a detailed description of Buddy and its business is outlined in Section 6.2 above.

### **7.2 ASX Listing Rule 11.1**

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the official list of ASX.

ASX has indicated to the Company that the change in the nature and scale of the Company's activities as a result of Acquisition requires the Company in accordance with ASX Listing Rule 11.1.2 to obtain Shareholder approval and the Company must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has also indicated to the Company that the change in the nature and scale of the Company's activities is a back-door listing of Buddy which consequently requires the Company to (in accordance with ASX Listing Rule 11.1.3) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (including any ASX requirement to treat the Company's securities as restricted securities).

Accordingly, it is anticipated that the Company's securities will be subjected to a trading halt or suspension and thereby cease trading on ASX's Official List prior to market open on the day of the Meeting. If the Essential Resolutions are approved at the Meeting, it is expected that the Company's Securities will remain suspended from quotation until the Company has acquired Buddy pursuant to the HOA and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

If the Essential Resolutions are not approved at the Meeting, it is expected that the Company's Securities will be reinstated to quotation on ASX's Official List after the Company announces the results of the Meeting in accordance with the Listing Rules and Corporations Act.

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## 8. RESOLUTION 6 – CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES

Resolution 6 seeks Shareholder approval for the Company to be authorised to issue 100,000,000 Performance Shares.

A company with a single class of shares on issue which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the Constitution already provides for such an issue.

Under clause 2.2 of the Constitution, subject to the Corporations Act and the Listing Rules, the Company may issue shares in the Company on any terms, at any time and for any consideration as the Directors resolve.

Section 246B of the Corporations Act and clause 2.4 of the Constitution provide that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the members holding shares in that class; or
- (b) the written consent of the members who are entitled to at least 75% of the votes that may be cast in respect of shares in that class.

Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares as a new class of shares on the terms set out in Schedule 2 of this Explanatory Memorandum.

Resolution 6 is a special resolution.

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## 9. RESOLUTION 7 – ISSUE OF CONSIDERATION SECURITIES

### 9.1 General

Resolution 7 seeks Shareholder approval for the issue of:

- (a) 500,000,000 Consideration Shares in consideration for the acquisition of 100% of the Buddy Shares on issue;
- (b) 100,000,000 Performance Shares to Performance Share Recipients; and
- (c) 2,807,715 Replacement Options and 32,270,858 Performance Rights to holders of Buddy Options in consideration for the cancellation of the Buddy Options.

(together will be referred to as, the **Consideration Securities**).

A summary of ASX Listing Rule 7.1 is set out in section 5.1 above.

The effect of Resolution 7 will be to allow the Company to issue the Consideration Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The Directors understand that ASX may treat each of the Consideration Securities as restricted securities for the purpose of the ASX Listing Rules. However, submissions will be made to the ASX to apply for cash formula relief in respect of the Consideration Securities.

## 9.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Securities:

- (a) the maximum number of Consideration Securities to be issued at Settlement is as follows:
  - (i) 500,000,000 Consideration Shares;
  - (ii) 100,000,000 Performance Shares;
  - (iii) 2,807,715 Replacement Options; and
  - (iv) 32,270,858 Performance Rights;
- (b) the Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of all those Securities will occur on the same date;
- (c) the consideration Securities will be issued for nil cash consideration in satisfaction of the acquisition of the Buddy Shares and Buddy Options;
- (d) the Consideration Shares will be issued to the Vendors, who are not related parties of the Company (other than as a result of the Acquisition), in consideration for their respective Buddy Shares (pro rata to the number of Buddy Shares held by each Vendor);
- (e) the Performance Shares will be issued to the Performance Share Recipients, who are not related parties of the Company (other than as a result of the Acquisition);
- (f) the Replacement Options and Performance Rights will be issued to all holders of Buddy Options upon cancellation of the Buddy Options at Settlement;
- (g) the Consideration Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (h) the Performance Shares to be issued to the Performance Share Recipients (set out in Schedule 7) will be issued on the terms and conditions set out in Schedule 2;
- (i) the Replacement Options to be issued on the terms and conditions set out in Schedule 6;
- (j) the Performance Rights to be issued on the terms and conditions set out in Schedule 8; and
- (k) no funds will be raised from the proposed issue as the Consideration Securities are proposed to be issued in consideration for the acquisition by the Company of all of the Buddy Shares and cancellation of all Buddy Options in accordance with the terms of the HOA.

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## 10. RESOLUTION 8 – CAPITAL RAISING PROSPECTUS OFFER

### 10.1 General

Resolution 8 seeks Shareholder approval for the issue of up to 125,000,000 Shares to raise up to \$10,000,000 with oversubscriptions being offered up to a further \$2,500,000 (being any shortfall under the SPP Offer) under a prospectus (**Prospectus Offer**). Approval is sought for the issue of these Shares pursuant to Resolution 8.

On 2 October 2015, ASX granted the Company a waiver to enable the Company to undertake the Prospectus Offer at 10 cents per Share. The waiver is conditional upon Shareholders approving the issue price of Shares under the Prospectus Offer at a price of 10 cents per Share.

For the purposes of the Listing Rules, none of the subscribers for the Shares to be issued under Resolution 8 will be related parties of the Company.

The Prospectus Offer will be conditional on the following:

- (a) Shareholders passing all of the Essential Resolutions; and
- (b) the Shares to be issued under the Prospectus Offer being issued contemporaneously with Settlement.

