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Yatango

Prospectus

Latitude Consolidated Limited
Acquisition of Yatango Pty Ltd

July 2015

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Latitude Consolidated Limited
(to be renamed Yatango Limited)

ACN 080 939 135

Prospectus

For the offer of up 80,000,000 Shares at an issue price of \$0.10 per Share to raise up to \$8,000,000 with a minimum subscription of \$6,000,000 (Offer).

Important Information

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Securities offered by this Prospectus should be considered highly speculative.**

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1.

Corporate Directory

1. Corporate Directory

Directors

- Mr Timothy Moore (Non-executive Chairman)
- Mr Morgan Barron (Non-executive Director)
- Mr Roger Steinepreis (Non-executive Director)

Proposed Directors

- Mr Andrew Taylor (Managing Director, Founder & CEO)
- Mr John Wilkinson (Executive Director & CFO)
- Mr John Mackay (Non-Executive Chairman)
- Mr Michael Malone (Non-Executive Director)
- Mr Tom Alexander (Non-Executive Director)

Company Secretary

- Mr Brett Tucker

ASX Code:

LCD

Proposed ASX Code

YGO

Legal Advisers

Steinepreis Paganin

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

Joint Lead Managers*

Azure Capital Limited

Level 34, Exchange Tower
2 The Esplanade
Perth WA 6000

Foster Stockbroking Pty Ltd

Level 25
52 Martin Place
Sydney NSW 2000

Registered Office

LCD

Ground Floor, 16 Ord Street,
West Perth WA 6005

Telephone: +61 8 9482 0550

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Email: info@latitudeconsolidated.com.au

Website: www.latitudeconsolidated.com.au

Yatango

Suite 52, 26-32 Pirrama Road
Jones Bay Wharf
Pyrmont, NSW 2009

Email: contact@yatango.com

Website: www.yatango.com

Share Registry*

Link Market Services Limited

Central Park, Level 4
152 St Georges Terrace
Perth WA 6000

Company Auditor*

Grant Thornton (WA) Pty Ltd

Level 1, 10 Kings Park Road
West Perth WA 6005

Investigating Accountant

Deloitte Corporate Finance Pty Limited

Grosvenor Place
225 George Street
Sydney NSW 2000

PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

* These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

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2.

Important Notice

2. Important Notice

2.1 General

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

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

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

2.2 Re-compliance Prospectus

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

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

2.4 Conditional Offer

The Offer is conditional on:

- (a) the passing of all of the Essential Resolutions that are being put to Shareholders at the General Meeting; and
- (b) ASX conditional approval to re-admit the Shares to Official Quotation.

Accordingly, the Offer under this Prospectus is effectively inter-conditional on the successful completion of each other part of the Acquisition.

In the event that Shareholders do not approve all of the Essential Resolutions at the General Meeting, the Offer will not proceed and no Securities will be issued pursuant to this Prospectus. If this occurs, Applicants will be reimbursed their Application monies (without interest).

2.5 Expiry Date

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

2.6 Forward-looking statements

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

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

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

Although LCD believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of LCD, its Directors or officers, or any person named in this Prospectus, can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will prove to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

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

The forward looking statements contained in this Prospectus are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in LCD are set out in Sections 5D and 9 of this Prospectus.

2.7 Privacy statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to LCD, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise LCD to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offer, including processing your acceptance of the Offer and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the Application Form, LCD may not be able to accept or process your acceptance of the Offer.

If the Offer is successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your securities in the context of takeovers, Public Authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, LCD does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in Section 1 of this Prospectus. A fee may be charged for access.

2.8 Web Site – Electronic Prospectus

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

There is no facility for the Offer to be accepted electronically or by applying online. Securities will not be issued under the electronic version of the Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies a complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting LCD.

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

2.9 Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 17 of this Prospectus.

2.10 Time

All references to time in this Prospectus are references to Australian Western Standard Time.

2.11 Consolidation

Unless otherwise stated, all references to Securities in this Prospectus are on a post-Consolidation basis.

At the Company's General Meeting, the Company is seeking the approval of Shareholders to consolidate the Company's existing Securities on issue on a 1 for 6.67 basis.

2.12 Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company and the Securities offered under this Prospectus must be regarded as a speculative investment. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section 9 of this Prospectus for details relating to risk factors.

2.13 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please call the Company Secretary, Brett Tucker on +61 8 9482 0550.





3.

Indicative Timetable

3. Indicative Timetable*

Title	Date
Despatch of Notice of General Meeting	5 June 2015
Lodgement of Prospectus with the ASIC	1 July 2015
Opening Date of the Offer	1 July 2015
General Meeting held to approve the Acquisition	6 July 2015
Closing Date	20 July 2015
Issue of Shares under the Offer	23 July 2015
Settlement of the Acquisition	27 July 2015
Despatch of holding statements	29 July 2015
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	30 July 2015
Re-quotation of Shares (including Shares issued under the Offer) on ASX	31 July2015

* The above dates are indicative only and may change without notice. LCD reserves the right to extend the Closing Date or close the Offer early without prior notice. LCD also reserves the right not to proceed with any of the Offer at any time before the issue of Securities to Applicants.

^ The above stated date for Settlement of the Acquisition is only a good faith estimate by the Directors and may have to be extended.



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4.

Founder's Letter

4. Founder's Letter

Dear Investor,

On behalf of Yatango it is with great pleasure that I present you with the opportunity to participate in the ownership and future growth of the company.

Yatango is a revolutionary online consumer services platform and marketing automation engine. Founded in 2012, the business currently has two major product offerings, Yatango Mobile and Yatango Shopping with over 175,000 members on the platform across Australia, New Zealand and the USA.

Our global vision and strategy is to build a successful lifestyle brand and online platform, which empowers consumers to take control of their everyday consumption needs. As a Company, we are embarking on a similar journey to what we believe Virgin has successfully pioneered. Shaking up stale and bloated industries with a fresh branded approach and a focus on innovating the customer experience.

However, we differentiate ourselves as more than just a consumer brand, we are a cloud based software platform. We have developed a highly bespoke online community rewards and recommendation engine, which gamifies engagement and delivers real-time personalisation. This results in increased member loyalty, member acquisition and revenue, whilst reducing churn, the effects of which are further accelerated through the addition and integration of future consumer services.

Our fully automated system reduces the cost to acquire, service and retain a member base and provides our members with a consistent experience, no matter what service they are using on the Yatango platform, across any device.

Since launching, we have validated and proven our business model and are now generating approximately AUD\$1 million per month in revenues through the shopping and mobile product verticals. The business is at the pinnacle of expansion and ready to scale into new markets and new lifestyle product offerings, with plans to develop complementary offerings in the Travel, Banking, Transportation, Music, Energy and Insurance sectors.

For Yatango to be successful in this world, we follow a philosophy that is not constrained by old world thinking, but one that first and foremost focuses on the end user. By focusing on our mission and building great services, we believe we will create the most value for our shareholders and partners over the long term — and this in turn will enable us to keep attracting the best people to build more great services. We understand that the best way to achieve our mission is to build a strong and valuable company. This philosophy is categorised into the following core set of principles: 1) Be bold, think big, never give up, lead from the front; 2) Solve real problems, add value; 3) Take risks, fail fast, move quickly.

I am looking forward to the opportunity to take the company to its next level of growth and build a unique and innovative global brand. In particular, following the successful completion of the transaction to acquire 100% of Yatango and the approval of resolutions to appoint new directors I am excited to have three industry icons join the Board, John Mackay as Non- Executive Chairman, Michael Malone, former CEO and founder of iiNet, and Tom Alexander, co-founder of Virgin Mobile and former CEO of EE join as Non Executive Directors of the Company.

As we embark on the journey of becoming a public company, I welcome you all to become a part of this exciting opportunity.

I would like to thank you for taking the time to read this letter and prospectus and on behalf of the Company I look forward to welcoming you to Yatango.

Yours Sincerely,

Andrew Taylor
Founder & CEO

Yatango





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5.

Investment Overview

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

5. Investment Overview

A. Company

Item	Summary	Further information
Who is the issuer of this Prospectus?	Latitude Consolidated Limited (ACN 080 939 135) (ASX:LCD)	
Who is LCD?	<p>LCD listed on the ASX on 21 December 1999 and is a mineral exploration company.</p> <p>Over the last 5 years, the Company has focused on mineral exploration in Australia and Zambia and has an interest in the Lyndon Project located in Western Australia.</p> <p>On 20 March 2015, the Company entered into a binding terms sheet to acquire 100% of the issued capital of Yatango from the Vendors (Acquisition).</p>	Section 6.1
How will the Acquisition be implemented?	<p>The Company called the General Meeting, to be held on 6 July 2015, to seek the approval of its Shareholders to the change in focus from its mineral exploration project to the development of the business of Yatango.</p> <p>At the General Meeting, Shareholders will consider resolutions relating to the change in the nature and scale of the Company’s activities, as well as resolutions required for Settlement of the Acquisition and undertaking the Offer.</p> <p>It is the current intention of the Board to divest its interests in the Lyndon Project, conditional upon settlement of the Acquisition and to focus on developing the Business and Products of Yatango. As such, the Lyndon Project is not considered material in the context of the Offer.</p> <p>LCD proposes to change its name to “Yatango Limited” on Settlement of the Acquisition, which in the Board’s opinion will be better suited to the Company’s new strategic direction.</p>	Sections 6.2, 6.7 and 6.8

A. Company

Item	Summary	Further information
Who is Yatango?	<p>Yatango is a technology company based in Australia with wholly owned subsidiaries Yatango Labs (Australia) Pty Ltd, Etail Solutions Pty, Yatango Travel Pty Ltd and Yatango Taxis Pty Ltd operating in Australia, wholly owned subsidiaries Glotech Services Ltd and Yatango HK Ltd operating in Hong Kong and a current interest of 55.29% in Yatango Mobile Pty Ltd (with agreements to acquire the balance of 44.71% on completion of the Acquisition to be entered into). The corporate structure of Yatango is set out in section 6.4.</p> <p>Yatango is engaged in the business of designing, developing, marketing and servicing consumer focused software products (the Products) that place the consumer in control of their every day spending and consumption needs across a range of lifestyle services (the Business). Yatango owns a number of licences and domain names to allow development and expansion of the Products and Business.</p>	Sections 6.4, 8

B. Business Model

Item	Summary	Further information
How will LCD generate income?	<p>Following Settlement of the Acquisition LCD will generate income through the provision of consumer focused products and services through Yatango Mobile and Yatango Shopping, as set out below:</p> <p>(a) Yatango Mobile has a 5-year rolling commercial agreement with Optus and a 3-year commercial agreement with PWW, which enables it to access the 4G/3G networks at wholesale rates on voice, SMS and data. Yatango then structures its offering based on either bundling or disaggregating the customer offer and allowing customers to pay for what they use.</p> <p>(b) Yatango Shopping is an online marketplace for suppliers who ship direct to customers and as such Yatango takes minimal inventory risk, but maintains the billing relationship and customer ownership. Leveraging these partnership relationships, Yatango can source supplier products relatively competitively and targets an average gross margin of 15-20% across all products.</p>	Section 8.7
What are the key business strategies of LCD?	Upon successful Settlement of the Acquisition, the Company will focus on the development of the Products and Business.	Section 8.3
What are the key dependencies of LCD's business model?	<p>The key factors that LCD will depend on to meet its objectives are:</p> <p>(a) maintaining and developing the Yatango online platform to service customers;</p> <p>(b) continued supply of services and products from Optus, T-Mobile (USA) and other key vendors based in Hong Kong and Australia; and</p> <p>(c) increased acquisition of revenue generating customers from both the Mobile and Shopping lines of business.</p>	Section 8.5

C. Key Investment Highlights

Item	Summary	Further information
What are the key investment highlights?	<p>The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exclusive list of key highlights:</p> <ul style="list-style-type: none">the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a technology company;the Acquisition provides the Company with the opportunity to increase the value of the Company;Yatango offers an affordable and flexible mobile network offering, leveraging the Optus and T-Mobile 4G/3G networks;Yatango provides a scalable commercial model with a low cost base and the ability to rapidly deploy into new product offerings and geographic markets;Yatango provides a consumer online platform offering with integrated rewards systems and social network driving higher retention rates, higher engagement and lower cost of customer acquisition;Yatango is an established brand with increasing awareness;the pure online interface model minimises capital requirements for existing operations and future growth;an ecosystem of services will seek to increase barriers to exit for customers and further reduce churn. It will also seek to increase Yatango's competitive advantage against standalone industry players;bespoke, in-house developed software and algorithms to deliver true one-to-one personalisation of services and offerings; andthe Company will be managed by directors and officers with significant experience in the technology and consumer services industries with a view to guiding the Company to be a significant player in those industries.	Section 6.3

D. Key Risks

Item	Summary	Further information
What are the key risks of an investment in LCD?	<p>The business, assets and operations of the Company, including after Settlement of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>Based on the information available, a non-exhaustive list of the key risk factors affecting the Company are as follows:</p> <p>(a) Limited operating history: Yatango was incorporated in August 2012 and therefore has limited trading history. Yatango is now in the commercialisation phase of its business cycle for the Yatango Mobile and Shopping platforms. Investors should consider Yatango's business and prospects in light of the risks, uncertainties, expenses and challenges that the business may face as an early-stage business. Going forward, the Company may not be successful in addressing the risks and uncertainties that may arise and which may materially and adversely affect Yatango's business prospects.</p> <p>(b) Uncertainty of Future Profitability: Yatango is in the commercialisation stage for its Yatango Mobile and Yatango Shopping platforms. To date, it has funded its activities principally through issuing securities and other capital raising activities. Yatango's profitability will be impacted by its ability to successfully deliver a high level of service to any future potential customers, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required.</p>	Section 9

D. Key Risks Cont.

Item	Summary	Further information
What are the key risks of an investment in LCD? Cont.	<p>(c) Creditors: The cash flow from the operations of Yatango has been managed on the basis that Yatango has been seeking to grow rapidly. This has left Yatango with a high level of creditors, and accordingly, the sum of \$1.91 million will be used to repay trade creditors from the proceeds of the raising under this Prospectus. This will leave Yatango with a more manageable level of trade creditors in the short term. Yatango seeks to continue to grow, and if rapid growth is maintained, Yatango may need to raise additional funds to supplement this growth in order to support its ongoing activities and operations. If this access to capital is not available, Yatango may be adversely affected in a material way. There can be no assurance given that this capital will be available if and when required.</p> <p>(d) Development and Commercialisation of Yatango Mobile and Yatango Shopping: Yatango's business model is reliant on its ability to develop and commercialise its Yatango Mobile and Yatango Shopping platforms. A failure to develop and commercialise its Yatango Mobile and Yatango Shopping platforms successfully would lead to a loss of opportunities and adversely impact on the operating results and financial position of Yatango. Furthermore, any third party developing superior technology or with greater commercial appeal in the fields in which Yatango operates may harm the future prospects of Yatango.</p> <p>(e) Industry and Competition: The industry environment in which Yatango operates is competitive and Yatango's competitive position may deteriorate as a result of factors including actions by existing competitors, the entry of new competitors or a failure by Yatango to position itself successfully as the mobile telecommunications and online retail environment changes. This may impact the Company's ability to compete successfully in the market and could lead to price reductions, loss of margins and loss of market share.</p> <p>(f) I.T Infrastructure: The business is reliant on the successful implementation and operation of its cloud technology. There is a risk that the Company may fail to build and maintain a platform that is suitable to the needs of its business as it expands into new product offerings.</p>	Section 9

D. Key Risks Cont.

Item	Summary	Further information
What are the key risks of an investment in LCD? Cont.	<p>(g) Future Capital Needs: The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives under the Prospectus, however there is no assurance that such objectives can be met without further financing or, if further financing is necessary, that it can be obtained on favourable terms or at all. If additional funds are raised by issuing equity securities, this may result in dilution of some or all of the existing shareholders of Yatango.</p> <p>(h) Cessation of Supply and Service Contracts: Yatango relies on relationships with key parties including its suppliers for mobile and shopping. Especially its commercial agreements with Optus and T-Mobile USA (via Prepaid Wireless Wholesale, LLC) 4G/3G networks, which enables it to access their networks at wholesale rates and pass onto the customer at a reduced retail rates. The non-performance or termination of any of these contracts could have a negative impact on the Company. Yatango will likely enter into further contracts, which will also be material to the Company's business. Some of these contracts are, or will be, governed by laws other than laws of Australia. There may be difficulties in enforcing contracts in jurisdictions other than Australia.</p> <p>(i) Brand and Reputation: The reputation and brand of Yatango is important in attracting new customers and sellers. Reputation and value could be adversely impacted by a number of factors including failure to provide customers with the quality of product and service standards they expect, disputes or litigation with third parties or adverse media coverage.</p> <p>(j) Retention and Recruitment of Key Personnel: The development of Yatango to date has been largely due to the key management team and their drive and ability to execute the businesses strategy to date. Yatango may lose key personnel and may not be able to replace those personnel in a timely manner with qualified individuals with necessary skills and experience, which would adversely impact the business and its ability to execute its planned growth strategy.</p>	Section 9

E. Directors & Key Management Personnel

Item	Summary	Further information
Who are the Directors and Proposed Directors?	<p>It is proposed that upon Settlement of the Acquisition:</p> <p>(a) Andrew Taylor, John Wilkinson, Tom Alexander, Michael Malone and John Mackay will be appointed to the Board;</p> <p>(b) Morgan Barron, Roger Steinepreis and Timothy Moore will resign from the Board.</p> <p>The profiles of each of the Directors and Proposed Directors are set out in Section 10.1. Details of the personal interests of each of the above individuals are set out in Section 10.2.</p>	Sections 10.1 and 10.2

F. Interests, Benefits and Related Party Transactions

Item	Summary	Further information
Where can I find details about the security holding of all Directors and Proposed Directors?	For details relating to the security holdings of the Directors and the Proposed Directors prior to and on completion of the Acquisition, please refer to sections 10.4 and 10.5.	Sections 10.4 and 10.5
Where can I find information about Director and Proposed Director remuneration and other benefits?	For details relating to the remuneration and other benefits payable to the Directors and the Proposed Directors, please refer to sections 10.6, 14.8, and 14.10.	Sections 10.6, 14.8 and 14.10
What other Directors have an interest in the context of the Acquisition?	<p>Mr Roger Steinepreis, a Director who will retire upon completion of the Acquisition is also a partner of Steinepreis Paganin, the legal adviser to the Company. Steinepreis Paganin will receive the fees outlined in section 15.7 of the Prospectus in the context of the Acquisition.</p> <p>Mr Morgan Barron, a Director who will retire upon completion of the Acquisition is also a director and shareholder of Ventnor Capital, the compliance manager to the Company. Ventnor will receive the fees outlined in section 15.7 of the Prospectus in the context of the Acquisition.</p> <p>Mr Brett Tucker, the Company Secretary of the Company, is an employee of Ventnor Capital.</p> <p>Further, Mr Morgan Barron is a director and shareholder of Ventnor Securities Pty Ltd which may be paid a commission by the Joint Lead Managers as a third party licensed financial advisor in relation to funds raised under this Offer.</p>	Sections 7.6, 10.8 and 15.7