Further details of the Prospectus Offer will be set out in the Prospectus.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 8 will be to allow the Company to issue Shares under the Prospectus Offer (including any Shortfall Shares under the SPP Offer (if any)) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

### 10.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the maximum number of Shares to be issued is 125,000,000 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.10 per Share;
- (d) the Shares are proposed to be issued to the applicants under the Prospectus Offer. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue; and

- (f) the Company intends to use the funds raised under the Prospectus Offer as set out in Section 6.5.

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## **11. RESOLUTION 9 – CAPITAL RAISING SHARE PURCHASE PLAN OFFER**

### **11.1 General**

As set out in Section 6.4, the Company is providing an opportunity for Eligible Shareholders to participate in the SPP Offer.

On 2 October 2015, ASX granted the Company a waiver to enable the Company to undertake the SPP Offer at 10 cents per Share. The waiver is conditional upon Shareholders approving the issue price of Shares under the SPP Offer at a price of 10 cents per Share.

Resolution 9 seeks Shareholder approval for the issue of SPP Shares the subject of the SPP Offer.

The SPP Offer will be conducted on the same terms as the Prospectus Offer enabling Eligible Shareholders to participate at \$0.10 per SPP Share up to a total subscription limit of \$15,000 per Eligible Shareholder. Any Shortfall Shares under the SPP Offer will be offered to investors under the Prospectus Offer.

The Company will be relying upon ASIC Class Order relief to issue the SPP Shares to Eligible Shareholders under the SPP Offer, but as it is not certain an exception under Listing Rule 7.1 is available to the Company, the Company will seek Shareholder approval for the issue of Shares under the SPP Offer.

The SPP Offer will be conditional on the following:

- (a) Shareholders passing all of the Essential Resolutions; and
- (b) the Shares to be issued under the SPP Offer being issued contemporaneously with Settlement.

Voting exclusions apply to Resolution 9 as detailed in the Notice. The Company has been granted a waiver of ASX Listing Rule 7.3.8 to enable Shareholders to vote in relation to Resolution 9 notwithstanding that they may be successful applicants for SPP Shares under the SPP Offer. However, any proposed underwriter or sub-underwriter in respect of the SPP Offer will be excluded from voting on Resolution 9. The Company does not currently intend for the SPP Offer to be sub-underwritten.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 9 will be to allow the Company to issue the SPP Shares pursuant to the SPP Offer during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **11.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the maximum number of SPP Shares to be issued is 25,000,000;

- (b) the SPP Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the SPP Shares will occur on the same date;
- (c) the issue price will be \$0.10 per SPP Share;
- (d) the SPP Shares will be issued to Shareholders who successfully apply for SPP Shares under the SPP Offer. None of these Shareholders will be related parties of the Company;
- (e) the SPP Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised under the SPP Offer as set out in Section 6.5.

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## 12. RESOLUTIONS 10 AND 11 – PLACEMENT OF OPTIONS

### 12.1 General

Resolutions 10 and 11 seek Shareholder approval for the issue of:

- (a) 30,000,000 Capital Raising Options to persons nominated by the Company in consideration for those persons assisting to raise funds under the Capital Raising; and
- (b) 12,500,000 Transaction Options to persons nominated by the Company in consideration for those persons assisting with the Acquisition,

(the **Placements**).

The Directors note that as at the date of this Notice the Company has not identified any such persons, but is seeking this approval to provide flexibility in satisfying its future payment obligations.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolutions 10 and 11 will be to allow the Company to issue the Options pursuant to the Placements during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 12.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolutions 10 and 11:

- (a) the maximum number of Options to be issued is 30,000,000 Capital Raising Options and 12,500,000 Transaction Options;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is likely that issue will occur on the same date;

- For personal use only
- (c) the Options will be issued for nil cash consideration in satisfaction of services provided by persons who assisted the Company with raising funds under the Capital Raising and with the Acquisition;
  - (d) the Options will be issued to those third party service providers engaged by the Company and to which the Company and the relevant third party agrees consideration will be, either wholly or partly, in the form of Options. No such third party service provider will be a related party of the Company;
  - (e) the Capital Raising Options will be issued on the terms and conditions set out in Schedule 3;
  - (f) the Transaction Options will be issued on the terms and conditions set out in Schedule 4; and
  - (g) no funds will be raised from the Placements as the Options will be issued in consideration for services provided to third party service providers.

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### 13. RESOLUTION 12 – CHANGE OF COMPANY NAME

Section 157(1) (a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 12 seeks the approval of Shareholders for the Company to change its name to “**Buddy Limited**”. The Board proposes this change of name on the basis that it more accurately reflects the proposed operations of the Company following Settlement.

If Resolution 12 is passed the change of name will take effect after ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 12 is passed, the Company will lodge a copy of the special resolution with ASIC following Settlement in order to effect the change.

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### 14. RESOLUTIONS 13 TO 15 – ELECTION OF DIRECTORS

Clause 13.3 of the Constitution allows the Company to elect a person or persons as a Director by resolution passed in general meeting. A Proposed Director elected at a general meeting is taken to have been elected with effect immediately after the end of that general meeting unless the resolution by which the Proposed Director is appointed or elected specifies a different time.