G. Financial Information

Item	Summary	Further information
How has LCD performed over the past 12 months?	The reviewed statement of financial position for LCD as at 31 December 2014 is set out in Section 8.16 and 11.	Sections 8.16 and 11
What is the financial outlook for LCD?	The reviewed pro-forma statement of financial position for LCD as at 31 December 2014 (which assumes Settlement of the Acquisition) is set out in Section 11.	Section 11
Does LCD have sufficient funds for its activities?	The funding for LCD's short to medium term activities will be generated from a combination of the money raised under the Offer and existing cash reserves.	Section 7.3

H. Offer

Item	Summary	Further information
What is the purpose of the Offer?	<p>The purpose of the Offer is to position the Company to seek to achieve the objectives set out in Section 8 and to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules. This is sought for the purpose of seeking ASX's approval for reinstatement of the Company's Securities to quotation following the continuing suspension if the Essential Resolutions are passed at the General Meeting. The purpose of the Offer is also to provide sufficient working capital to meet the Company's anticipated overhead and administration expenses as set out in this Prospectus.</p> <p>On completion of the minimum raising of \$6,000,000 under the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.</p> <p>The Company intends to apply funds raised from the Offer, together with existing cash reserves, following reinstatement of the Company to quotation on the official list of the ASX in the manner set out in the table in Section 7.3.</p>	Sections 7.3 and 8

H. Offer Cont.

Item	Summary	Further information
What is being offered and who is entitled to participate?	<p>LCD is inviting applications under the Offer for up to 80,000,000 Shares at an issue price of \$0.10 per Share to raise up to \$8,000,000 with a \$6,000,000 minimum subscription condition. The Offer is not underwritten.</p> <p>The Offer is open to retail and sophisticated investors in Australia and New Zealand and sophisticated investors in Hong Kong, Singapore and the United Kingdom.</p>	Sections 7.1 and 7.11
What will LCD's capital structure look like after completion of the Offer and the Acquisition?	Refer to the pro forma capital structure following Settlement of the Acquisition.	Section 8.18
Will I be guaranteed a minimum allocation under the Offer?	No, the Company is not in a position to guarantee a minimum application of Shares under the Offer.	Section 7.7
What are the terms of the Securities offered under the Offer?	<p>A summary of the material rights and liabilities attaching to:</p> <ul style="list-style-type: none">(a) the Shares offered under the Offer is set out in Section 15.2;(b) the Options offered to Vendors as Consideration for the Acquisition is set out in Section 15.3; and(c) the Performance Rights offered to key management personnel of Yatango is set out in Section 15.5.	Sections 15.2 to 15.5

H. Offer Cont.

Item	Summary	Further information
Will any Securities be subject to escrow?	<p>Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, certain Securities (including those issued to Vendors as consideration for the Acquisition) on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Company will apply to the ASX for a waiver from certain restriction requirements that might otherwise apply to the Vendor Consideration Securities on the basis that a majority of the Vendors:</p> <ul style="list-style-type: none">(a) paid cash for their Yatango Shares; and(b) have held their Yatango Shares for a substantial period of time prior to the Acquisition of Yatango by the Company. <p>Subject to this waiver, all or a proportion of the Vendor Consideration may be restricted from trading for a period of up to 24 months after the date of re-admission of the Company to the Official List.</p> <p>Additionally, Vendors will enter into voluntary restriction agreements to escrow their Vendor Consideration Securities for a period of six months after completion of the Acquisition (Voluntary Restriction Agreements).</p> <p>The effect of the Voluntary Restriction Agreements is such that the issue of the Vendor Consideration Securities, to the extent they are not subject to ASX imposed escrow, will increase the combined voting power of the Vendors to above 20% which will result in the Company acquiring a relevant interest in over 20% of its own securities, an acquisition which is otherwise prohibited by section 606(1) of the Corporations Act.</p> <p>The Company is therefore seeking Shareholder approval at the General Meeting to allow the Company to acquire a relevant interest of up to 31.76% in its own securities.</p>	Section 8.20

H. Offer Cont.

Item	Summary	Further information
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus. The Options and Performance Rights will not be quoted.	Section 7.9
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in Section 3.	Section 3
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (20,000 Shares) and thereafter, in multiples of \$200 worth of Shares (2,000 Shares).	Section 7.1(b)
Are there any conditions to the Offer?	The Offer is conditional on: <ul style="list-style-type: none">Shareholders approving the Essential Resolutions required to implement the Acquisition; andASX conditional approval to re-admit the Shares to Official Quotation. If any of these Conditions are not satisfied, the Acquisition and the Offer will not proceed.	Section 2.4

I. Use of proceeds

Item	Summary	Further information
How will the proceeds of the Offer be used?	The Offer proceeds will be used for: <ul style="list-style-type: none">expenses of the Offer;business development of the Products and Business;advertising and marketing;research and development costs for new verticals;payment of overdue trade creditors;payment for the former Mobicity owners;payment for the Yatango Share Buy-Back; andoperating expenses/working capital of the Company.	Sections 7.3 and 15.9

J. Additional Information

Item	Summary	Further information
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Securities under the Offer.	
What are the tax implications of investing in Securities?	Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.	Section 7.4
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing an Application Form and must be accompanied by a cheque in Australian dollars (or a direct transfer to the bank account advised by the Company) for the full amount of the application being \$0.10 per Share. Cheques must be made payable to "Latitude Consolidated Limited – Share Application Account" and should be crossed "Not Negotiable". Questions relating to applications for Shares can be directed to the Share Registry, Link Market Services Limited, on 1300 554 474.	
Where can I find more information?	<ul style="list-style-type: none">By speaking to your sharebroker, solicitor, accountant or other independent professional adviserBy reviewing LCD's public announcements, which are accessible from ASX's website at http://www.asx.com.au under the ASX code "LCD"By visiting LCD's website at http://www.latitudeconsolidated.com.auBy visiting Yatango's website at https://yatango.com.au/By contacting Brett Tucker the Company Secretary on +61 8 9482 0550.	

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6.

Transaction Overview

6. Transaction Overview

6.1 The Company

The Company was incorporated 4 December 1997 and was admitted to the official list of the ASX on 21 December 1999. The Company is a Perth based mineral exploration company with an interest in the Lyndon Project in Western Australia.

The current principal activity of the Company is exploration of the Lyndon Project. Pursuant to its continuous disclosure obligations, the Company has kept the market fully informed and updated in relation to its projects. Details of these projects and the work done to date are available on the Company's ASX announcements platform. Details of the Company's most recent activities in these areas are set out in its Annual Report lodged with ASX on 25 September 2014 and its Quarterly Activities Report lodged with ASX on 30 January 2015.

For the past 9 months, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas, which have the potential to deliver strong future growth for Shareholders. Subject to Shareholder approval being obtained for the Acquisition summarised in Section 6.7 below, it is the current intention of the Board to divest its interest in the Lyndon Project.

6.2 The Acquisition

As released to ASX on 24 March 2015, the Company has entered into a binding terms sheet to acquire 100% of the issued capital of Yatango from the Vendors.

Yatango is engaged in the business of designing, developing, marketing and servicing consumer focused software products that place the consumer in control of their every day spending and consumption needs across a range of lifestyle services.

Upon successful Settlement of the Acquisition, the Company will focus on developing the Business. A more detailed summary of the proposed business of the Company following Settlement is set out in Section 8.

6.3 Key investment highlights

The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exclusive list of key highlights:

- (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 use of consumer focused software products the Company will be exposed to an industry which has potential to grow significantly;
- (c) the Acquisition provides the Company with the opportunity to increase the value of the Company;
- (d) Yatango offers an affordable and flexible mobile network offering leveraging the Optus 4G/3G network;
- (e) Yatango provides a scalable commercial model with low cost base and the ability to rapidly deploy into new product offerings and geographic markets;
- (f) Yatango provides a consumer online platform offering with integrated rewards systems and social networks which seeks to drive higher retention rates, higher engagement and lower cost of customer acquisition;
- (g) Yatango is an established brand with increasing awareness;
- (h) pure interface model minimizes capital requirements for existing operations and future growth;
- (i) ecosystem of services will seek to increase barriers to exit for customers and further reduce churn. It will also increase Yatango's competitive advantage against standalone industry players;
- (j) bespoke, in-house developed software and algorithms to deliver true one-to-one personalisation of services and offerings; and
- (k) the Company will be managed by directors and officers with significant experience in the technology and consumer services industries with a view to guiding the Company to be a significant player in those industries.

6.4 Business Summary

Yatango is an innovative, community based online consumer services platform and marketing automation engine. The company has more than 175,000 registered users across Australia, New Zealand and USA targeting the 18-45 year old demographic. Yatango’s current operations are divided into two divisions:

- (a) Mobile Telecommunications: a mobile based, SIM only network provider that puts members in control by allowing them to build their own mobile plan and pay for what they need on a no contract, 30 day subscription basis.
- (b) ECommerce: an online marketplace that partners with a wide range of sellers to deliver customers better pricing and choice on a wide range of lifestyle products, engineered as a social shopping experience.

Yatango’s focus is to be a single, integrated online platform solution targeting key lifestyle consumer services with its own proprietary rewards and recommendation engine to incentivise acquisition and drive desired behaviour.

A number of opportunities to diversify and build on existing revenue streams in the near future have been identified and include Travel, Banking, Transportation, Insurance and Energy. The Company intends to follow a similar model to Virgin, shaking up stale and bloated industries with a fresh branded approach and a focus on radically improving customer experience via automated technology. Yatango seeks to be more than just a consumer brand, rather becoming a digital marketing and customer relationship management platform.

The Company was founded in 2012 and launched in 2013 by technology entrepreneur Andrew Taylor. Andrew holds a Bachelor of Business Studies with a major in consumer marketing from Massey University in Auckland, New Zealand.

Before starting Yatango, Andrew founded marketing technology agency Unity ID, and SocietyOne, Australia’s fully compliant marketplace (P2P) lending platform.

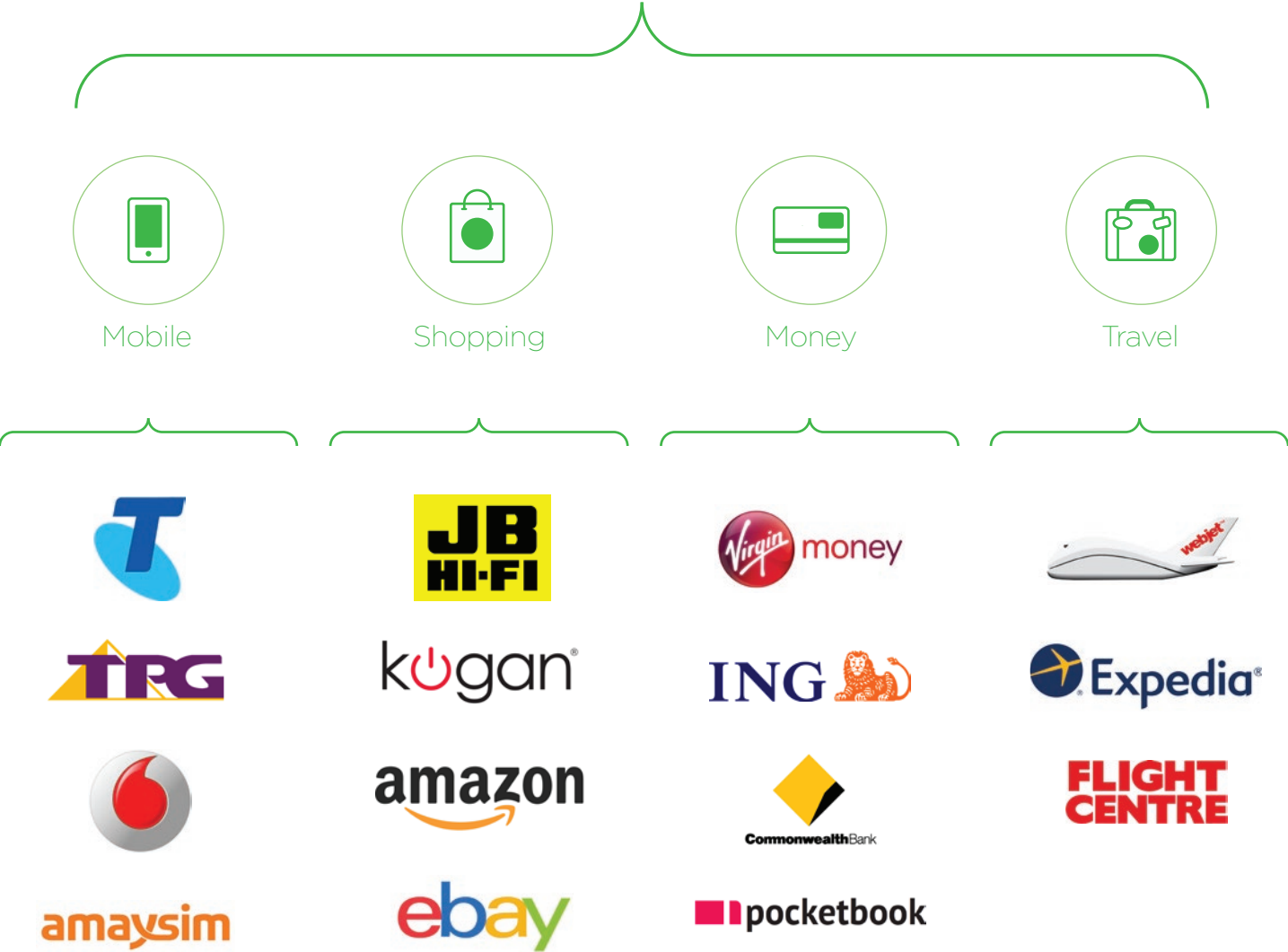
The original idea behind SocietyOne was to empower consumers to borrow and lend between each other to get a better rate. By then, Andrew had begun to see the potential for using socially integrated platform technology to empower consumers in a variety of industries.

Yatango employs approximately 80 full time equivalent employees (**FTEs**) (including contractors) across Australia, Philippines, Sri Lanka and Pakistan. Yatango is headquartered in Sydney, Australia.

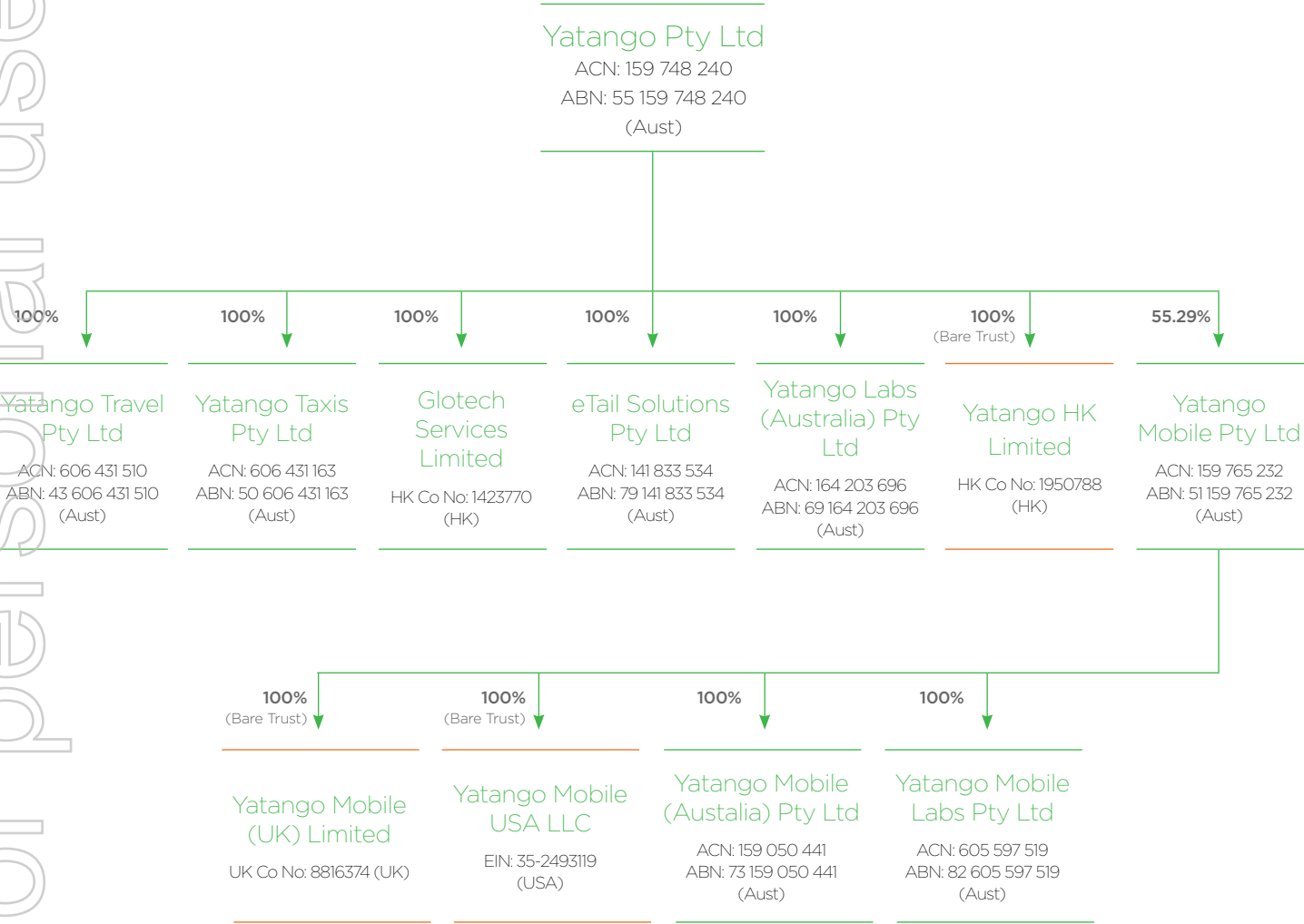
Yatango has Australian and international subsidiaries as set out below including Yatango Mobile Pty Ltd (ACN 159 765 232) (**Yatango Mobile**). Yatango will enter into agreements to acquire the remaining 44.75% of Yatango Mobile on completion of the Acquisition, to bring Yatango’s holding in Yatango Mobile up to 100%.

6.5 Key markets and business divisions of Yatango

Yatango’s services currently compete in the telecommunications market in Australia and online retail markets in Australia, New Zealand and USA. Please refer to Section 8 for a more detailed summary of the Business, Products and the Company’s proposed business following Settlement of the Acquisition.



Yatango Corporate Structure



6.6 Suspension & Re-admission to ASX

As LCD is currently a mineral exploration company, the Acquisition, if successfully completed, will represent a significant change in the nature and scale of LCD's operations to a technology company focused on developing Yatango's consumer focused software products.

ASX has indicated that this change in the nature and scale of LCD's activities will require:

- (a) the approval of Shareholders; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

In accordance with ASX guidelines, it will be necessary for LCD to apply for a trading halt in its Shares from the beginning of trading on the date of the General Meeting.

If Shareholder approval to the change in nature and scale of LCD's activities as a result of the Acquisition is obtained, then subject to the passing of each other Essential Resolution (see Section 6.7 below for further details), LCD will be required to apply for voluntary suspension of the Shares with effect from the close of the General Meeting. In such circumstances, the Shares will not be reinstated to Official Quotation until LCD has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders;
- (b) the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3; and
- (c) the issue price of Shares must be at least 20 cents and the exercise price of Options must be at least 20 cents (**20 Cent Requirements**).

On 4 June 2015, ASX granted the Company a waiver from the 20 Cent Requirements to enable the Company to issue Shares under the Offer at no less than \$0.10 per Share and for the Company to have Options on issue with an exercise price of no less than \$0.10 after completion of the Consolidation. This waiver is subject to Shareholders approving the Company undertaking the Offer at no less than \$0.10.

It is expected that the conduct of the Offer pursuant to this Prospectus and the implementation of a 1 for 6.67 Consolidation of all Shares and Options immediately after the General Meeting will enable the Company to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Shares to Official Quotation until LCD re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List. In the event that LCD does not receive conditional approval for re-admission to the Official List, LCD will not proceed with the Offer and will repay all Application monies received by it in connection with this Prospectus (without interest).

If Shareholder approval to the change in nature and scale of LCD's activities is not obtained, the trading halt will end after the results of the General Meeting have been announced to the market and trading in Shares will thereupon re-commence.

6.7 Shareholder Approval of Essential Resolutions

LCD has called the General Meeting primarily for the purpose of seeking the approval of Shareholders to a number of resolutions required to implement the Acquisition.

It is a condition to completion of the Offer under this Prospectus, as well as the Acquisition, that each of the following resolutions is approved by Shareholders:

- (a) the significant change in the nature or scale of the Company's activities to become a technology company, for which Shareholder approval is required under ASX Listing Rule 11.1.2;
- (b) the Consolidation of all existing Securities;
- (c) the issue of Shares under the Offer;
- (d) the issue to the Vendors (or their nominees) at Settlement of:
 - (i) 182,408,796 Shares (**Consideration Shares**); and
 - (ii) 49,975,012 Options (**Consideration Options**), (together, the **Vendor Consideration Securities**), in proportion to their holdings in Yatango immediately prior to the Acquisition; and
 - (iii) the issue of Performance Rights to key management personnel of Yatango,(each an **Essential Resolution**).

If any of the Essential Resolutions are not approved by Shareholders the Acquisition (including the Offer under this Prospectus) will not be completed.

6.8 Change of Name

It is proposed that, subject to Shareholder approval being obtained, the Company will change its name to "Yatango Limited" on Settlement of the Acquisition, which in LCD's opinion will be better suited to LCD's new strategic direction.

An overview of the Company's business following Settlement of the Acquisition is set out in Section 8.





7.

Details of
the Offer

7. Details of the Offer

7.1 Offer

LCD is inviting applications under the Offer for up to 80,000,000 Shares at an issue price of \$0.10 per Share to raise up to \$8,000,000, with a minimum subscription of \$6,000,000.

All Shares issued under this Prospectus will be fully paid and will rank equally with all other Shares then currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 15.2.

The Company is seeking Shareholder approval at the General Meeting for a consolidation of its existing Securities on a 1 for 6.67 basis (see Section 6.7 for further details) (**Consolidation**). Assuming that approval is given, all Shares issued pursuant to the Offer will be issued on a post-Consolidation basis.

(a) Minimum subscription

The Offer is subject to a minimum subscription of 60,000,000 Shares to raise at least \$6,000,000 (**Minimum Subscription**).

If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, LCD will not issue any Shares and will repay all Application monies for the Shares applied for under the Offer within the timeframe prescribed under the Corporations Act, without interest.

The Offer is not underwritten.

(b) Minimum application amount

Applications under the Offer must be for a minimum of \$2,000 worth of Shares (20,000 Shares) and thereafter, in multiples of \$200 worth of Shares (2,000 Shares).

(c) Eligible participants

To participate in the Offer, you must be a resident of Australia. See Section 7.11 for further details.

(d) Quotation and trading

Application for quotation of all Shares issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.8 for further details.

No Shares issued pursuant to the Offer will be subject to any escrow requirement by the ASX.

7.2 Purpose of the Offer

The primary purpose of the Offer is to:

- (a)** assist LCD to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (e.g. Shareholder spread) (see Section 6.6 for further details); and
- (b)** to provide the Company with additional funding to progress the development and marketing of the Products and provide the Company with sufficient working capital to meet its stated expenses under the Prospectus.

LCD intends on applying the funds raised under the Offer along with its current cash reserves in the manner detailed in Section 7.3.

7.3 Use of Funds

LCD intends to apply funds raised from the Offer, together with existing cash reserves, following re-admission to the Official List of the ASX (for the purpose of satisfying ASX’s requirements for re-listing following a significant change to the nature and scale of the Company’s activities) as follows:

	Minimum Subscription under Offer (\$6,000,000)	Percentage of Funds	Full Subscription under Offer (\$8,000,000)	Percentage of Funds
Funds raised under the Offer	\$6,000,000	-	\$8,000,000	-
Existing cash on hand	\$200,000	-	\$200,000	-
TOTAL	\$6,200,000		\$8,200,000	
Advertising & Marketing ¹	\$1,000,000	16%	\$2,400,000	29%
Research & Development Costs - New Verticals ¹	\$200,000	3%	\$650,000	8%
Loan Repayment to Former Mobicity Owners	\$300,000	5%	\$300,000	4%
Share Buyback	\$1,400,000	23%	\$1,400,000	17%
Costs of the Offer ²	\$600,000	10%	\$720,000	9%
Repayment of Overdue Trade Creditors	\$1,910,000	31%	\$ 1,910,000	23%
General Working Capital	\$790,000	12%	\$820,000	10%
TOTAL	\$6,200,000	100%	\$8,200,000	100%

7.4 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in LCD are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

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

Notes:

- 1
- Refer to Section 11 of this Prospectus for further details.
- 2
- Refer to Section 15.9 of this Prospectus for further details.
- 3
- Additionally, Yatango expects to receive funds of approximately \$1,500,000 through a research and development tax grant, expected to be received on or about September 2015.

In the event the Company raises more than the minimum subscription of \$6,000,000 but less than the full subscription of \$8,000,000, the additional funds raised will be first applied towards research and development cost, advertising & marketing and then to general working capital.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 9).

The Board believes that the funds raised from the Offer, combined with existing funds will provide LCD with sufficient working capital at anticipated expenditure levels to achieve its objectives set out in this Prospectus.

7.5 Applications

Applications for Shares under the Offer must be made using the relevant Application Form. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**, which is currently scheduled to occur on 20 July 2015.

Applications under the Offer must be accompanied by payment in full in Australian currency by cheque, direct debit or BPAY® in accordance with the instructions set out in the Application Form.

LCD reserves the right to close the Offer early.

If you require assistance in completing an Application Form, please contact Brett Tucker the Company Secretary on +61 8 9482 0550.

7.6 Joint Lead Managers

The Company has appointed Azure Capital Ltd and Foster Stockbroking as the Joint Lead Managers to the Offer. The Joint Lead Managers will receive an aggregate fee of 6% of the total amount raised under the Offer, to be split equally between the Joint Lead Managers. Any selling fees required to be paid to third party licensed financial advisors will be paid by the Joint Lead Managers from this fee at a rate to be agreed. A summary of the terms of the Lead Manager Mandate is set out in Section 14.7.

7.7 Issue of Securities & Allocation Policy

(a) General
Subject to the Minimum Subscription being achieved and the satisfaction of each of the Conditions (see Section 2.4), the issue of Securities offered by this Prospectus will take place as soon as practicable after the Closing Date and in accordance with the timetable set out in Section 3.

(b) Offer
The allocation of Shares under the Offer will be determined by the Board in conjunction with the Joint Lead Managers to the Offer, Azure Capital and Foster Stockbroking in their absolute discretion.

There is no guaranteed allocation of Shares under the Offer.

The Board and Azure Capital and Foster Stockbroking reserve the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus Application monies will be refunded (without interest) to the Applicant as soon as practicable after the Closing Date.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

(c) Defects in Applications
If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an Application as valid, or how to construe, amend or complete it, will be final.

(d) Interest
Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by LCD in trust for Applicants in a separate bank account as required by the Corporations Act. LCD, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

7.8 Quotation of Shares

LCD will apply for Official Quotation of all Shares issued under this Prospectus within 7 days after the date of this Prospectus. However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until LCD has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List (see Section 6.6). As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, or if ASX otherwise rejects LCD's application for re-admission to the Official List (see Section 6.6), LCD will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest. In those circumstances LCD will not proceed with the Acquisition.

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

LCD will not apply for Official Quotation of any of the Options or Performance Rights issued under this Prospectus.

7.9 Clearing House Electronic Sub-Register System & Issuer Sponsorship

LCD participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by LCD.

Electronic sub-registers mean that LCD will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of Securities can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in LCD during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

7.10 General

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Securities in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit an Offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in order to accept any of the Offer.

If you are outside Australia, it is your responsibility to ensure compliance with all laws of any country relevant to, and obtain all necessary approvals for, the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by LCD to constitute a representation and warranty by you that there has been no breach of any such laws and all relevant approvals have been obtained.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. Other than Australia, this Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

The Offer does not and will not constitute an offer of Securities in the US. Furthermore, no person ordinarily resident in the US is or will become permitted to submit an Application Form. If the Company believes that any Applicant is ordinarily resident in the US, or is acting on behalf of a person or entity that is ordinarily a resident of the US, the Company will reject that applicant's application.



7.11 Applicants Outside Australia

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a Prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of (CWUMP) Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong by means of any document other than (a) to “professional investors” (as defined in the SFO) or (b) in other circumstances which do not result in the document being a “Prospectus” as defined in the CWUMP or which do not constitute an offer to the public within the meaning of the CWUMP.

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

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

United Kingdom

Without limiting the statements above, the Offer will be made in the United Kingdom in reliance on exemptions to the Financial Services and Markets Act 2000 (United

Kingdom) (**FSMA**) and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (**Financial Promotion Order**).

The total amount raised under the Offer is less than €5,000,000 or its equivalent in Australian dollars, which means that this prospectus does not constitute an ‘approved prospectus’ for the purposes of section 85 and schedule 11A of the FSMA or the United Kingdom’s Prospectus Rules. Accordingly the Prospectus has not been registered, approved or examined by the United Kingdom Financial Conduct Authority and therefore may not contain all of the information that a disclosure document or prospectus is required to contain under English law.

The Offer being made under this Prospectus is only being made in the United Kingdom to persons who are of a kind described in Article 43(2) (members and creditors or certain bodies corporate) of the Financial Promotion Order as at 5.00pm (BST) on the date of this Prospectus. Any investment to which this document relates is available to only those persons described above and persons who do not fall into that category should not rely on this document nor take any action in relation to it.

The amount raised under the Offer in the European Economic Area in the twelve month period preceding the Closing Date will be less than €5,000,000 or its equivalent in Australian dollars.

Singapore

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

Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

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

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

New Zealand Investors are advised:

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

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

7.12 Enquiries

If you have any queries in relation to the Offer, please contact Brett Tucker, the Company Secretary on +61 8 9482 0550.



8.

Company Overview

8. Company Overview

8.1 Business Overview

As detailed in Section 6.1, the Company has focused on exploration in Zambia and Western Australia.

Further information can be found on LCD's website, <http://www.latitudeconsolidated.com.au>.

As released to ASX on 24 March 2015, the Company has entered into a binding terms sheet to acquire 100% of the issued capital of Yatango from the Vendors. A summary of the Term Sheet is set out in Section 14.1.

8.2 Direction of LCD

If the Acquisition is approved by Shareholders, it is the current intention of the Board to divest its interests in the Lyndon Project, upon completion of the Acquisition.

Upon Settlement of the Acquisition, the Company's focus will shift from exploration at the Lyndon Base Metals Project to development of the Products and Business. As such, the Lyndon Project is not considered material in the context of the Offer.

Personalisation

Empowerment

Transparency

Simplicity

Community

Yatango

8.3 What is Yatango's business?

Yatango is an innovative, community based online consumer services platform and marketing automation engine. The company has more than 175,000 registered users across Australia, New Zealand and USA targeting the 18-45 year old demographic. Yatango's current operations are divided into two divisions:

- (a) Mobile Telecommunications: a mobile based, SIM only network provider that puts members in control by allowing them to build their own mobile plan and pay for what they need on a no contract, 30 day subscription basis.
- (b) ECommerce: an online marketplace that partners with a wide range of sellers to deliver customers better pricing and choice on a wide range of lifestyle products, engineered as a social shopping experience.

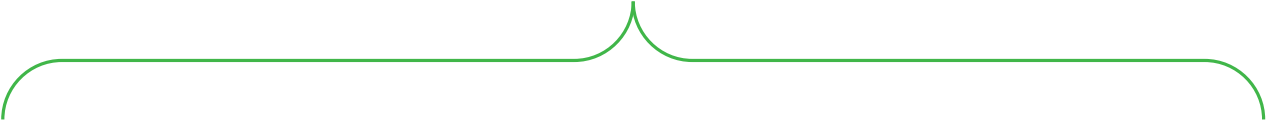
Yatango's focus is to be a single, integrated online platform solution targeting key lifestyle consumer services with its own proprietary rewards and recommendation engine to incentivise acquisition and drive desired behaviour. A number of opportunities to diversify and build on existing revenue streams in the near future have been identified and include travel, banking, transportation, insurance and energy. The company intends to follow a similar model to Virgin, shaking up stale and bloated industries with a fresh branded approach and a focus on radically improving customer experience via automated technology. Yatango seeks to be more than just a consumer brand, rather becoming a digital marketing and customer relationship management platform.

The company was founded in 2012 and launched in 2013 by technology entrepreneur Andrew Taylor. Andrew holds a Bachelor of Business Studies with a major in consumer marketing from Massey University in Auckland, New Zealand.

Before starting Yatango, Andrew founded marketing technology agency Unity ID, and SocietyOne, Australia's fully compliant marketplace (P2P) lending platform. The original idea behind SocietyOne was to empower consumers to borrow and lend between each other to get a better rate. By then, Andrew had begun to see the potential for using socially integrated platform technology to empower consumers in a variety of industries.

Yatango employs approximately 80 full time equivalent employees (FTEs) (including contractors) across Australia, Philippines, Sri Lanka and Pakistan. Yatango is headquartered in Sydney, Australia.

Yatango's interaction goals with stakeholders



For Consumers

Putting our members in control

Yatango is an innovative, integrated community platform for consumer services that revolutionises the customer experience by empowering and rewarding its members.



For Suppliers

Servicing & Engaging Gen-Y

A technology platform with a thriving community that targets millennials with the unique ability to acquire, service and retain members off a low cost base.

8.3 What is Yatango’s business? Cont.

Brand Positioning within industry.

A digital first, consumer champion.

As a value driven brand, we are in the middle between the low cost and high end/large volume providers.

How do we want to be perceived?

- Fresh, simplistic, innovative, honest & fun.
- A consumer champion who wants to help members save money.
- A community based company, that listens to its members and continues to push global boundaries.



Positioned in the middle between low cost and value.



Source: Section 11.3 Historical Statement of financial performance and financial position



8.4 What are Yatango’s key strengths?

Yatango’s key capabilities and attributes:

- (a) Senior management team with extensive and relevant consumer technology, marketing, retail, customer service and financial experience.
- (b) Well placed to benefit from global industry dynamics.
- (c) Affordable and flexible mobile network offering leveraging the Optus 4G/3G network.
- (d) Scalable commercial model with low cost base and ability to rapidly deploy into new product offerings and geographic markets.
- (e) Consumer online platform offering with integrated rewards systems and social network seeks to drive higher retention rates, higher engagement and lower cost of customer acquisition.
- (f) Focused growth strategy with strict criteria for product offering expansion.
- (g) Established brand with increasing awareness.
- (h) Pure interface model minimises capital requirements for existing operations and future growth.
- (i) Ecosystem of services will seek to increase barriers to exit for customers and further reduce churn. It will also seek to increase Yatango’s competitive advantage against standalone industry players.
- (j) Bespoke, in-house developed software and algorithms to deliver true one-to-one personalisation of services and offerings.



8.5 What are Yatango’s key markets and business divisions?

Yatango’s services currently compete in the telecommunications market in Australia and online retail markets in Australia, New Zealand and USA.