No person other than a Proposed Director seeking re-election shall be eligible for election to the office of Director at any general meeting unless the person or some Shareholder intending to proposed his or her nomination has, at least 30 Business Days before the meeting, left at the registered office of the Company a notice in writing duly signed by the nominee giving his or her consent to the nomination and signifying his or her candidature for the office or the intention of the Shareholder to propose the person.

Notice of every candidature for election as a Director shall be given to each Shareholder with or as part of the notice of meeting at which the election is to take place.



If the number of nominations exceeds the maximum number of 9 directors as set out in the Constitution, the order in which the candidates shall be put up for election shall be determined by the drawing of lots supervised by the Directors and once sufficient candidates have been elected to fill up the vacancies available, the remaining candidates shall be deemed defeated without the need for votes to be taken on their election.

Pursuant to Resolutions 13 to 15, David McLauchlan, Richard Borenstein and Alexander Gounares seek election from Shareholders to be appointed upon Settlement occurring.

The qualifications and experience of the Proposed Directors is set out below:

### **David McLauchlan**

David spent nearly eleven years at Microsoft Corporation (Redmond, WA) before leaving in 2011 to co-found Buddy Platform, Inc. While at Microsoft, David led business development for Microsoft's Zune hardware business, spent many years in Microsoft's Windows division and prior to that served in the Server & Tools division working on the Visual C++ product. His international business development experience is considerable, having closed inbound and outbound licensing deals for Microsoft with global partners and customers in the consumer, enterprise, B2B and component industries. In addition to his work in various product groups at Microsoft, David represented the company in several international standards setting organizations, including the USB Implementers Forum, Consumer Electronics Association, Digital Living Network Alliance (DLNA), Bluetooth SIG and the IEEE Printer Work Group.

David is the co-founder of TVinteract, LLC which developed software for on-air TV talent to curate and display social media in real-time, which was acquired in 2014. David has served as a Technology Partner Network advisor for the Bill & Melinda Gates Foundation for over three years and currently serves as a mentor for the Australian incubator "Innovyz START" and is an advisor to Melbourne-based "Bluedot Innovation" and Washington DC-based "Manalto".

Prior to moving to the United States, David was a management consultant at PricewaterhouseCoopers in Melbourne, Australia, and prior to that was a professional pianist in Adelaide, Australia.

David holds a Master of Engineering: IT, Telecommunications & Business Management, and a Bachelor of Electronic Engineering (Hons.) – both from the University of South Australia.

### **Richard Borenstein**

Rick Borenstein is a venture investor, advisor and board member with over 40 years of technology company experience. He currently advises 7 venture-financed companies and sits on several boards. Mr. Borenstein brings extensive business, finance, accounting and entrepreneurial skills to each company.

Rick co-founded Sequoia Partners in 1988 and currently serves as Chairman. Sequoia Partners is a "sell side" information technology mergers & acquisitions firm. Sequoia has a long history of executing premium transactions for venture capital companies and corporate technology investors.

Mr. Borenstein started his entrepreneurial career after Wells Fargo when he conceived, built and sold 3 companies over the course of 4 years. Mr. Borenstein became President of IMSI in 1986, a \$50MM per year consumer software

products company. During his tenure, he took the company public in 1987 and initiated their strategy of growth through acquisition. This exposure to software company deal making convinced him that a small, "virtual", I.T. focused M&A company could be built successfully.

Mr. Borenstein's finance training started at Harvard Business School (M.B.A. 1972) and continued through White, Weld & Co., Salomon Brothers and Wells Fargo and Co. His early investment banking training included mergers and acquisitions, leveraged buy-outs, IPOs and off balance sheet financings. At Wells Fargo, he perfected his accounting skills as Deputy Controller of the Bank; he learned lending and bank/brokerage company finance while serving as the Bank's senior brokerage industry banking officer; and he improved his deal making skills as President of Wells Fargo Investment Company, the Bank's venture capital subsidiary. Rick invested in a group of companies that have since gone on to become some of the best-known names in the Bay Area technology sector.

Mr. Borenstein grew up in New York City, and attended the University of Michigan before going to Harvard Business School. He has taught entrepreneurship at the Center for Entrepreneurship at the U of M and at San Quentin Prison (SF Bay Area) as part of The Last Mile program there.

### **Alexander Gounares**

Alex Gounares is the founder and CEO of Polyverse Corporation, a stealth mode cyber security company focused on protecting data center applications from large scale data breaches and disruption. Previously, Alex led Concurix Corporation, a maker of Node.js profiling tools. These tools were acquired by Strongloop Inc and integrated into the Strongloop Arc platform.

Prior to Concurix, Alex served as AOL's Chief Technology Officer. In this role, he led all aspects of AOL's technology strategy, platform development and external technology partnerships. He was responsible for all of AOL's global engineering, IT, and operations functions. In addition, he served as a member of the company's Global Executive Operating Committee.

Alex joined AOL from Microsoft, where he was Corporate Vice President and Chief Technology Officer for the company's Online Services Division. During his tenure at Microsoft, Gounares led significant strategic and technical operations for some of the company's most important projects including Microsoft's global advertising platform, Bing search, MSN and Microsoft Virtual Earth. Alex also served for three years as Technology Advisor to Microsoft Chairman and founder Bill Gates, as well as Corporate Vice President of Corporate Strategy in Microsoft's Finance Department.