Yatango

Mobile

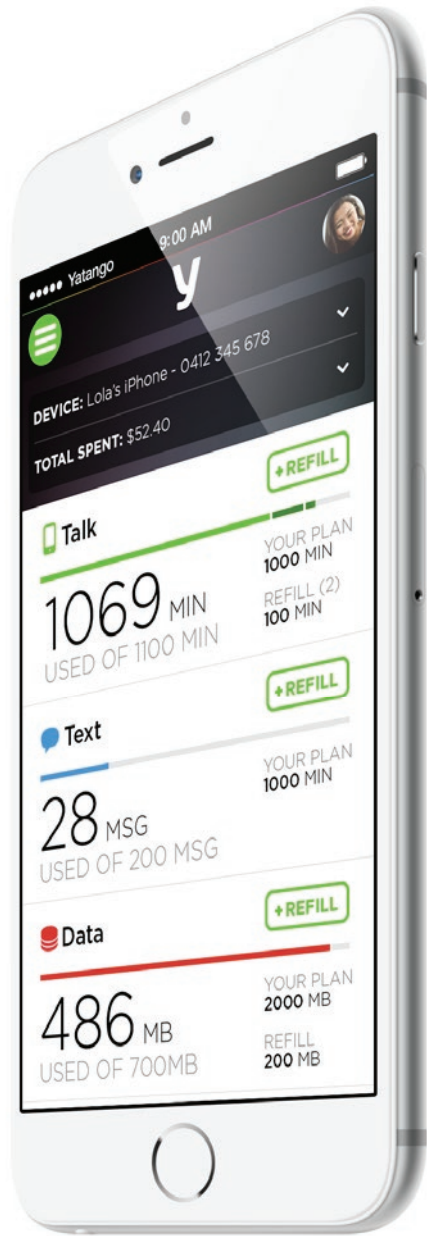
Yatango Mobile is a SIM only, mobile network offering, which helps customers reduce their monthly bills via a native software application that empowers them to pay for what they need by giving them the ability to create their own plan on a no contract, 30 day subscription basis. Yatango uses machine learning to provide a monthly recommendation to optimize people's usage. This has the potential for considerable consumer savings by reducing the wastage of unused Voice, SMS and data.

Yatango Mobile has commercial agreements with Optus and T-Mobile 4G/3G networks which enables it to access their networks at wholesale rates and pass onto the customer at a discount to current retail rates. Yatango takes advantage of the excess capacity on other Telco carriers' network infrastructure. A summary of the key terms of the Optus Agreement is set out in section 14.3 of the Prospectus, and the T-Mobile Reseller Agreement (entered into via Prepaid Wireless Wholesale, LLC) is set out in section 14.6.

Yatango Mobile also has a commercial agreement with Acquire Client Services Pty Ltd (ACN 164 442 371) (**ACS**) to primarily provide its mobile subscribers and shopping customers with online customer support via community managers employed by Acquire. This agreement is set out in section 14.5 of the Prospectus.

Yatango Mobile holds a perpetual licence with BJYP Pty Ltd (ACN 160 097 254) (**BJYP**) to enable the billing and management of its mobile subscribers on the Optus 4G/3G network. A summary of this agreement is set out in section 14.4 of the Prospectus.

This offering is currently in Australia with future planned expansion into USA, UK and New Zealand.



Yatango

Shopping

Yatango Shopping is a community based eCommerce marketplace that partners with over 40 sellers/suppliers, to deliver customers better pricing and choice. The aggregation platform is focused primarily on lifestyle products in demand from the 18 to 45 demographic including: electronics, cosmetics and fragrances, and fashion (watches, sunglasses and shoes).

At the back-end, Yatango is a third party reseller on behalf of suppliers. The system automatically updates pricing and availability from each vendor daily and selects the lowest priced product to be available for purchase on their website. In this way, customers are assured the best and fairest option.

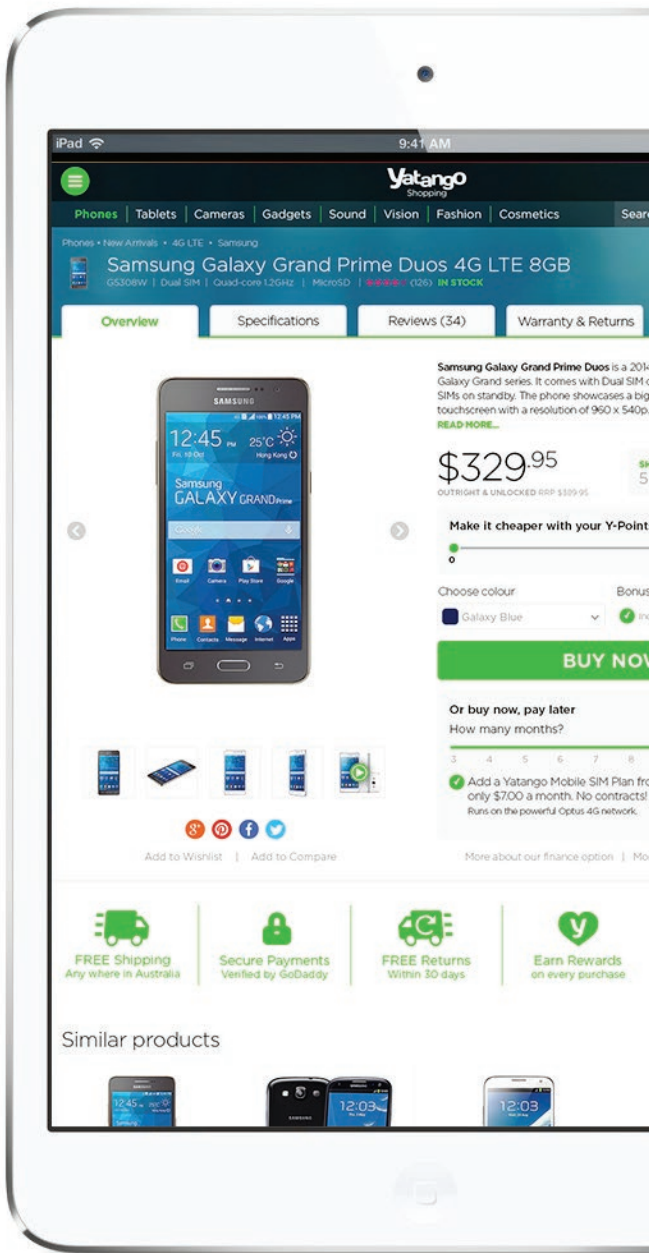
At the front-end, the business controls the full customer experience of ordering, customer support and tracking updates. Importantly, while the vendor manages distribution, as Yatango does not hold inventory, the ordering process is branded Yatango as the company overseas full fulfillment, including tracking of the order.

Yatango Shopping is currently operated in Australia, USA and New Zealand. The USA and New Zealand market offering is currently branded Mobicity and will be rebranded Yatango Shopping imminently.

One of Yatango's competitive advantages is its leading loyalty program, which is centralised and integrated across all its product offerings. Yatango's leading retail loyalty program provides valuable customer insights and serves as a powerful marketing tool to drive sales. Members have the ability to earn and redeem points on product purchases. This loyalty program enhances buying power for the consumer and creates more engaged, loyal, and profitable customers across all business units. This recommendation and customer relationship management engine operates across Yatango Mobile and Yatango Shopping and will be extended to further business units or offerings as they are added to the platform.

Further business units will be added in the medium-term including a planned launch of Yatango Money and Travel offering in the Banking and Transportation sectors.

Yatango has entered into an agreement with Sabre Pacific Pty Ltd (ACN 003 696 982) which will facilitate Yatango's entry into the highly lucrative Travel sector via the Expedia network. As the Yatango Travel business unit has not yet been launched, this agreement is not considered material to the Business at this time.



8.6 Who are Yatango's customers?

Yatango's customers are primarily the 18-45 demographic, which represents approximately 46% of the 23.8m Australian population.

This demographic tends to fall into the mass affluent and emerging affluent and have more disposable income, with an average annual household income of over \$75,000. They are generally young professionals who are more technologically savvy when it comes to searching online for the best deals, especially in the affordable luxury goods sector, which includes a number of products sold on the Yatango Shopping platform.

Supportive to Yatango's growth plans; Yatango has a rich dataset, as measured by independent market intelligence analysis. Analysis indicates there is high contactability at 90% of phone numbers connected and 50% of customers registered with addresses. The quality of the data collected by Yatango can be used to engage, connect and optimise customer conversions and experiences and more accurately target cross selling opportunities, which should be supportive of strong organic revenue growth going forward.

Further to this, Yatango can expand its product offerings quickly, efficiently and with minimal cost relative to peers as its customer data is sophisticated and detailed, allowing for highly targeted digital marketing strategies. This data is extremely valuable for the rollout of the Yatango Money product offering as data quality is necessary for successful execution in a highly regulated banking industry.



8.7 How does Yatango generate revenue?

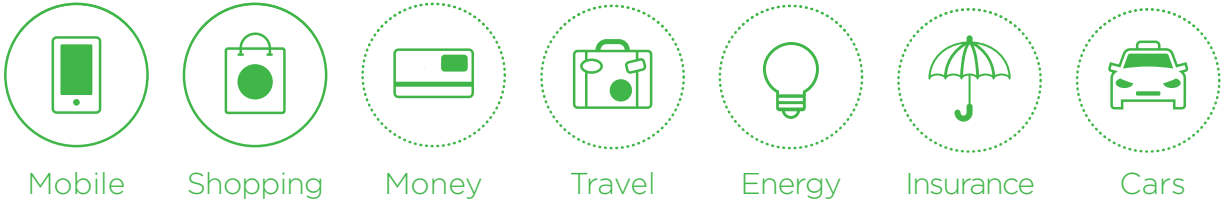


Yatango Mobile has a 5-year rolling commercial agreement with Optus 4G/3G network, which enables it to access its network at wholesale rates on voice, SMS and data. Yatango then structures its offering based on either bundling or disaggregating the customer offer and allowing customers to only pay for what they need on their mobile plan. Over time, margins are expected to increase with greater economies of scale and leverage.

A summary of the key terms of the Optus Agreement is set out in section 14.3 of the Prospectus.



This system scans multiple suppliers and ensures customers attain the best available price from this range of sellers. As an online platform, Yatango offers another distribution avenue for suppliers and as such takes no inventory risk. Leveraging these partnership relationships, Yatango can source products relatively competitively and targets an average gross margin of 15-20% across all products.



8.8 What are Yatango’s key costs in generating this key revenue?

Key operating expense categories for Yatango include:

- (a) **COGS**
Costs predominantly associated with providing customers access to the Optus 4G network along with products and devices, delivery of Yatango software to users, cost of hosting cloud products with external vendors, community advocacy and social integration tools as well as customer support.
- (b) **Staff related expenses**
Costs associated with salaries, related on-costs, share-based payments and salary related bonuses and commissions of all Yatango staff, including product development, sales and marketing, customer support, executive management and head office staff.
- (c) **Marketing expenses**
Costs associated with the sales and marketing efforts of acquiring new users and retaining existing users.
- (d) **R&D expenses**
Costs consist primarily of employee-related expenses for product management, product development and product design, contractor and consultant fees and corporate overhead allocations. We continue to focus our research and development efforts on adding new features and solutions, and increasing the functionality and enhancing the ease of use of our platform. In the past, these expenses have been significantly reduced by Australian government grants and tax concessions..
- (e) **Overheads and other indirect expenses**
Overheads and other indirect expenses include rent on premises, travel, accommodation, Board costs, compliance, insurance and other similar expenses.

8.9 Why is the offer being conducted?

The purpose of the offer is to raise capital to:

- (a) increase Yatango's digital marketing strategies to enhance customer scale and growth;
- (b) expand into new product offerings and lines of business; and
- (c) fund further platform development, including improvements to the centralised rewards system and functionality.

8.10 What is Yatango’s growth strategy?

Yatango's growth strategy is focused on leveraging the skills and expertise of its management team to expand and diversify its product offering and drive customer scale.

Key aspects of Yatango's growth include:

- (a) **Organic growth in the size and number of customers**
currently being serviced by completing its targeted product suite, introducing a further range of products and sellers on Yatango Shopping, digital marketing strategies, leveraging its rewards program and online social community.
- (b) **Increase margin per customer**
by lowering customer acquisition costs and increasing total customer value through cross-selling or bundling additional offerings to existing customers and economies of scale.
- (c) **Geographic expansion**
of key product offerings, in particular Yatango Mobile to be launched imminently in the USA.
- (d) **Expanding product offering**
to other horizontal markets by leveraging proven digital marketing strategies and sales teams. This growth is supported by continued investment in new and innovative software solutions with significant spending in R&D over the last few years. See below for further information.
- (e) **Identifying acquisition opportunities**
particularly in the telecommunications space and complimentary overseas markets.

8.11 Product Platform Strategy

Future product expansions will leverage the same IP billing systems and largely the same sales force as Yatango Mobile and Shopping thus lowering the incremental cost of delivering the product.

Incremental marketing will be required to promote specific offerings, however, investment costs will be significantly lower than a typical start-up as it leverages the existing brand equity and cross sells to customers already exiting in the Yatango business. Longer-term, Yatango's overall sector exposure will become increasingly diversified and resilient to volatility in specific sectors.

When establishing complementary consumer offerings on the Yatango platform, the Company will take into consideration key criteria including:

- (a) Is the product or service financially relevant to the target demographic?
- (b) Is there a high level of industry concentration and ability to exploit a material wholesale to retail margin gap?
- (c) Is the customer experience substandard?
- (d) Is the capital required for market entry and scale relatively modest?

Based on the criteria articulated for horizontal growth, the following new business units have been identified for future expansion:

- (a) Money
- (b) Travel
- (c) Cars
- (d) Music
- (e) Entertainment
- (f) Insurance
- (g) Energy
- (h) Other

Yatango



Mobile



Shopping



Money



Travel



Energy



Insurance



Cars



Rewards

Yatango

Money

Yatango Money is aimed to be Yatango's most disruptive product yet as the company turns its attention to retail banking with the launch of a Yatango debit card linked to an everyday bank account with a social lending offering, allowing members to borrow and lend money to and from the community in the form of revolving credit, personal loan and home loan, in the next financial year. The product will be focused on revolutionising the everyday banking relationship; providing tools for customers to better spend, manage, budget and save their money.

Yatango will leverage its online community for the borrowing and lending of money via crowdsourcing in a pooled environment. This model is aimed towards the delivery of greater value for both parties through the cost saving efficiencies of the technology platform.

As with all of Yatango's products, its incentive and rewards system will be integrated into this offer and incentivise customer behaviour with points on credit purchases as well as achievements, such as reaching savings goals and living within one's budget.



8.12 What is the Financial Position of Yatango?

Yatango is currently an unlisted private company. Details of the financial operating history of Yatango since incorporation is provided at Section 11 of this Prospectus.

8.13 Who are the Management and Board of Yatango?

Yatango has a highly skilled and successful entrepreneurial management in place to drive the businesses strategy, achieve a high level of growth and scale for the company and to deliver value to shareholders.

Board

Refer to section 10.2 of the Prospectus for the biographies of the proposed directors.

Management



Mr Darren Bell
Chief Operating Officer

Darren was the co-founder of MobiCity and related City brands. He successfully launched the brands in Australia, New Zealand, the UK, Europe and North America. He was an integral part in building the MobiCity brand from a home office to a \$20 million per year global brand. Darren has 14 years experience in engineering and information technology with previous experience in founding and selling a successful engineering consultancy and Mobile Virtual Network Operator (“MVNO”).



Mr Mark Taylor
Chief Marketing Officer

Leading all things Brand, Product and Communications for the Yatango Group. Mark is a digital native with a creative mind and an eye for data. A strong passion for innovative marketing, entrepreneurship, design and brand management, bringing digital marketing to the forefront with 8 years marketing experience in B2B & B2C within leisure retail, industrial, eCommerce and telecommunications.



Mr Daniel Duggan
Head of Yatango Mobile

Daniel has been the Head of Yatango Mobile Operations since 2012. He was previously with Virgin Mobile International specialising in technology systems, billing, IT strategy consulting, MVNO management and operations. He has international experience in the United Kingdom and South Africa. Daniel is also a seasoned startup campaigner with a proven track record of delivering projects across a range of business functions, markets and industries.



Ms Melanie Wilkinson
Head of Sales

Mel brings over twenty years experience within sales driven organisations, predominantly owner operator and start-ups, loving the challenge of connecting people, driving change, developing sales processes, growing channels, always concentrating on customer centric solutions. Currently her main focus is to secure, manage and grow the Yatango retail channel with strategic partnerships and alliances.



Mr Alistair Eldred
Head of Yatango Shopping

Alistair was the co-founder of MobiCity. He has over 20 years experience in mobile device sales and eCommerce, merchandising and online marketing experience. Alistair is passionate about international trade and has established entities in Australia, New Zealand, UK, U.S., Hong Kong, China, the Philippines and Pakistan. Over the years he has been the Advertising and Marketing manager at Australia’s most read property investment magazine, established an MVNO and the Sales Director program for Europe’s largest chain of mobile stores, Carphone Warehouse.

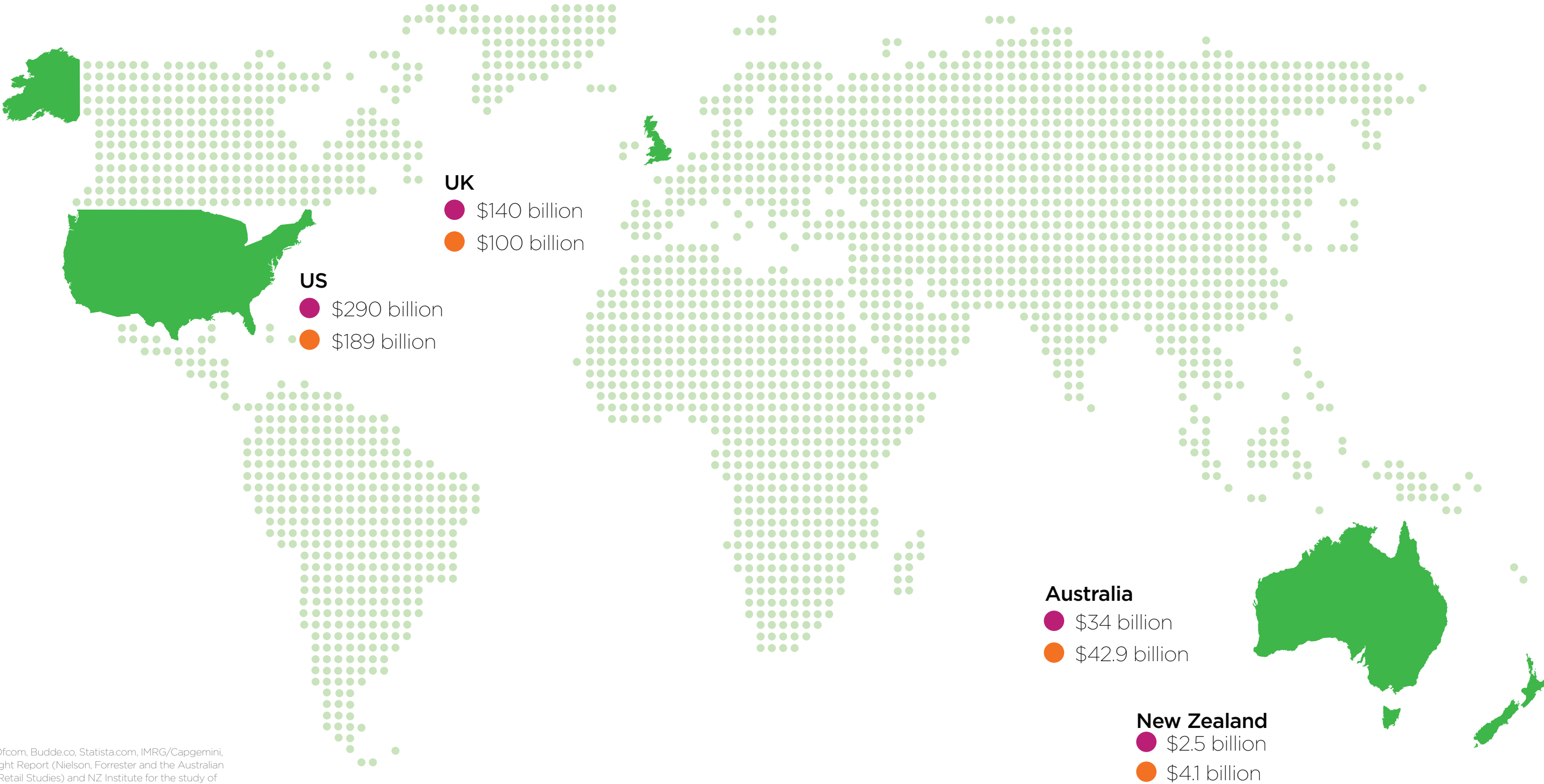


Mr Philip Hoosen
Head of Engineering

Philip is specialised full stack Software Engineer with more than 15 years experience across a wide range of operating systems and programming languages, with detailed understanding of database architecture and systems. Philip has worked for a wide range of software companies including Oracle, Tonic and Dendrite.

8.14 Industry Overview

Global Market Opportunity



*Sources: Ofcom, Budde.co, Statista.com, IMRG/Capgemini, Secure Insight Report (Nielson, Forrester and the Australian Centre for Retail Studies) and NZ Institute for the study of Competition and Regulation.

8.14 Industry Overview Cont.

Yatango's products and services currently compete in the telecommunications and online retail markets in Australia, New Zealand and USA.

(a) Telecommunications: Australia

(i) Overview of Market

The telecommunications market is currently generating revenues of c\$43 billion in 2015 (Source: IBISWorld Telecommunications Industry Report 2015) and services include mobile, fixed line, broadband, Ethernet IP telephony and cloud services. The market is dominated primarily by three companies with a combined market share across all services in excess of ~75% - Telstra (52.9%), Optus (29.5%) and Vodafone (17.6%).

Telstra is the leading player in the mobile services market with c.16 million subscribers compared to Optus at c.9 million and Vodafone at c.5 million. Collectively, these three players are known as Tier 1 players. Tier 2 players (including M2 Group, iiNet, TPG) are mainly focussed on the consumer and business segment and provide a broad range of services using the Tier 1 players' networks and have a subscriber base of c.1-2million customers each. Tier 3 players are typically specialised in services, supported by Tier 1 players' infrastructure and have a subscriber base of a few hundred thousand customers at most.

Yatango is categorised as a Tier 3 player and leverages the Optus infrastructure network. Incumbent players typically offer uncompetitive packages and poor value for consumers. For this reason, the market is ripe for disruption as consumers look elsewhere for better value, fairer and more transparent offerings and a better customer experience overall.

Active consolidation activity has been occurring in the industry over the past five years with companies targeting product diversification, strengthening of customer base, expansion into new markets and upgrades to infrastructure. Yatango has a consumer product platform and through its integration of offerings outside mobile, including shopping, money and travel, Yatango seeks to quickly and easily grow customers organically at a low cost. Yatango will seek to make strategic acquisitions to compliment its organic customer growth strategy.

Recent Industry Transaction Summary (not exhaustive)

Date		Acquisition	
Current	Both TPG and M2 Group have made a takeover offer of iiNet	1 Jul 2012	M2 acquires Primus Australia
1 May 2014	M2 group confirmed that its interest in Aggregato would be c.33% after conversion of debt and equity.	24 May 2012	Foxtel completed acquisition of Austar
20 Jan 2014	Telstra bought O2 Networks for \$60m	16 Apr 2012	M2 bought Primus Australia for \$200m
8 Dec 2014	TPG bought AAPT for \$450m	27 Feb 2012	M2 acquires assets of Time Group
22 Aug 2013	Telstra bought NXD for \$100m to boost cloud business	19 Feb 2012	Optus bought Vividwireless for \$230m for its spectrum
5 Aug 2013	iiNet acquired Adam Internet for \$60m	31 Jan 2012	iiNet acquired Internode
13 May 2013	M2 Group acquired Eftel	19 Dec 2011	Tel.Pacific and gotalk merged
31 Dec 2012	MyNetFone completed its acquisition for Connexus	20 Nov 2011	iiNet acquired TransACT
31 Oct 2012	Vodafone completed its acquisition of TelstraClear	30 Aug 2011	MyNetFone acquired Symbio (IP Voice carriage)
26 Jul 2012	Optus acquired Eatability, one of Australia's leading restaurant and review websites, for \$6m	7 Apr 2011	M2 acquired assets and operations of Edirect
		22 Feb 2011	M2 acquired Austar's Mobile Assets
		01 Feb 2011	M2 acquires assets in Clear Telecoms

8.14 Industry Overview Cont.

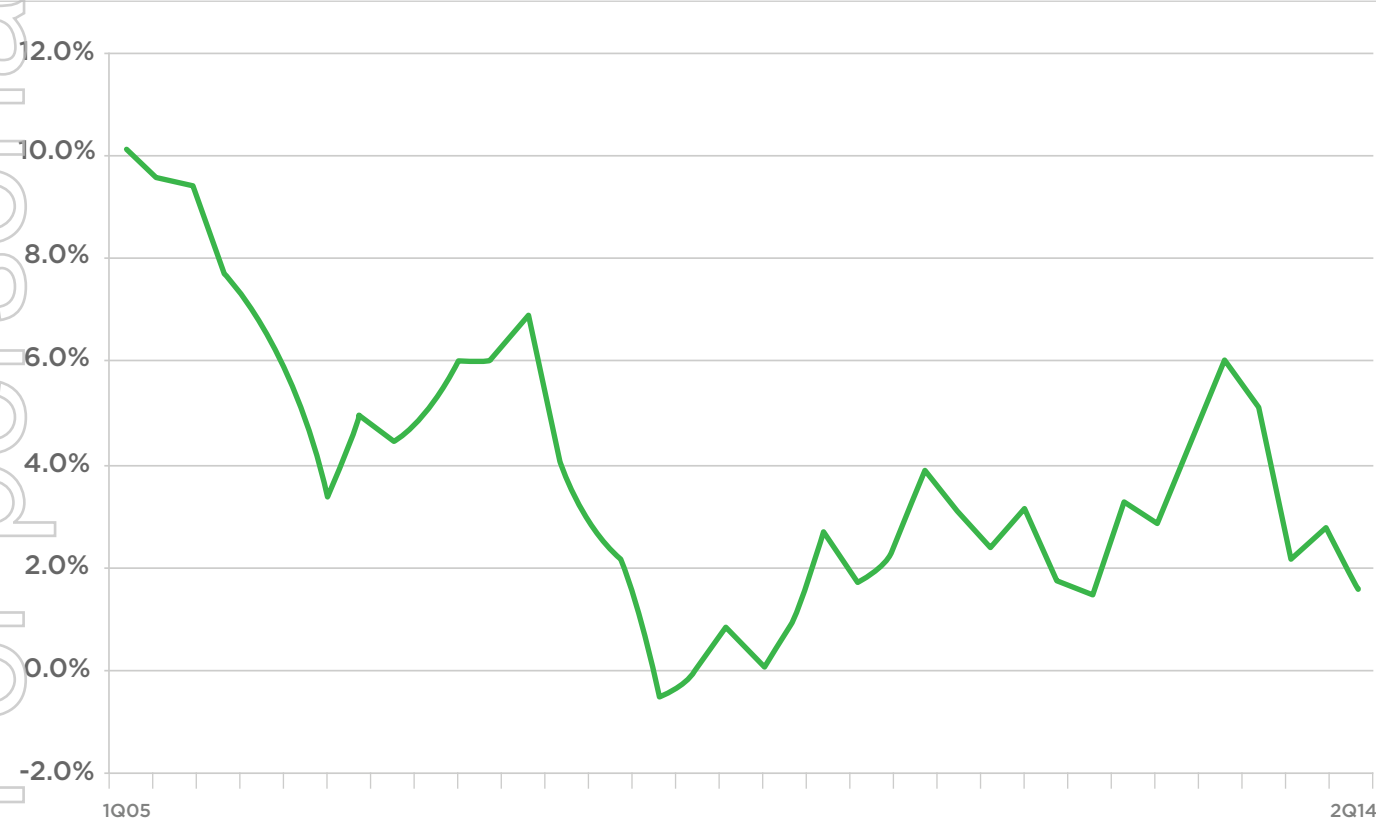
(ii) Market Opportunity

Australian Telecommunications spending continues to grow steadily at 2-3% p.a. From a bottom-up perspective, industry revenue growth has predominantly driven by a recovery in mobile revenues.

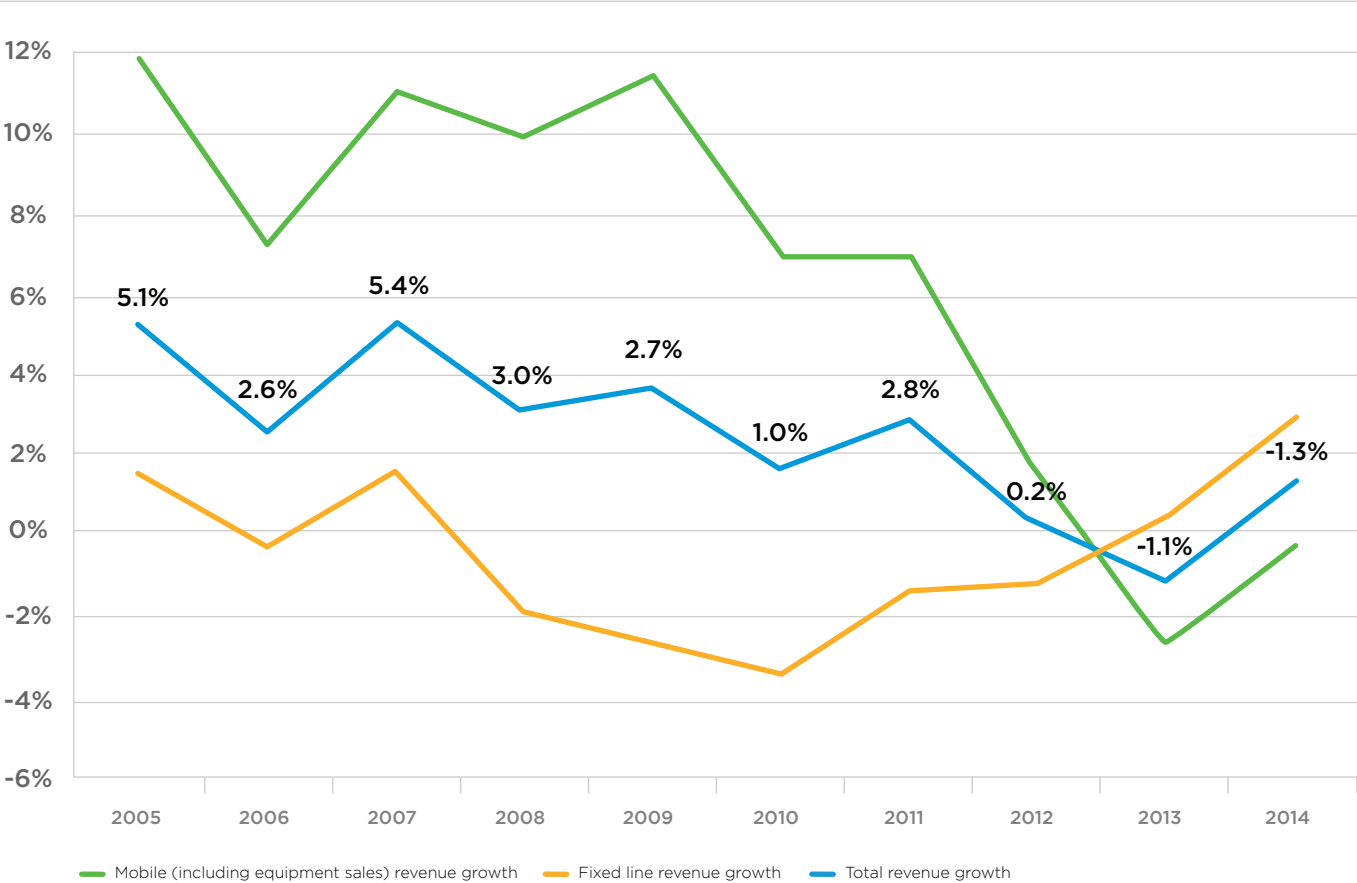
Source: Goldman Sachs research, CME Investment Strategy Update, September 2014
Source: Asia Pacific Equity Research, ABS Retail Trade March 2015, 11 May 2015

Drilling down into the mobile telecommunications market, where Yatango's product offering targets, industry fundamentals are solid with revenues, margins and ROIC trending higher. According to an Australian Competition and Consumer Commission (ACCC) report, three key consumer trends are emerging in the consumer mobile market that will be supportive of Yatango's future growth: (continued on page 88)

Growth in Communications Spend (% yoy)



Telecom Industry Revenue Growth Revenue Growth (% on pcp)



8.14 Industry Overview Cont.

- (a) Consumers used their mobile phones more intensively

Mobile handset downloads in the June 2014 quarter were double the levels in the same quarter in 2013 more consumers relied on their mobile phone for voice calls, with a quarter of the adult population owning a mobile phone but no home landline telephone.
- (b) Mobile and wireless subscriptions started to reach saturation levels

Despite the increase in usage, mobile and wireless subscriptions appear to be reaching saturation levels. After experiencing very strong growth until 2012, wireless broadband subscriptions fell by 3% in 2013-14. Number of mobile phone subscribers continued to plateau, increasing by <1% during the year. While mobile industry subscription numbers remain steady, the opportunity of market share gains for Yatango exist as: 1) Vodafone and Optus are struggling with service and offerings and; 2) Yatango offers a broad and integrated product offering suite that no other Telecommunications competitors offer.
- (c) Consumers continued to download more data

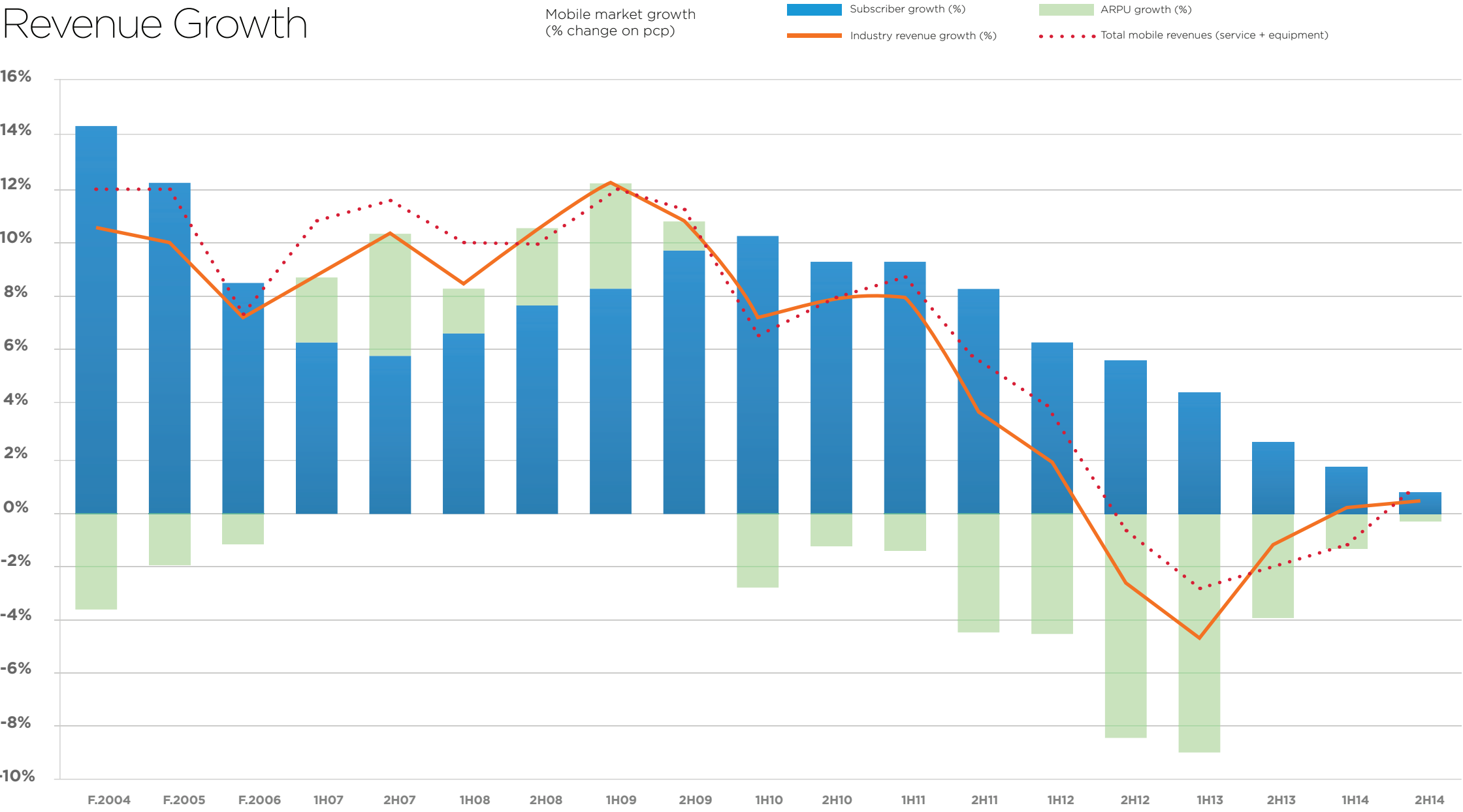
Consumers downloaded significantly more data during the year across all platforms. Fixed line broadband continued to account for 93% of all data downloaded, the same as last year this suggests that consumers use different services for different activities, preferring fixed line broadband for data-intensive activities. The increase in data downloaded is also consistent with evidence that Australians are embracing online content, such as streaming movies, music and on-demand television services on their mobile device.