Prior to joining Microsoft in 1993, Alex worked at Los Alamos National Laboratory. He has founded four startups and is also an inventor on more than 150 U.S. patents filed and pending. Alex holds a bachelor's degree cum laude in Computer Science from Princeton University.

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## **15. RESOLUTION 16 – APPROVAL OF EMPLOYEE INCENTIVE RIGHTS PLAN**

Resolution 16 seeks Shareholder approval for the adoption of the employee incentive scheme titled Employee Incentive Rights Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 16 is passed, the Company will be able to issue performance rights under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period. The Company's Shareholders have not previously approved the Company's adoption of the Plan and, as such, no securities have been issued under the Plan to date.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of performance rights under the Plan will provide selected Directors (executive or non-executive), and permitted employees and contractors of the Company with the opportunity to participate in the future growth of the Company.

Any future issues of performance rights under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 5. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

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## 16. RESOLUTION 17 – REPLACEMENT OF CONSTITUTION

### 16.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 187 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2006.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating the name of the Company to that adopted in Resolution 12;
- (b) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and

- (c) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement; however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website [www.potashmin.com.au/](http://www.potashmin.com.au/) and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6380 2555). Shareholders are invited to contact the Company if they have any queries or concerns.

## 16.2 Summary of material proposed changes

### (a) Fee for registration of off market transfers

ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

The Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

### (b) Partial (proportional) takeover provisions

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

#### Information required by section 648G of the Corporations Act

##### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

### *Knowledge of any acquisition proposals*

Other than as a result of the proposed Acquisition and Capital Raising, as at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### *Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

### **16.3 Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 187.

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## GLOSSARY

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\$ means Australian dollars.

**10% Placement Capacity** has the meaning given in section 4.1 of the Explanatory Statement.

**Acquisition** has the meaning given at Section 6.1.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Buddy** means Buddy Platform Inc. (a US state of Delaware "C-Corporation").

**Buddy Directors** has the meaning given at Section 1.1.

**Buddy Options** means all options to acquire Buddy Shares or Preferred Shares.

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

**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.

**Capital Raising** has the meaning given at Section 1.1.

**Capital Raising Options** means 30,000,000 Options to be issued on the terms and conditions set out in Schedule 3.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** or **Potash** means Potash Minerals Limited (ACN 121 184 316).

**Consideration Securities** has the meaning in Section 9.1.

**Consideration Shares** means 500,000,000 Shares to be issued to the Vendors at Settlement.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Eligible Shareholders** means a Shareholder as at the record date of 7:00pm (Sydney time) on the date that the Company announces the SPP Offer and whose address on the register is in Australia.

**Essential Resolutions** means all Resolutions set out in this Notice (other than Resolutions 1 to 4 and 16).

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security. **HOA** has the meaning given at Section 6.1.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Maximum Subscription** means a raising of up to \$10,000,000 under the Prospectus.

**Minimum Subscription** means a raising of up to \$7,500,000 under the Prospectus.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Preferred Shares** means a preferred share in Buddy which may be converted into Buddy Shares.

**Official List** means the official list of ASX.

**Option** means an option to acquire a Share.

**Option Facilitation Fee** means the Option Facilitation Fee as defined in Section 6.6.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.



**Performance Rights** has the meaning given in Section 6.6(a)(iii)(D)(II).

**Performance Shares** means 100,000,000 performance shares to be issued to the Performance Share Recipients at Settlement with the terms set out in Schedule 2.

**Performance Share Recipients** means the directors and senior management of Buddy and the Company set out in Schedule 7.

**Platform** has the meaning given in Section 6.2

**Proposed Constitution** has the meaning given at Section 16.1.

**Proposed Directors** means David McLauchlan, Richard Borenstein and Alexander Gounares.

**Prospectus** means the prospectus prepared by the Company in accordance with Chapter 6D of the Corporations Act, pursuant to which the Capital Raising up to the Maximum Subscription plus oversubscriptions will be undertaken.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2015.

**Replacement Options** has the meaning given in Section 6.6(a)(iii)(D)(I).

**Resolutions** means the resolutions set out in the Notice or any one of them, as the context requires.

**Settlement** means settlement of the Acquisition in accordance with the terms of the HOA.

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

**Share Purchase Plan** means the Company's securities purchase plan which contains the SPP Offer.

**Shareholder** means a registered holder of a Share.

**SPP Offer** has the meaning given in Section 6.4.

**SPP Shares** means the offer of up to 25,000,000 Shares at an issue price of \$0.10 per Share to be offered under the SPP Offer.

**Transaction Options** means 12,500,000 Options to be issued on the terms and conditions set out in Schedule 4.

**Variable A** means "A" as set out in the calculation in section 4.1 of the Explanatory Statement.

**Vendor Consideration Securities** has the meaning given at Section 6.1.

**Vendors** has the meaning given at Section 6.1.

**VWAP** means the volume weighted average market price (as defined in the ASX Listing Rules).

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

**SCHEDULE 1 - ISSUE OF EQUITY SECURITIES SINCE 6 NOVEMBER 2014**

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 11/6/15 Appendix 3B – 11/6/15	24,278,979	Shares <sup>2</sup>	Sophisticated investors pursuant to placement	\$0.02 (no discount or premium based on issue price of \$0.02 on 10/6/15)	Amount raised = \$485,579.58 Amount spent = \$485,579.58 Use of funds Funds used to assess new opportunities being Buddy transaction, necessary expenditure on the Hatch Point Potash Project and working capital Amount remaining = \$Nil