Source: ACCC industry report: Telecommunications competitive safeguard for 2013-2014

Source: Mobile market growth total, subscriber and ARPA

Source: Goldman Sachs research, CME Investment Strategy Update, September 2014

Mobile Market Service Revenue Growth



8.14 Industry Overview Cont.

(iii) Outlook

Telecommunications resellers are viewed as cost-effective distributors of network carriers' excess capacity, as they can service niche markets while diversifying the revenue stream of infrastructure owners. These opportunities have expanded over the past five years as consumers have increasingly shifted demand away from fixed-line networks and towards mobile networks. Handsets and mobile networks have undergone significant technological improvements over the past five years, fuelling strong demand for mobile connectivity. As more businesses and consumers have taken up mobile services, the Telecommunications Resellers industry has grown. Consequently, industry revenue is forecast to increase to reach \$9.5bn (source: IBIS world) of which Yatango is expected to gain significant share over time.

(b) Online Retail Market

(i) Online Shopping – Global

As the number of Internet users and mobile connectivity continues to grow it is inevitable that the online shopping market will also experience substantial growth. It is estimated that globally there are over 1 billion digital buyers worldwide.

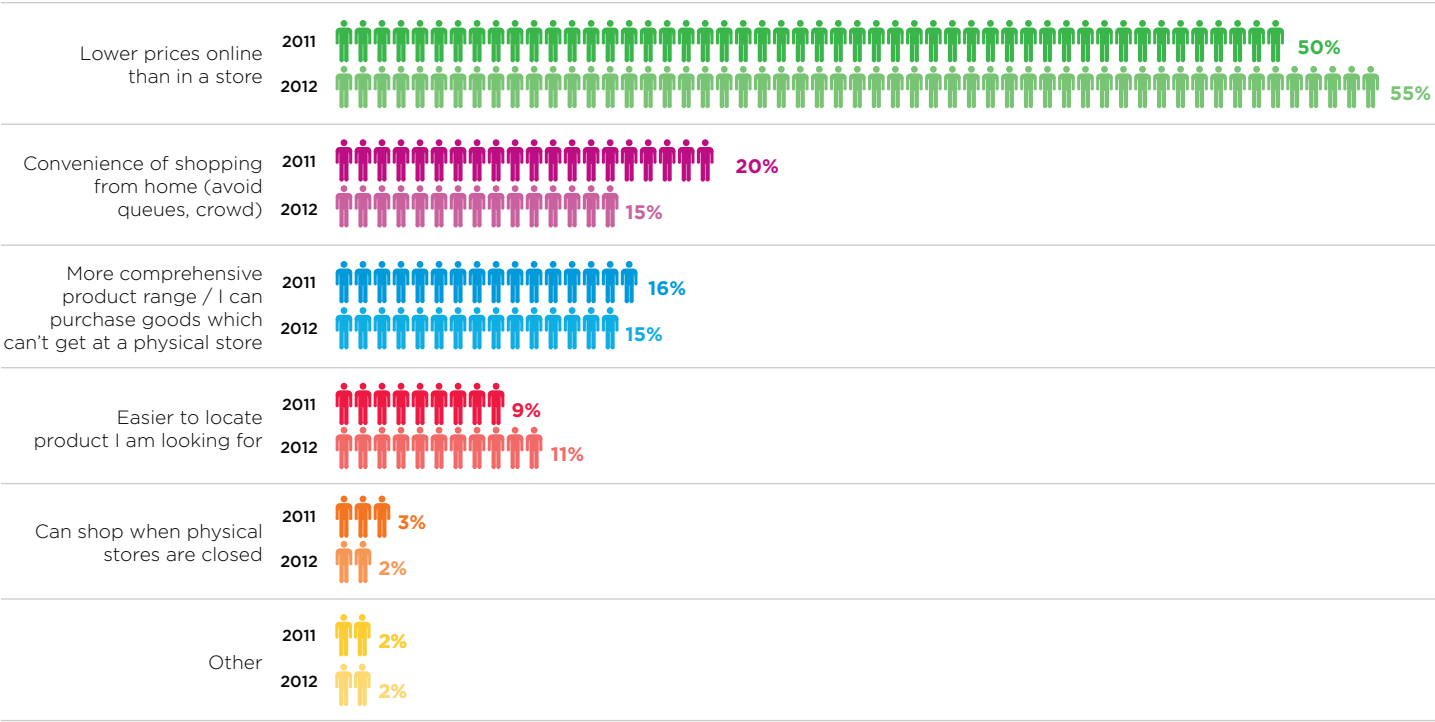
There are a number of factors driving online shopping purchases both globally and in Australia:

- (a) consumers are seeking greater value for money and choice of goods;
- (b) wider Internet penetration and spread of mobile devices;
- (c) added convenience of making a purchase online;
- (d) increasing level of consumers across all age groups who are becoming more comfortable online; and
- (e) increased use of social media by both consumers and retailers who are using the channel to promote their products.

(ii) Online Shopping - Australia

In Australia alone the most prominent reason driving online shopping is access to lower prices than in store. 55% of people singled out the lower prices available online as being the prime reason they shop online.

Most important reason for shopping online



Source: PWC digital media research 2012, Online spend in Australia by category.

8.14 Industry Overview Cont.

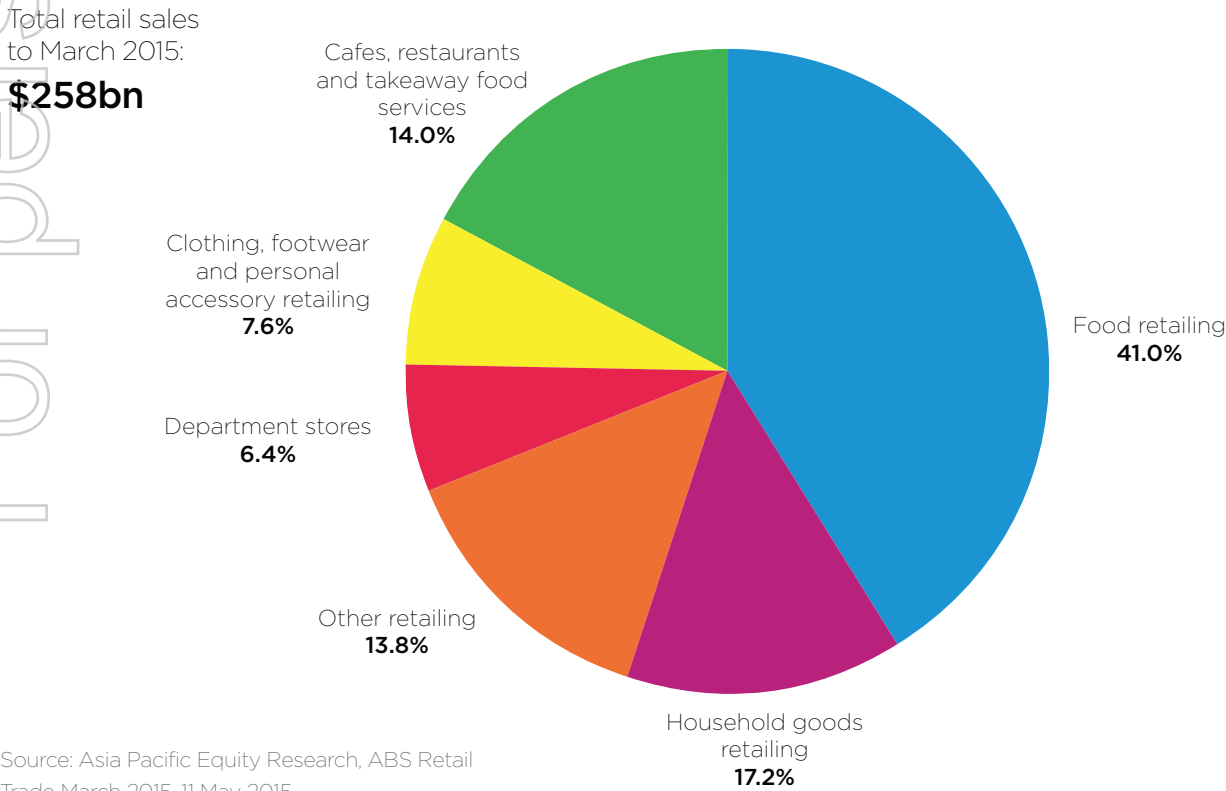
As of March 2015 Australian Bureau of Statistics figures showed \$258bn spent on retail annually. According to the NAB online retail index Australian online retail for 12 months to March 2015 was \$16.8bn or ~7% of traditional bricks and mortar retail sales (excluding cafes, restaurants and takeaway food)¹.

This was an increase of 8.1% from the previous corresponding year, whereas total retail sales where show to have risen by only 5.1% in the same period (Australian Bureau of Statistics, NAB online retail index)²

The online spend is broken down into six key categories, with travel, accommodation and tickets accounting for \$6.08 billion. This is closely followed by Entertainment and Leisure at \$4.12bn and Electronic products at \$3.35bn.

Source 1: State of the Nation Report – Roy Morgan 2013
Source 2: Online ABS – Online Spend in Australia by Category

ABS Retail Trade - Split by Category



Source: Asia Pacific Equity Research, ABS Retail Trade March 2015, 11 May 2015

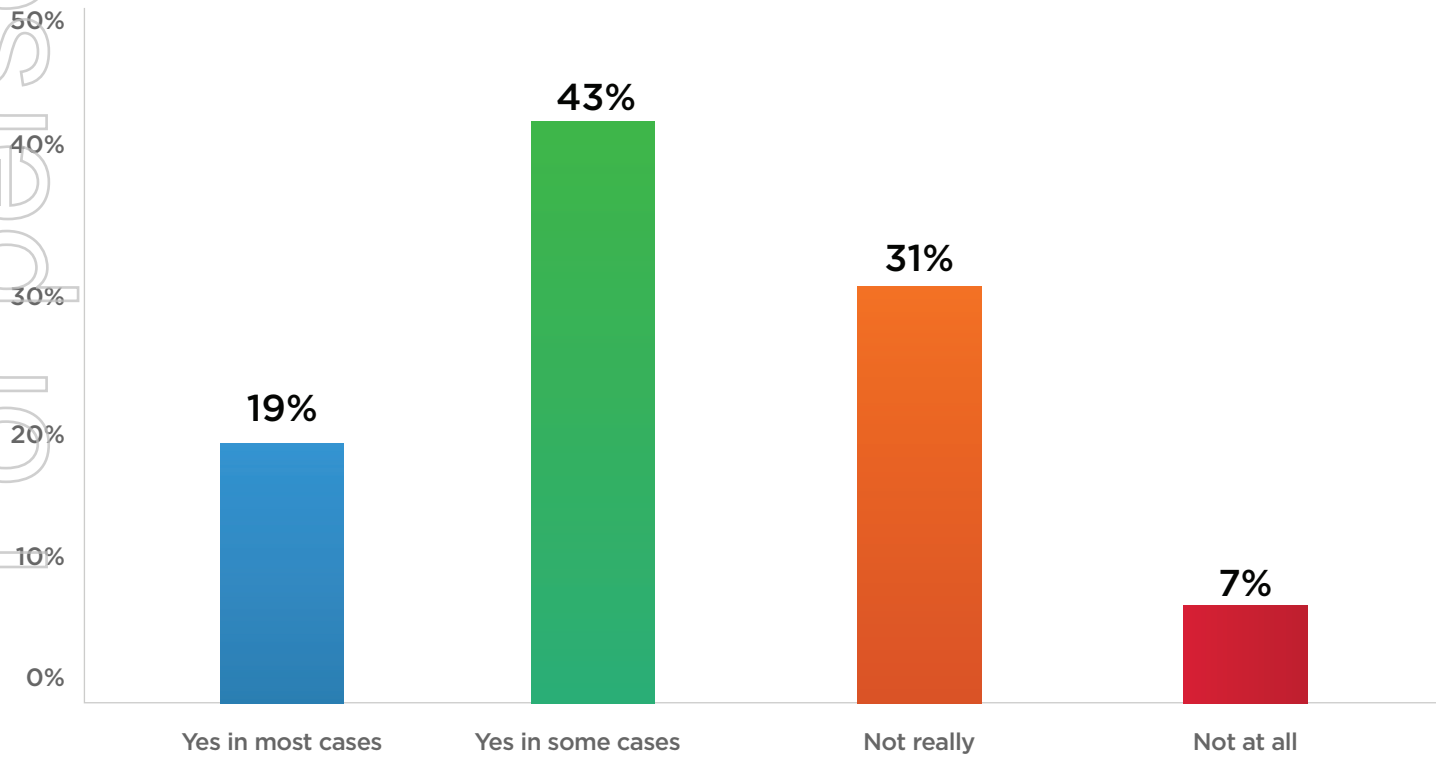


8.14 Industry Overview Cont.

(iii) Social Media and Online Shopping
As more and more people turn to social media there is also evidence that link between social media and consumer purchases online is increasing, with 62% of people stating that social media influences their online shopping decisions.

Link between social media and online purchasing

Q. Has any interaction you have had with your favourite brands on social media driven you to buy more?



Source: PWC annual global total retail customer survey, February 2015.

(iv) Outlook
“As online shopping continues to grow at the expense of store visits, the premium in the future will be on creating unique brand defining experiences – that keep customers coming back”
- PWC Annual Global Total Retail Consumer Survey – February 2015.

This statement is consistent with what Yatango is foreseeing in the online shopping market. Consumers are frequently demanding better value for money and superior customer experiences. This coupled with the increasing penetration of the Internet and social media has made it possible for consumers to begin to achieve both a quality service and product at a price which they believe to be fair. Online shopping offerings have to become increasingly intuitive, intelligent and customer friendly. They must offer a far more integrated and superior experience to ensure that customers continue to return.

All evidence suggests that the trend towards online shopping isn't expected to slow down. There continues to be significant opportunity to grow and diversify the online shopping space both in markets with well-established, mainstream eCommerce industries as well as in newer markets where it is still only becoming the norm.

8.15 Funding

The funding for LCD for the objectives stated under this Prospectus following re-admission to the Official List of ASX will be met by the offer of Shares pursuant to the Offer under this Prospectus and by the Company's existing cash reserves (see Section 7.3 for further details).

As and when further funds are required, either for existing or future developments, LCD will consider both raising additional capital from the issue of securities and/or from debt funding.

8.16 Financial Information

(a) Historical financial information

Section 11 of this Prospectus sets out:

- (i) the reviewed Statement of Financial Position of LCD as at 31 December 2014;
- (ii) the reviewed Statement of Financial Position of Yatango as at 31 December 2014; and
- (iii) the reviewed pro-forma Statement of Financial Position of LCD (after Settlement of the Acquisition) as at 31 December 2014.

Investors are urged to read Section 11 and the Investigating Accountant’s Report in Section 12 in full.

The full financial statements for LCD for its financial year ended 30 June 2014 and half year ended 31 December 2014, which include the notes to the financial statements, can be found from LCD’s ASX announcements platform on www.asx.com.au.

(b) Forecast

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

8.17 Dividend Policy

It is anticipated that, post-Settlement of the Acquisition, LCD will focus on the development of the Products and Business. LCD does not expect to declare any dividends during this period.

Any future determination as to the payment of dividends by LCD will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of LCD, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by LCD.

8.18 Capital Structure

The expected capital structure of LCD following completion of the Offer and all related matters (assuming full subscription under the Offer) will be as follows:

Pre Consolidation			
Securities	LCD Shares (minimum subscription)	LCD Shares (maximum subscription)	LCD Options
Existing issued securities	211,275,103 ¹	211,275,103 ¹	3,800,000 ²
Post Consolidation			
Securities on issue Post Consolidation	31,675,428	31,675,428	569,715 ³
Introduction and Advisory Fee	224,887	224,887	–
Adviser Options	–	–	10,000,000
Proposed Director Options	–	–	7,357,728
Vendor Consideration Securities	182,408,796	182,408,796	49,975,012
Offer under the Prospectus	60,000,000	80,000,000	–
Total Securities Post Consolidation	274,309,111	294,309,111	67,902,455

Performance Rights	
Tranche 1 issued on the terms set out in section 15.5	33,316,675
Tranche 2 issued on the terms set out in section 15.5	33,316,675
Tranche 3 issued on the terms set out in section 15.5	33,316,675

- Notes**
1. Assumes no further securities are issued prior to completion of the Acquisition, other than as set out in the table.
 2. This figure comprises 1,900,000 unlisted options each exercisable at \$0.03 on or before 31 December 2016 and 1,900,000 unlisted options each exercisable at \$0.04 on or before 31 December 2016.
 3. This figure comprises 284,857 unlisted options each exercisable at \$0.20 on or before 31 December 2016 and 284,857 unlisted options each exercisable at \$0.2668 on or before 31 December 2016.

8.19 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue (on a pre Consolidation basis):

Shareholder	Shares	%
Riverview Corporation Pty Ltd	13,643,294	6.46%
JGS Consulting Pty Ltd	10,830,000	5.13%
Timothy Moore ¹	17,583,090	8.32%
Cranport Pty Ltd	14,191,710	6.72%

Notes

1. 1,027,423 Shares are held directly by Mr Timothy Moore, 989,000 Shares are held indirectly by Ms Lucette Marie Claire Moore, a related party of Mr Timothy Moore, 5,820,000 Shares are held indirectly by Darjeeling Pty Ltd, 9,746,666 Shares are held by Tukdah Pty Ltd. Each entity is controlled by Mr Timothy Moore.

On completion of the Consolidation and the Offer (assuming minimum subscription under the Offer), the following Shareholders are expected to hold 5% or more of the total number of Shares on issue (on a post Consolidation basis):

Shareholder	Shares	%
The Digital Bakery Ltd ¹	62,096,060	22.64%
The Company ²	87,110,931	31.76%

Notes

1. Mr Andrew Taylor, who is the sole beneficiary of Digital Bakery, is deemed to hold a relevant interest in the securities Digital Bakery will hold in the Company on the basis that his effective voting power in Digital Bakery is 100% as at the date of the Prospectus.

2. The Company will acquire the relevant interest upon execution of the Voluntary Restriction Agreements. The effect of the Voluntary Restriction Agreements is such that the issue of the Consideration Securities, to the extent they are not subject to ASX imposed escrow, will increase the combined voting power of the Yatango Shareholders to above 20% which will result in the Company acquiring a relevant interest in over 20% of its own securities, an acquisition which is otherwise prohibited by section 606(1) of the Corporations Act. The Company is therefore seeking Shareholder approval at the General Meeting to allow the Company to acquire a relevant interest of up to 31.76% in its own securities.

8.20 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, certain Securities on issue (including the Vendor Consideration Securities may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will apply to the ASX for a waiver from certain restriction requirements that might otherwise apply to Vendor Consideration Securities on the basis that a majority of the Vendors:

- (a) paid cash for their Yatango Shares; and
- (b) have held their Yatango Shares for a substantial period of time prior to the Acquisition of Yatango by the Company.

Subject to this waiver, all or a proportion of the Securities referred to above may be restricted from trading for a period of up to 24 months after the date of re-admission of the Company to the Official List. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

Additionally, pursuant to the Terms Sheet, Vendors will enter into voluntary restriction agreements to escrow their Consideration Securities a period of six months after completion of the Acquisition.

8.21 Top 20 Shareholders

LCD will announce to the ASX details of its top 20 Shareholders following completion of the Offer and prior to the Shares re-commencing trading on ASX.



9.

Risk Factors

9. Risk Factors

9.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in LCD is not risk free and the Directors strongly recommend potential investors to consider the key risk factors detailed in the Investment Overview in Section 5D of the Prospectus as well as the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

This Section 9 identifies circumstances that the Directors regard as the major risks associated with an investment in LCD and which may have a material adverse impact on the financial performance of LCD and the market price of the Shares if they were to arise.

There are risks associated with the contemplated Acquisition, specifically in relation to the success of the Company which may adversely impact the value of an investment in the securities of LCD (Section 9.2(a) and (b)).

In addition, there are other general investment risks, many of which are largely beyond the control of LCD and its Directors (Section 9.2(c)).

The Board aims, and will aim, to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which they can effectively manage them.

The following risk factors are not intended to be an exhaustive list of the risk factors to which LCD is exposed. In addition, this Section 9 has been prepared without taking into account offerees' individual financial objectives, financial situation and particular needs. Offerees should seek professional investment advice if they have any queries in relation to making an investment in LCD.

9.2 Specific additional risks associated with the Acquisition

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

(i) Re-Quotation of Shares on ASX

The Acquisition 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 211,275,103 Shares on issue (on a pre-Consolidation basis). On completion of the Acquisition, the Company proposes to issue the relevant number of Consideration Shares, Consideration Options and Performance Rights under the Acquisition and issue a minimum of Shares to raise up to \$6,000,000 as part of the capital raising. On issue of the consideration under the Acquisition and the minimum subscription of the Shares under the Capital Raising (assuming no exercise of Options, or conversion of Performance Rights), the existing Shareholders will retain approximately 11.55% of the issued capital of the Company, with the Vendors holding 66.50%, introductory and advisory fee holding 0.08% and the investors under the Capital Raising holding 21.87% of the issued capital of the Company respectively.

On issue of the consideration under the Acquisition and the maximum subscription of the Shares under the Capital Raising, (assuming no exercise of Options, or conversion of Performance Rights), the existing Shareholders will retain approximately 10.76% of the issued capital of the Company, with the Vendors holding 61.98%, introductory and advisory fee holding 0.08% and the investors under the Capital Raising holding 27.18% of the issued capital of the Company respectively.

If subsequently the performance milestones are met and all the 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 8.46% on a post-offer basis, assuming minimum subscription under the Capital Raising. The interests of the existing Shareholders in the Company will reduce to 8.03% on a post-offer basis, 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 completion of the Acquisition, the Company proposes to issue 182,408,796 Shares to the Vendors, 49,975,012 Options to the Vendor and 99,950,025 Performance Rights to key management of Yatango and 224,887 Shares for the Introductory and advisory fee (on a post-Consolidation basis). These securities will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. Based on the post-offer capital structure (on a post-Consolidation basis) (and assuming no further Shares are issued or Options exercised), these Shares will equate to approximately 78.39% of the post-Offer issued Share capital (assuming minimum 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 Term Sheet the Company has agreed to acquire 100% of Yatango, 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 Term Sheet. 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.

9.2 Specific additional risks associated with the Acquisition Cont.

(b) Risks in respect of Yatango’s current operations

(i) Additional Requirements for Capital

The funds raised under the Offer are considered sufficient to meet the immediate objectives of Yatango as set out in the Prospectus. Additional funding may be required in the event costs exceed the Yatango’s estimates and to effectively implement its business and operations plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which Yatango may incur. If such events occur, additional funding will be required.

Following the Acquisition, the Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for Yatango’s activities and future projects may result in delay and indefinite postponement of their activities and potential development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to Yatango and might involve substantial dilution to Company Shareholders.

(ii) Limited Trading History

Yatango was incorporated in August 2012 and therefore has limited trading history. Yatango activity to date has principally focused on developing its Yatango Mobile and Yatango Shopping platforms. Yatango is now in the commercialisation phase of its business cycle for these platforms, as well as development of future customer service platforms, and as such carries the normal risks of a start-up business. Given the limited trading history of Yatango, no assurance can be given that Yatango will achieve commercial viability through the implementation of its business plan. Whilst Yatango is now earning revenue through customers paying to use its services, there is no certainty around the number of continued customers (if any) that

will use the services. Accordingly Yatango is not in a position to give any guidance around likely revenue or profitability.

(iii) Uncertainty of Future Profitability

Yatango is in the commercialisation stage for its Yatango Mobile and Yatango Shopping platforms. To date, it has funded its activities principally through issuing securities and other capital raising activities.

Yatango’s profitability will be impacted by its ability to successfully deliver a high level of service to any future potential customers, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability are uncertain. Moreover, the level of such profitability cannot be predicted.

(iv) Creditors

The cash flow from the operations of Yatango has been managed on the basis that Yatango has been seeking to grow rapidly. This has left Yatango with a high level of creditors, and accordingly, the sum of \$1.91 million will be used to repay trade creditors from the proceeds of the raising under this Prospectus. This will leave Yatango with a more manageable level of trade creditors in the short term. Yatango seeks to continue to grow, and if rapid growth is maintained, Yatango may need to raise additional funds to supplement this growth in order to support its ongoing activities and operations. If this access to capital is not available, Yatango may be adversely affected in a material way. There can be no assurance given that this capital will be available if and when required.

(v) Development and Commercialisation of Yatango Mobile and Yatango Shopping

Yatango’s business model is reliant on its ability to develop and commercialise its Yatango Mobile and Yatango Shopping platforms. A failure to

develop and commercialise its Yatango Mobile and Yatango Shopping platforms successfully would lead to a loss of opportunities and adversely impact on the operating results and financial position of Yatango. Furthermore, any third party developing superior technology or with greater commercial appeal in the fields in which Yatango operates may harm the future prospects of Yatango.

(vi) Mobile Customer Utilisation

Yatango Mobile customers can potentially fully utilise their mobile device plans and thus negatively impact Yatango’s profit margins by turning them into loss making customers for the relevant 30 day period that their service relates to.

(vii) New Market Entrants and Technology Risk

The emergence of new competitors in the market, or any technological developments providing an alternative to Yatango’s product offerings could impact the market share that Yatango is able to acquire and cause downward price pressure on cloud based consumer software, services and analytics platforms, thus reducing Yatango’s margins and revenue. Further, existing providers of similar consumer services may also respond aggressively to Yatango’s market entry to retain or regain market share, which could also impact Yatango’s margins and revenue.

(viii) Failure to Deal with Growth

Yatango’s business has the potential to grow rapidly. If that occurs and Yatango fails to properly manage that growth, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the business, including demand for Yatango’s products/services, revenue collection, customer satisfaction and public perception.

(ix) Availability of IT Staff in the Market

Yatango is reliant upon employees with specialist IT skills in order to develop and maintain its projects. Any shortage of availability of these skills in the IT employment market could impair the development of the Yatango’s products and

business and the rate of such development. Such shortage could also cause wage inflation, which may impact on Yatango’s profitability.

(x) Dependence on Third Party Servers and Products

Part of the business model of Yatngo will be reliant upon leased third party servers and the performance of those servers. If servers upon which the technology of Yatango depends do not operate as expected then the services that Yatango provides may be adversely affected.

The majority of the products of Yatango require the use of a smartphone or other similar device and as such the business model of Yatango will be dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they are currently or that they will not be replaced by alternative devices upon which Yatango’s technology will not function as intended which could impact on the profitability of Yatango.

(xi) Failure to retain and attract new customers

Yatango’s ability to generate revenue and profit depends on the sales it makes on its platform, across its product offerings. As with any business there is a risk that the marketing strategies are not effective in generating the increased customer scale the Company is targeting.

(xii) Customer preferences may change

A significant proportion of Yatango’s revenues are generated from fashion related products which are subject to rapid and occasionally unpredictable changes in customer preferences. If Yatango misjudges customer preferences or fails to provide appealing product offerings when required, this may result in a decline in financial performance.

9.2 Specific additional risks associated with the Acquisition Cont.

(xiii) Failure to increase margins per customer

The Company's ability to increase profit relies on its ability to increase the margins per customer. Whilst the Company's technology allows it to increase these, there is a risk that customers will reject the increased margins and cease to remain as Yatango customers.

(xiv) Increased investment of product development and support

There is a risk that maintaining and upgrading current products as well as new product development may lead to a higher than anticipated investment spend on IT development

(xv)Reliance on Core Information Technology and Other Systems

The availability of Yatango's cloud platform is dependent upon the performance, reliability and availability of its IT and communication systems. This includes its core technologies such as computer services and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war, a breakdown in utilities such as electricity and fibre optic cabling and even pandemics. Events of that nature may cause one or more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or contractors or other technical issues. Yatango's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover loss or damage that Yatango suffers as a result of a system failure.

The business is particularly reliant on the successful implementation and operation of its cloud technology. There is a risk that the Company may fail to build and maintain a platform that is suitable to the needs of its business as it expands into new product offerings.

It is also currently reliant on the perpetual licence agreement it has in place with BJYP Pty Ltd which is set out in section 14.5 of the Prospectus.

(xvi) Security Breaches and Hacker Attacks

A malicious attack on Yatango's systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used by Yatango at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation, and brand damage resulting in reduced or failing revenues. Yatango follows best practice in relation to security policies, procedures, automated and manual protection, encryption systems and staff screening to minimise this risk.

(xvii) Yatango Vendors may sell their Consideration Shares

Some vendors of Yatango may elect to sell those Shares received from the sale of their interests in Yatango to the Company which are not subject to escrow restrictions by ASX immediately following completion of the Acquisition. If one or more of the Vendors elect to sell a sufficiently large number of Shares following completion of the Yatango Acquisition, then this may negatively impact the price of Shares and decrease the realisable value of existing Shareholders' investment in the Company.

(xviii) Customer Service Risk

Yatango's business model is based on recurring revenue arising from usage. Poor customer service experiences may result if Yatango loses key customer service personnel which it relies on via the Acquire Client Services Pty Ltd agreement set out in section 14.6 of the Prospectus. If both Yatango and ACS fail to provide adequate training and resources for customer service personnel or there is a disruption to monitoring and account management systems utilised by customer service personnel. Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of Yatango's products or services. If any of these occur, it may adversely impact Yatango's revenues.

(xix) Cessation of Supply and Service Contracts

Yatango relies on relationships with key parties including its suppliers for shopping and its commercial agreement with Optus and T-Mobile 4G/3G networks, which enables it to access it's network at wholesale rates and pass onto the customer at a reduced retail rates. The non-performance or termination of any of these contracts could have a negative impact on the Company. Yatango will likely enter into further contracts, which will also be material to the Company's business. Some of these contracts are, or will be, governed by laws other than laws of Australia. There may be difficulties in enforcing contracts in jurisdictions other than Australia.

(xx) Brand and Reputation Risks

The reputation and brand of Yatango and its individual products are important in attracting potential customers. Any reputational damage or negative publicity around Yatango or its Yatango Mobile and Yatango Shopping platforms could adversely impact on Yatango's business.

(xxi) Retention and Recruitment of Key Personnel

The emergence of Yatango and development of its Yatango Mobile and Yatango Shopping platforms has been in large part due to the talent, effort, experience and leadership of its management team, including its CEO and founder Mr Andrew Taylor. Yatango is substantially dependent on the continued service of its existing management team due to the complexity of its services and products. There is no assurance that Yatango will be able to retain the services of such persons.

Furthermore Yatango expects to grow its sales and marketing teams in both Australia and internationally. An inability to attract quality sales and marketing personnel may adversely impact on Yatango's growth plans.

(xxii) Infringement of Third Party Intellectual Property Rights

If a third party accuses Yatango of infringing its intellectual property rights or if a third party commences litigation against Yatango for the infringement of patent or other intellectual property rights, Yatango may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that Yatango incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against Yatango may be able to obtain injunctive or other equitable relief that could prevent Yatango from further developing discoveries or commercialising its products. In the event of a successful claim of infringement against Yatango, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent Yatango from commercialising available products and could cause it to incur substantial expenditure.

(xxiii) Regulation

Any increased regulation of the mobile telecommunications or online retail sectors may increase the cost of providing services or the quality of services provided by the Company which may adversely impact the profitability of Yatango.

9.2 Specific additional risks associated with the Acquisition Cont.

(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) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. 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.

(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 vary and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the performance of the Australian dollar and United States 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) 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 Yatango is currently engaged in any litigation.

(v) Economic Risk

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.

9.3 Investment speculative

(vi) 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.

(vii) 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 Yatango'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.

(viii) Management of growth

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Acquisition. The capacity of the new management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(ix) Currency fluctuations

Yatango currently derives approximately 60% of revenues from its Shopping platform which operates in geographies outside Australia including the U.S and New Zealand. Yatango's Australian denominated results are therefore exposed to exchange rate fluctuations with respect to the currencies of these countries. Those exposures may change over time as business practices evolve, and they could have an adverse impact on the Company's Australian dollar-denominated financial results and cash flows.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by LCD or by investors in LCD. The above risk factors, and others not specifically referred to above, may materially affect the future financial performance of LCD and the value of the Securities offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. LCD does not expect to declare any dividends during the first 2 years following Settlement of the Acquisition (see further Section 8.17).

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

10.

Board, Management & Interests

10. Board, Management & Interests

10.1 Directors

It is proposed that upon Settlement of the Acquisition:

- (a) Mr Andrew Taylor, Mr John Wilkinson, Mr Michael Malone, Mr John Mackay and Mr Tom Alexander will be appointed to the Board of the Company (together, Proposed Directors); and
- (b) Mr Morgan Barron, Mr Roger Steinepreis and Mr Timothy Moore will be resigning as Directors.

As at the date of this Prospectus, the Board comprises of:

- (a) Mr Timothy Moore (Non-Executive Chairman & Director);
- (b) Mr Roger Steinepreis (Non-Executive Director); and;
- (c) Mr Morgan Barron (Non-Executive Director).

10.2 Proposed Directors

The profiles of each of the Proposed Directors are set out below:



Mr Andrew Taylor
Founder, Managing Director & CEO

Andrew is an experienced digital entrepreneur with significant experience in the start-up space and credentials, which are second to none in the digital marketing industry. In early 2011 he co-founded SocietyOne, Australia's first fully compliant and leading marketplace (P2P) lending platform and prior to SocietyOne Andrew founded marketing and technology agency UnityID. The agency represented a new form of marketing focused around machine learning, big data and social media platform engagement. Andrew holds a BBS from Massey University Auckland, New Zealand.



Mr John Wilkinson
Co-Founder, Executive Director & CFO

John joined Yatango in 2012. He was previously the Chief Financial Officer – Asia Pacific at Nasdaq listed Acxiom (ACXM), Regional Controller at AfriTel and Financial Controller for Motorola Russia. John brings with him 20 plus years of experience working at large Telco and Big Data corporations in Australia and internationally. He has a proven track record of quickly building and growing profitable businesses with an exceptional focus on customer acquisition and expense control.



Mr John Mackay
Non-Executive Chairman

John has over 15 years of experience as a Chairman and director of major companies across the communications, utilities, health, construction and education sectors. John is a current director of CIC Australia and Chairman of the audit and remuneration committees, and a director of data centre manufacturer Datapod. Previously, John held the role of Chairman of TransACT Communications, and he was the Chairman and CEO of ACTEW Corporation and CEO, Chairman and founder of its joint venture with AGL. John has been a Chairman or director of several charitable, arts and sporting boards, and has held a number of senior roles in the Australian federal public service. John was appointed a Member of the Order of Australia in 2004, and was named as Canberra Citizen of the Year in 2008. John holds Bachelors of Arts (Administration) and Economics and an Honorary Doctorate from the University of Canberra.



Mr Tom Alexander
Non-Executive Director

Tom Alexander co-founded Virgin Mobile in the UK with Richard Branson, the largest mobile virtual network operator in the country, now trading as Virgin Media. Tom is highly regarded in the industry and brings un-paralleled global mobile telco market experience with him. He has held CEO positions across three of the most powerful consumer brands in the sector; Everything Everywhere, prior to that Orange and Virgin.

Tom successfully listed Virgin Mobile in 2004 on the London Stock Exchange and spearheaded the merger of Orange UK with T-Mobile to form Everything Everywhere (EE) in 2010. Tom was also responsible for developing the world's first SIM banking venture – a partnership between BT Cellnet and Barclaycard.



Mr Michael Malone
Non-Executive Director

Michael Malone founded iiNet Limited in 1993 and continued as CEO until retiring in 2014. During his tenure, iiNet grew to service one million households and businesses, with revenues of one billion dollars and a market cap of over one billion dollars. Michael has been recognised with a raft of industry accolades, including Australian Entrepreneur of the Year, CEO of the Year in the Australian Telecom Awards and National Customer Service CEO of the Year in the CSIA's Australian Service Excellence Awards. Michael presently sits on the boards of ASX listed Seven West Media Ltd, SpeedCast Ltd and Superloop Ltd and is a founder of Diamond Cyber, an IT security firm in Perth.

10.3 Current Directors

The profiles of each of the current Directors and Senior Management are set out below:

Mr Timothy Moore
Non-Executive Chairman
& Director

Tim has some 20 years practical experience in the international marketplace acquiring and integrating small to medium size businesses across a number of industries including media, manufacturing and resources.

He is the founder of the Photolibrary group of companies, a niche digital media company that services the advertising, publishing and web industries worldwide with licensed images and film. It was recently sold to the NY based Getty Group.

Tim holds a Bachelor of Business from the University of Technology Sydney, he has several other Board positions with private companies and Government entities and is an associate at Federation Capital corporate advisors.