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: POK (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events 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 the funds are applied on this basis.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE SHARES

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### 1. Terms of Performance Shares

- (a) **(Performance Shares):** Each Performance Share is a share in the capital of Potash.
- (b) **(General Meetings):** The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of Potash that are circulated to Shareholders. Holders have the right to attend general meetings of Potash.
- (c) **(No Voting Rights):** The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of Potash, subject to any voting rights under the Corporations Act 2001 (Cth) or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights):** The Performance Shares do not entitle the Holder to any dividends.
- (e) **(No Rights on Winding Up):** Upon winding up of Potash, the Performance Shares may not participate in the surplus profits or assets of Potash.
- (f) **(Transfer of Performance Shares):** The Performance Shares are not transferable.
- (g) **(Reorganisation of Capital):** In the event that the issued capital of Potash is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (h) **(Application to ASX):** The Performance Shares will not be quoted on ASX. Upon conversion of the Performance Shares into Shares in accordance with these terms, Potash must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (i) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item 1(g) (Reorganisation of Capital), holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) **(Amendments required by ASX):** The terms of the Performance Shares may be amended as necessary by the Potash board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) **(No Other Rights):** The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

## 2. Conversion of the Performance Shares

- (a) **(Milestones):** The Performance Shares will, subject to paragraph (b), convert upon satisfaction of any one of the following milestones:
- (i) One third (1/3) of all Performance Shares held by the Holder as at the date of issue of the Performance Shares (**Issue Date**) shall convert upon Potash (or its subsidiaries) logging 20,000,000 total discrete connections to any Buddy server or service (**Interactions**) by any approved network connected hardware or software application (**Device**) per day for no less than 3 consecutive weeks within a period of 24 months from the date of completion of the Capital Raising;
  - (ii) One third (1/3) of all Performance Shares held by the Holder as at the Issue Date shall convert upon the total number of devices creating an Interaction with a Buddy application that it has not previously interacted with (**New Connection**) exceeding 500,000 per week for no less than three (3) consecutive weeks within a period of 24 months from the date of completion of the Capital Raising;
  - (iii) One third (1/3) of all Performance Shares held by the Holder as at the Issue Date shall convert upon Potash (or its subsidiaries) satisfying the following milestones within a period of 36 months from the date of completion of the Capital Raising:
    - (A) total daily device interactions with the Buddy Platform exceed 50,000,000 per day for no less than 3 consecutive weeks; and
    - (B) total number of devices creating new connections to Buddy exceeding 1,000,000 per week for no less than 3 consecutive weeks.(each referred to as a **Milestone**).
- (b) **(Conversion of Performance Shares):** Subject to paragraphs (b)(i) and (b)(i) below, in the event a Milestone is satisfied, the Performance Shares held by the Holder will convert into an equal number of Potash Shares. If:
- (i) the conversion of the Performance Shares into Potash Shares would result in the Holder being in contravention of section 606(1) of the Corporations Act, then the conversion of such number of Performance Shares that would cause the contravention will be deferred until such time or times thereafter the conversion would not result in such a breach; and
  - (i) the above paragraph (b)(i) applies, the Holder may by notice in writing, require the Company to call a meeting of its shareholders for the purposes of obtaining approval under item 7, section 611 of the Corporations Act. If the Holder provides such notice in writing to the Company, the Company must as soon as practicable call a meeting of its shareholders for the purposes of obtaining approval under item 7, section 611 of

the Corporations Act for the conversion of the Performance Shares into Potash Shares.

- (c) **(No Conversion if Milestone not Achieved)**: Any Performance Share not converted into a Share within 5 years from the Issue Date will lapse.
- (d) **(After Conversion)**: The Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by Potash to ASX for official quotation of the Shares issued upon conversion.
- (e) **(Conversion Procedure)** Potash will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.

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## SCHEDULE 3 – TERMS AND CONDITIONS OF CAPITAL RAISING OPTIONS

---

### 1. Entitlement

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

### 2. Exercise Price

Subject to paragraph 10 of this Schedule, the amount payable upon exercise of each Option will be \$0.125 (**Exercise Price**).

### 3. Expiry Date

Each Option will expire at 5:00 pm (WST) on 30 November 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Exercise Period

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

### 5. 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.

### 6. 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**).

### 7. Timing of issue of Shares on exercise

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

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) 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
- (c) 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 (7)(b) of this Schedule 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.

**8. Shares issued on exercise**

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

**9. 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.

**10. 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.

**11. 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.

**12. Change in exercise price**

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.

**13. Unquoted**

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

**14. Transferability**

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

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## SCHEDULE 4 – TERMS AND CONDITIONS OF TRANSACTION OPTIONS

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### 1. Entitlement

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

### 2. Exercise Price

Subject to paragraph 10 of this Schedule, the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

### 3. Expiry Date

Each Option will expire at 5:00 pm (WST) on 30 November 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Exercise Period

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

### 5. 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.

### 6. 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**).

### 7. Timing of issue of Shares on exercise

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

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) 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
- (c) 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 (7)(b) of this Schedule 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.

**8. Shares issued on exercise**

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

**9. 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.

**10. 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.

**11. 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.

**12. Change in exercise price**

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.

**13. Unquoted**

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

**14. Transferability**

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

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## SCHEDULE 5 – SUMMARY OF EMPLOYEE INCENTIVE RIGHTS PLAN

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The following is a summary of the key terms and conditions of the Plan to be adopted by Potash:

- (a) **Eligible Participants:** Participants eligible to participate in the Plan include directors, and full-time or part-time employees, casual employees or contractors of Potash, or any of its subsidiaries and any other related bodies corporate of Potash or any other person that ASIC declares is eligible to receive a grant of rights to acquire Shares (**Employee Rights**) under the Plan and who are declared by the board as eligible to receive grants of Employee Rights under the Plan (**Eligible Participants**).
- (b) **Offer:** The board of Potash may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for up to a specified number of Employee Rights, upon the terms set out in the Plan and upon such additional terms and conditions as the Potash board determines (**Offer**).
- (c) **No Consideration:** Employee Rights granted under the Plan will be issued for nil cash consideration.
- (d) **Rights:** each Employee Right issued under the Plan is a right to be issued with or transferred a Share, free of encumbrances.
- (e) **Expiry Date:** means the date on which an Employee Right lapses (if it has not already lapsed in accordance with the Plan) as specified in the offer made to the Eligible Participant.
- (f) **Vesting Conditions:** the Potash board will determine the vesting conditions that must be satisfied by an Eligible Participant before the Employee Right vests in the holder. Any vesting conditions will be specified in the written Offer made by the Potash board to the Eligible Participant and for the avoidance of doubt may include accelerated vesting where specified.
- (g) **Vesting:** an Employee Right will vest where the vesting conditions are satisfied or waived by the Potash board.
- (h) **Exercise of Employee Right:** A participant may exercise an Employee Right that is entitled to be exercised by lodging with Potash a notice of exercise of the Employee Right and the certificate for the Employee Right.
- (i) **Waiver of Vesting Conditions:** The Potash board may resolve to waive any of the vesting conditions applying to Employee Rights, including where:
- (i) a participant dies or has total and permanent disability;
  - (ii) a participant ceases to be employed by Potash, its subsidiaries or its related bodies corporate or act as a director;
  - (iii) a participant suffers severe financial hardship;
  - (iv) the participant or of an immediate family member of the participant becomes terminally ill; or
  - (v) a change of control occurs or Potash passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of Potash.

- (j) **Lapse of Employee Rights:** An Employee Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Employee Rights occurring;
  - (ii) a failure to meet the Vesting Conditions;
  - (iii) a participant fails to exercise an Employee Right within the required time;
  - (iv) the Expiry Date;
  - (v) the participant ceases to be an Eligible Participant, unless the Potash board exercises its discretion to vest the Employee Right;
  - (vi) the participant ceasing to be an Eligible Participant;
  - (vii) Potash undergoes a change in control or a winding up resolution or order is made, and the Potash board does not exercise its discretion to vest the Employee Right;
  - (viii) Potash undergoes a change in control or a winding up resolution is made, and the Potash board does not exercise its discretion to vest the Employee Rights;
  - (ix) a determination of the Potash board that the Employee Right is to lapse due to fraud or dishonesty; or
  - (x) the day before the end of the 7 year anniversary of the date of grant of the Employee Rights.
- (k) **Restrictions on Dealings and Hedging:** An Employee Right granted under the Plan is only transferable, assignable or able to be otherwise disposed or encumbered with the consent of the Potash board, or by force of law upon death or bankruptcy of the Eligible Participant (or their nominee). An Eligible Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Employee Rights. The Employee Rights will immediately lapse if the Eligible Participant breaches this rule.
- (l) **Share Restriction Period:** Any Share acquired by an Eligible Participant (or their nominee) on the exercise of a Employee Right must not be disposed of, or dealt with in any way until the earlier of:
- (i) the Eligible Participant ceasing to be an Eligible Participant;
  - (ii) the Potash board approving the release of the restriction in relation to those Shares due to the Participant suffering severe financial hardship;
  - (iii) there is a change in control of Potash, or Potash passes a resolution for voluntary winding up, or an order is made for the compulsory winding up of Potash;
  - (iv) the seven year anniversary of the date of grant of the Employee Right; or
  - (v) the Board approving the disposal of such shares.

- (m) **Quotation:** The Company will not apply for quotation of the Employee Rights. If Shares of the same class as those issued under the Plan are listed on the ASX Potash will apply to the ASX for those Shares to be listed within a reasonable time after they are issued and following the date any restriction period that applies to the Shares ends.
- (n) **Participation Rights:** Other than adjustments for bonus issues and reorganisation of the issued capital of Potash, participants are not entitled to participate in any new issue of securities of Potash as a result of their holding Employee Rights during the currency of any Employee Rights and prior to vesting. In addition, participants are not entitled to vote nor receive dividends as a result of their holding Employee Rights.

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## SCHEDULE 6 – TERMS AND CONDITIONS OF REPLACEMENT OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) **Expiry Date**

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

(d) **Exercise Period**

The Options shall vest and become exercisable on a quarterly basis and in equal tranches commencing on the vesting commencement date and ending on the date four (4) years thereafter, provided that the holder may not exercise an Option prior to the 12 month anniversary from the vesting commencement date (**Exercise Period**).

Holder	Replacement Options Held	Vesting Date	Commencement
Lauren Hale	106		07/01/2013
Charles E Kindel	854		01/11/2011
Jessica Michaels	1,068		20/08/2012
Shawn Burke	2,563		18/02/2013
Shawn Burke	1,459,238		01/11/2013
Christian Csar	554,356		14/10/2014
Christian Csar	184,787		12/05/2015
Tyler Vann-Campbell	133,393		09/12/2013
Tyler Vann-Campbell	66,696		12/05/2015
Richard Borenstein	854		01/11/2012
Ron Spector	427		21/11/2011
Alexander Gounares	401,625		27/01/2015
Ron Spector	1,407		17/04/2012
Bradley S. Serbus	341		15/10/2012
<b>TOTAL</b>	<b>2,807,715</b>		

(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 Exercise Date, the Company will:

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

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

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued 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) **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.

(k) **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.

(l) **Change in exercise price**

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.

(m) **Unquoted**

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

(n) **Transferability**

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

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**SCHEDULE 7 – PERFORMANCE SHARE RECIPIENTS**

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<b>Holder</b>	<b>Performance Shares</b>
David McLauchlan	66,500,000
Habib Heydarian	6,000,000
Richard Borenstein	10,000,000
Paul Russell	1,000,000
VP Engineering	2,000,000
VP Sales	2,000,000
Alexander Gounares	7,500,000
Director to be nominated by Buddy	2,500,000
Director to be nominated by the Company	2,500,000
<b>TOTAL</b>	<b>100,000,000<sup>1</sup></b>

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## SCHEDULE 8 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Performance Rights:

- (a) **(Vesting)**: The Performance Rights shall vest (following which the holder may elect to convert the Performance Rights into Shares) in equal tranches on a quarterly basis commencing on the vesting commencement date and ending on the date four (4) years thereafter, provided that the holder may not elect to convert a Performance Right prior to the 12 month anniversary from the vesting commencement date:

Holder	Performance Rights Held	Vesting Commencement Date
Lauren Hale	293,058	07/01/2013
Charles E Kindel	2,344,454	01/11/2011
Jessica Michaels	731,841	20/08/2012
Shawn Burke	7,033,360	18/02/2013
Shawn Burke	7,062,046	01/11/2013
Christian Csar	2,682,833	14/10/2014
Christian Csar	894,289	12/05/2015
Tyler Vann-Campbell	645,562	09/12/2013
Tyler Vann-Campbell	322,782	12/05/2015
Richard Borenstein	2,344,454	01/11/2012
Ron Spector	1,172,227	21/11/2011
Alexander Gounares	1,943,683	27/01/2015
Ron Spector	3,862,487	17/04/2012
Bradley S. Serbus	937,782	15/10/2012
<b>TOTAL</b>	<b>32,270,858</b>	

- (b) **(Conversion)**: Upon the relevant Performance Rights vesting, each Performance Right will, at the election of the holder, convert into one Share.
- (c) **(Lapse of a Performance Right)**: If a Performance Right has not been converted into a Share within 5 years from the date of issue, the Performance Right will automatically lapse.
- (d) **(Consideration)**: The Performance Rights will be issued in consideration for the Buddy Options held by each proposed recipient of Performance Rights, which were issued as consideration for the recipients' employment by Buddy, and no consideration will be payable upon the conversion of the Performance Rights into Shares.
- (e) **(Share ranking)**: All Shares issued upon conversion of the Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (f) **(Listing of Shares on ASX)**: The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of

all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.

- (g) **(Transfer of Performance Rights):** A Performance Right is not transferable (including encumbering the Performance Rights).
- (h) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Performance Rights.
- (i) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the vesting conditions) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (j) **(Dividend and Voting Rights):** A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

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## SCHEDULE 9 – PRO FORMA BALANCE SHEETS BASED ON MINIMUM AND MAXIMUM SUBSCRIPTIONS UNDER THE CAPITAL RAISING

Pro Forma Balance Sheet for Potash Minerals Limited		\$7.5M CAPITAL RAISE		
	Potash Minerals Limited	Buddy Platform Inc		Pro Forma post transactions
	30 June 2015	30 June 2015	Adjustments	30 June 2015
	\$	\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash & Cash Equivalents <sup>14</sup>	1,073,306	67,121	6,968,180	8,108,607
Trade & Other Receivables	13,141	137,087	-	150,228
<b>TOTAL CURRENT ASSETS</b>	<b>1,086,447</b>	<b>204,208</b>	<b>6,968,180</b>	<b>8,258,835</b>
<b>NON-CURRENT ASSETS</b>				
Other Receivables	350,130	10,769	-	360,899
Investments	249,978	-	-	249,978
Property, Plant & Equipment	-	79,991	-	79,991
<b>TOTAL NON-CURRENT ASSETS</b>	<b>600,108</b>	<b>90,760</b>	<b>-</b>	<b>690,868</b>
<b>TOTAL ASSETS</b>	<b>1,686,555</b>	<b>294,968</b>	<b>6,968,180</b>	<b>8,949,703</b>
<b>CURRENT LIABILITIES</b>				
Trade & Other Payables	106,021	203,265	-	309,286
Borrowings <sup>4</sup>	-	827,746	(827,746)	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>106,021</b>	<b>1,031,011</b>	<b>(827,746)</b>	<b>309,286</b>
<b>TOTAL LIABILITIES</b>	<b>106,021</b>	<b>1,031,011</b>	<b>(827,746)</b>	<b>309,286</b>
<b>NET ASSETS</b>	<b>1,580,534</b>	<b>(736,043)</b>	<b>7,795,926</b>	<b>8,640,417</b>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Issue Capital <sup>1234</sup>	30,450,232	3,853,662	(11,690,782)	22,613,112
Option Reserve <sup>23</sup>	-	21,784	2,117,657	2,139,441
Foreign Exchange Reserve <sup>2</sup>	2,242,534	-	(2,242,534)	-
Accumulated Losses <sup>2</sup>	(28,763,915)	(4,611,489)	17,263,268	(16,112,136)
Non Controlling Interest <sup>2</sup>	(2,348,317)	-	2,348,317	-
<b>TOTAL EQUITY</b>	<b>1,580,534</b>	<b>( 736,043)</b>	<b>7,795,926</b>	<b>8,640,417</b>

1- Funds received less capital raising costs for the transaction 75,000,000 shares at \$0.10 cents per share to raise \$7,500,000 with capital raising costs at \$820,325

2 - Reverse acquisition entries. Recognised service fee relating to deemed acquisition of listed entity for \$10,558,955.

3 - Options issued in relation to funds raised and transaction success fees.

4 - Subsequent events relating to the issue and conversion of convertible notes into equity within the Company

## Pro Forma Balance Sheet for Potash Minerals Limited

## \$12.5M CAPITAL RAISE

	Potash Minerals Limited	Buddy Platform Inc	Adjustments	Pro Forma post transactions
	30 June 2015	30 June 2015		30 June 2015
	\$	\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash & Cash Equivalents <sup>14</sup>	1,073,306	67,121	11,715,180	12,855,607
Trade & Other Receivables	13,141	137,087	-	150,228
<b>TOTAL CURRENT ASSETS</b>	<b>1,086,447</b>	<b>204,208</b>	<b>11,715,180</b>	<b>13,005,835</b>
<b>NON-CURRENT ASSETS</b>				
Other Receivables	350,130	10,769	-	360,899
Investments	249,978	-	-	249,978
Property, Plant & Equipment	-	79,991	-	79,991
<b>TOTAL NON-CURRENT ASSETS</b>	<b>600,108</b>	<b>90,760</b>	<b>-</b>	<b>690,868</b>
<b>TOTAL ASSETS</b>	<b>1,686,555</b>	<b>294,968</b>	<b>11,715,180</b>	<b>13,696,703</b>
<b>CURRENT LIABILITIES</b>				
Trade & Other Payables	106,021	203,265	-	309,286
Borrowings <sup>4</sup>	-	827,746	(827,746)	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>106,021</b>	<b>1,031,011</b>	<b>(827,746)</b>	<b>309,286</b>
<b>TOTAL LIABILITIES</b>	<b>106,021</b>	<b>1,031,011</b>	<b>(827,746)</b>	<b>309,286</b>
<b>NET ASSETS</b>	<b>1,580,534</b>	<b>(736,043)</b>	<b>12,542,926</b>	<b>13,387,417</b>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Issue Capital <sup>1234</sup>	30,450,232	3,853,662	(6,943,782)	27,360,112
Option Reserve <sup>23</sup>	-	21,784	2,117,657	2,139,441
Foreign Exchange Reserve <sup>2</sup>	2,242,534	-	(2,242,534)	-
Accumulated Losses <sup>2</sup>	(28,763,915)	(4,611,489)	17,263,268	(16,112,136)
Non Controlling Interest <sup>2</sup>	(2,348,317)	-	2,348,317	-
<b>TOTAL EQUITY</b>	<b>1,580,534</b>	<b>( 736,043)</b>	<b>12,542,926</b>	<b>13,387,417</b>

1- Funds received less capital raising costs for the transaction 125,000,000 shares at \$0.10 cents per share to raise \$12,500,000 with capital raising costs at \$1,073,325

2 - Reverse acquisition entries. Recognised service fee relating to deemed acquisition of listed entity for \$10,558,955.

3 - Options issued in relation to funds raised and transaction success fees.

4 - Subsequent events relating to the issue and conversion of convertible notes into equity within the Company.

## APPOINTMENT OF PROXY FORM

POTASH MINERALS LIMITED  
(TO BE RENAMED BUDDY LIMITED)  
ACN 121 184 316

### ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:**  the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.30am (WST), on 9 November 2015 at DLA Piper, Level 31 Central Park, 152-158 St Georges Terrace, Perth WA 6000, and at any adjournment thereof.

#### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 7 and 16 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 7 and 16 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

#### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

#### Voting on business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-Election of Director – Mr Ben Binninger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Change to nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Creation of new class of securities – Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Issue of Consideration Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Capital Raising Prospectus Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Capital Raising SPP Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Placement of Capital Raising Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Placement of Transaction Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 Election of Director – David McLaughlan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14 Election of Director – Richard Borenstein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15 Election of Director – Alexander Gounares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16 Adoption of Employee Incentive Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17 Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_

**Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail:** YES  NO

For personal use only

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Potash Minerals Limited, Suite 1 GF, 437 Roberts Road, Subiaco, Western Australia; or
  - (b) facsimile to the Company on facsimile number +61 8 9381 1122; or
  - (c) email to the Company at info@potashmin.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**