Mr Roger Steinepreis
Non-Executive Director

Roger has a law degree from the University of Western Australia, was admitted as a barrister and solicitor of the Supreme Court of Western Australia in 1987 and has been practising as a lawyer in excess of 25 years. He is the legal adviser to a number of public companies on a wide range of corporate and resources related matters.

Mr Morgan Barron
Non-Executive Director

Morgan is a Chartered Accountant and has over 10 years in corporate advisory. Morgan has advised and guided many companies undertaking fundraising activities in Australia and seeking to list on the ASX. In addition, Morgan has been involved in many corporate restructures, mergers and acquisitions and has played a key role in the recapitalisation of a number of ASX listed companies.

Morgan is also a member of the Institute of Company Directors and is a Director and Shareholder of Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd which specialises in the provision of corporate advice to mining exploration, biotech and technology ventures.

Senior Management

Mr Brett Tucker
Chief Financial Officer
and Company Secretary

Brett is a Chartered Accountant with a strong accounting background gained from experience in an international accounting practice in Australia and the UK, working in both audit and taxation.

Brett has acted as Company Secretary to a number of ASX listed companies across a range of industries and has assisted in initial stock exchange listings, reverse takeovers, capital raisings and major asset acquisitions. Brett has worked at Ventnor Capital since February 2012.

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10.4 Personal Interests of Directors and Proposed Directors in Securities

Directors are not required under LCD’s Constitution to hold any Shares to be eligible to act as a director. Immediately prior to completion of the Offer, the Directors are expected to have relevant interests in Securities as set out in the table below (on a pre Consolidation basis):

Director	Shares (pre-Consolidation basis)
Existing Directors	
Timothy Moore	17,583,090 ¹
Roger Steinepreis	8,637,312
Morgan Barron	11,250,000 ²

Notes

1. 1,027,423 Shares are held directly by Mr Timothy Moore, 989,000 Shares are held indirectly by Ms Lucette Marie Claire Moore, a related party of Mr Timothy Moore, 5,820,000 Shares are held indirectly by Darjeeling Pty Ltd and 9,746,666 Shares are held by Tukdah Pty Ltd. Each entity is controlled by Mr Timothy Moore.
2. 9,375,000 Shares are held indirectly by Celery Pty Ltd, an entity controlled by Mr Morgan Barron, 1,875,000 Shares are held indirectly through Mr MJ Marron & Mrs MEF Barron as trustee for the Barron Super Fund Acc.

No Proposed Director currently holds Shares or Options in the Company.

Details of the Directors' and Proposed Directors' relevant interest in the securities of the Company upon completion of the Offer and post Consolidation are set out in the table below:

Director	Shares	Options	Performance Rights
Existing Directors			
Timothy Moore	2,636,145 ¹	Nil	Nil
Roger Steinepreis	1,294,949	Nil	Nil
Morgan Barron	2,686,657 ²	Nil	Nil
Proposed Directors			
Andrew Taylor	62,096,060	20,846,154	57,971,014
John Wilkinson	3,388,294	1,137,478	36,981,509
Tom Alexander	Nil	2,943,091	Nil
Michael Malone	1,866,141	3,105,511	Nil
John Mackay	2,764,652	2,399,662	Nil

Notes

1. 154,036 Shares are held directly by Mr Timothy Moore, 148,275 Shares are held indirectly by Ms Lucette Marie Claire Moore, a related party of Mr Timothy Moore, 872,563 Shares are held indirectly by Darjeeling Pty Ltd, 1,461,269 are held by Tukdah Pty Ltd, each entities controlled by Mr Timothy Moore.
2. 1,405,548 Shares are held indirectly by Celery Pty Ltd, an entity controlled by Mr Morgan Barron, 281,109 Shares are held indirectly through Mr MJ Marron & Mrs MEF Barron as trustee for the Barron Super Fund Acc. Shareholder approval is being sought for the participation of Mr Morgan Barron in the Offer for a maximum subscription of up to 1,000,000 Shares at the General Meeting.

10.5 Director participation in the Offer

Mr Morgan Barron may participate in the Offer as set out above, subject to shareholder approval at the General Meeting.

No other Director or Proposed Director intend on participating in the Offer.

10.6 Remuneration

LCD’s Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Constitution provides that the aggregate remuneration for Non-Executive Directors may be varied by ordinary resolution of the Shareholders in general meeting. The Acquisition will result in relatively minor changes to the base salary, bonus opportunity and superannuation contributions of both Executive Directors Andrew Taylor and John Wilkinson to align with the agreed remuneration packages as per section 14.8. The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

Proposed Non-Executive Director Remuneration

In addition to the cash based directors fees outlined below, the proposed Non-Executive Directors will each receive a grant of Options. The key terms of the Options to be granted to Non-Executive Directors (subject to Shareholder approval at the General Meeting) are set out in section 15.3.

The proposed annual Non-Executive Director’s fees are as follows:

Director	Position	Proposed remuneration for 2016 financial year	Options
John Mackay	Chairman	\$45,000	1,471,546
Tom Alexander	Director	\$45,000	2,943,091
Michael Malone	Director	\$45,000	2,943,091

Proposed Executive Director Remuneration

The key terms of the executive director service agreements are set out in section 14.10. In addition to the cash based remuneration outlined below, the proposed Executive Directors will each receive a grant of Performance Rights. The key terms of the Performance Rights to be granted to key management personnel of Yatango (subject to Shareholder approval at the General Meeting) are set out in section 15.5.

The proposed annual Executive Director’s fees are as follows:

Director	Position	Proposed remuneration for 2016 financial year	Performance Rights
Andrew Taylor	CEO & Executive Director	\$272,146	57,971,014
John Wilkinson	CFO & Executive Director	\$269,406	36,981,509

Current Director Remuneration

Details of the current Directors’ remuneration upon completion of the Offer are set out in the table below:

Director	Remuneration for year ended 30 June 2013	Remuneration for year ended 30 June 2014	Proposed remuneration for current year
Existing Directors			
Timothy Moore	\$30,000	\$30,000	\$30,000
Roger Steinepreis	\$20,000	\$30,000	\$30,000
Morgan Barron	\$20,000	\$32,775	\$32,850

10.7 Agreements with Directors

The agreements the Company has entered into with Directors and Proposed Directors are listed in Sections 14.8 – 14.10.

10.8 Related Party Transactions

Mr Roger Steinepreis, a Director who will retire upon completion of the Acquisition is also a partner of Steinepreis Paganin, the legal adviser to the Company. Steinepreis Paganin will receive the fees outlined in section 15.7 of the Prospectus in the context of the Acquisition.

Mr Morgan Barron, a Director who will retire upon completion of the Acquisition is also a director and shareholder of Ventnor Capital, the compliance manager to the Company. Ventnor will receive the fees outlined in section 15.7 of the Prospectus in the context of the Acquisition.

Further, Mr Morgan Barron is a director and shareholder of Ventnor Securities Pty Ltd which may be paid a commission by the Joint Lead Managers as a third party licensed financial advisor in relation to funds raised under this Offer as outlined in section 7.6.





11.

Financial Information

11. Financial Information

11.1 Introduction

This Section sets out the Historical Financial Information and Pro forma Financial Information, as defined below, of the merged group of the Company and Yatango (collectively the Financial Information). The basis of preparation and presentation is set out below.

The Financial Information has been prepared by management and adopted by the Directors of the Company.

The Directors are responsible for all Financial Information included in the Prospectus. Deloitte Corporate Finance Pty Limited has prepared an Investigating Accountant's Report in respect of the Financial Information. A copy of this report is set out in Section 12 of the Prospectus.

11.2 Basis of Preparation

The Pro Forma Financial Information has been prepared for illustrative purposes and has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and the significant accounting policies of the Company and Yatango, as if the proposed acquisition occurred on 31 December 2014.

The accounting policies comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. They also comply with International Financial Reporting Standards. The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements, comparative information and notes required in annual general purpose financial report prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

The Company's financial statements as at and for the six months ended 31 December 2014 have been reviewed by Grant Thornton Audit (WA) Pty Ltd. A review conclusion was issued by Grant Thornton Audit (WA) Pty Ltd for the Company which included an emphasis of matter in relation to the Company's ability to continue as a going concern without raising additional working capital. Yatango's financial statements as at and for the six months ended 31 December 2014 have been reviewed by Deloitte Touche Tohmatsu. A review conclusion was issued by Deloitte for Yatango, which included an emphasis of matter in relation to Yatango's ability to continue as a going concern in the absence of the acquisition by the Company.

The historical financial information of the merged group provided in this Prospectus comprises a Pro forma consolidated statement of financial position as at 31 December 2014, which is based upon:

- (a) the Company's reviewed statement of financial position as at 31 December 2014;
- (b) Yatango's reviewed statement of financial position as at 31 December 2014

(together, the **Historical Financial Information**); and

- (c) relevant Pro forma adjustments required to present the merged group, (together with the Historical Financial Information, the **Pro forma Financial Information**).

The information in this Section is presented on a Pro forma basis only, and as a result it is likely that this information will differ from the actual financial information for the merged group as at completion of the proposed acquisition.

No historical financial information of the Company, other than above, has been included in this Prospectus as the Directors do not consider that this information to be relevant or meaningful to potential investors, as it relates to previous assets of the company that are either no longer owned by the Company or will be disposed of pursuant to the Acquisition.

The Acquisition of Yatango by the Company is based on consideration for 100% of the shares in Yatango whereby the Company will issue 182,408,796 Consideration Shares to the shareholders of Yatango. In substance, the Acquisition involves Yatango shareholders gaining accounting control of the Company. Accordingly, the Acquisition has been accounted for as a reverse acquisition by which Yatango acquires the net assets and listing status of the Company. The ongoing consolidated financial statements of the Company will therefore represent the continuation of Yatango.

The Company is the legal acquirer and will be the reporting entity of the merged group. The accounting policies of the merged group used in the compilation of the Pro forma Financial Information are based on those approved and adopted by the Company. A summary of the significant accounting policies of the Company is disclosed in the audited financial statements of the Company for the year ended 30 June 2014, available on ASX's website at www.asx.com.au.

Upon completion of the proposed acquisition, the business of the Company will have changed to that of the merged group resulting in the need to consider and/or adopt new accounting policies. Significant new accounting policies to be adopted by the merged group are outlined in Section 11.4 below.

No adjustments have been made in the Pro forma financial information for any expected synergies or

integration costs following the completion of the proposed acquisition. Nor have any adjustments been made in the Pro forma financial information for any one-off or non-recurring costs, other than those set out in the Pro forma adjustments.

The functional and presentation currency of the Company (the reporting entity) and Yatango is Australian dollars. The Pro forma financial information is presented in Australian dollars.

11.3 Yatango Summary

The Yatango business has operated since 2012 and is in the business of designing, developing, marketing and servicing consumer focused software products that place the consumer in control of their everyday spending and consumption needs across a range of lifestyle services.

A summary of Yatango’s historical financial performance is detailed below:

Yatango – Historical Statement of financial performance and financial position

Continuing Operations	Reviewed 6 months ended 31 Dec 2014 A\$	Audited 12 months ended 30 June 2014 A\$	Audited Period from 2 Aug 2012 to 30 June 2013 A\$
Revenue	5,612,183	6,615,143	13,616
Cost of sales	(4,491,329)	(6,560,996)	(20,378)
Gross profit/(loss)	1,120,854	54,147	(6,762)
Other income	252	11,216	827
Other expenses	(3,896,693)	(6,617,115)	(1,533,115)
Loss before income tax	(2,775,587)	(6,551,752)	(1,539,050)
Income tax benefit	740,414	1,166,282	600,838
Loss for the period	(2,035,173)	(5,385,470)	(938,212)
Total assets	7,549,080	7,368,162	3,416,352
Total liabilities	(5,893,507)	(6,500,321)	(896,781)
Net assets	1,655,573	867,841	2,519,571

11.4 New accounting policies of the merged group

Basis of consolidation

The consolidated financial statements include the assets and liabilities of Yatango Pty Limited and its subsidiaries as at 31 December 2014 and the consolidated results and cash flows for the six months ended 31 December 2014. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Control is achieved when the Company:

- (a) has power over the investee;
- (b) is exposed, or has rights, to variable returns from its involvement with the investee; and
- (c) has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s

interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation are initially measured at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 ‘Provisions, Contingent Liabilities and Contingent Assets’, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

11.4 New accounting policies of the merged group Cont.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.



Foreign currencies

Transactions and balances

Foreign currency transactions are converted into the relevant functional currency at market exchange rates applicable as at the date of each transaction. Amounts payable or receivable in foreign currencies are converted into the relevant functional currency at market exchange rates at the reporting date.

Currency translation gains and losses are recognised in profit or loss in the period in which they arise.

The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of Yatango Pty Limited.

Financial reports of foreign operations that have a functional currency that is not Australian dollars

The financial statements subsidiaries where the functional currency is not Australian dollars are translated into Australian dollars (presentation currency) using the following method:

- (a) assets and liabilities are translated into Australian dollars using market exchange rates at reporting date;
- (b) equity at the date of investment is translated into Australian dollars at the exchange rate current at that date. Movements post-acquisition (other than retained profits/accumulated losses) are translated at the exchange rates current at the dates of those movements;
- (c) income statements are translated into Australian dollars at average exchange rates for the year, unless there are significant identifiable transactions, which are translated at the exchange rate that existed on the date of the transaction; and
- (d) currency translation gains and losses are recorded in other comprehensive income.

Financial instruments

Non-derivative financial assets

Financial assets are recognised initially on the date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash

flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group has the following non-derivative financial assets: cash and cash equivalents and loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

Financial instruments issued by the Company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

11.4 New accounting policies of the merged group Cont.

Trade and other payables

These amounts represent liabilities for goods and services provided to Yatango prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Inventories

Inventories include goods available for sale in respect of Yatango Shopping and consumables in relation to Yatango Mobile. Inventories are stated at the lower of cost and net realisable value.

Costs of inventories including goods available for sale and consumables are determined on a first-in-first-out basis. Net realisable value for items expected to be sold represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Net realisable value of items expected to be consumed is the net value expected to be earned through future use.

Property, plant and equipment

Items of property, plant and equipment are recorded at cost and depreciated as described below.

Items of property, plant and equipment, including buildings and leasehold property but excluding freehold land, are depreciated on a straight line basis to the income statement over their estimated service lives. The Group starts depreciating assets when they are installed and ready for use. The service lives of significant items of property, plant and equipment are as follows:

Motor vehicles	5 - 10 years
Furniture and fittings	3 - 10 years
Office furnishings	3 - 7 years

The service lives and residual values of our assets are reviewed each year.



Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets are assets that have value but do not have physical substance. In order to be recognised, an intangible asset must be either separable or arise from contractual or other legal rights.

Internally generated intangible assets

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) the intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired separately

The Group acquires other intangible assets either as part of a business combination or through separate acquisition. Intangible assets acquired in a business combination are recorded at their fair value at the date of acquisition and recognised separately from goodwill. Intangible assets acquired through specific acquisition are recorded at cost. The Group applies management judgement to determine the appropriate fair value of identifiable intangible assets.

Intangible assets that are considered to have a finite life are amortised on a straight line basis over the period of expected benefit. Intangible assets that are considered to have an indefinite life are not amortised but tested for impairment on an annual basis or when an indication of impairment exists.

Amortisation

The weighted average amortisation periods of our identifiable intangible assets are as follows:

Software	3 - 5 years
Other intangibles	3 - 5 years

The service lives of identifiable intangible assets are reviewed each year. Any reassessment of service lives in a particular year will affect the amortisation expense through to the end of the reassessed useful life for both that current year and future years.

In relation to acquired intangible assets, the Group applies management judgement to determine the amortisation period based on the expected useful lives of the respective assets. In some cases, the useful lives of certain acquired intangible assets are supported by external valuation advice on acquisition. In addition, we apply management judgement to assess annually the indefinite useful life assumption applied to certain acquired intangible assets.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

11.4 New accounting policies of the merged group Cont.

Employee benefits

Short-term and Long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual Leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is



virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Revenue from the provision of Yatango Mobile telecommunications services includes telephone calls and other services and facilities provided, such as data.

The company records revenue earned the of sales mobile call and/or data one month packs and three month pay as you go packs when:

- (a) the relevant services have been provided, or
- (b) on completion of the use period if the call and/or data limit has not been fully utilised.

Customer acquisition costs are recognised as a marketing expense due to the short-term nature of the customer contracts.

Sale of goods

Revenue from the sale of goods includes revenue from the sale of mobile devices and other consumer goods via the Yatango Shopping Platform. This revenue is recorded on delivery of the goods sold.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Sales incentives

Sales incentives are provided by the Group to Yatango Mobile and Yatango Shopping customers in the form of non-cash consideration and are accrued for up to the point where it is probable that the customer will earn the incentives.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- (a) interest on short-term and long-term borrowings; and
- (b) interest on finance leases.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would

be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

11.4 New accounting policies of the merged group Cont.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is calculated on accounting profit after allowing for non-taxable and non-deductible items based on the amount expected to be paid to taxation authorities on taxable profit for the period. Deferred tax is calculated at the tax rates that are expected to apply to the period in which the asset is realised or the liability is settled. Both current tax and deferred tax are calculated using tax rates that have been enacted or substantively enacted at reporting date.

Current and deferred tax is recognised as an expense in the income statement, except when it relates to items directly debited or credited to other comprehensive income or equity, in which case current and deferred tax is also recognised directly in other comprehensive income or equity.

Deferred tax is the expected tax payable or recoverable on all taxable and deductible temporary differences determined with reference to the tax bases of assets and liabilities and their carrying amount for financial reporting purposes as at the reporting date. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

In respect of investments in subsidiaries, deferred tax liabilities are recognised for all taxable temporary differences, except where the Group is able to control the timing of temporary difference reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

Management judgement is required to determine the amount of deferred tax assets that can be recognised.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses and tax credits, can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

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

GST

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (b) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates

and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition

Revenue from the mobile call and/or data one month packs and three month pay as you go is recognised when (i) either the relevant services have been provided, or (ii) on completion of the use period if the call and/or data limit has not been fully utilised.

In making their judgement, the directors considered the detailed criteria for recognition of revenue from the rendering of services set out in AASB 118 Revenue and determined the average percentage utilisation of packs and PAYG in each month based on historical data to determine the amount of revenue to be recognised.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

In the event estimated future cash flows are not achieved the carrying value of goodwill allocated to individual cash-generating units may be impaired.

11.5 Pro forma Financial Information

Pro forma Financial Information

This Section contains the Pro forma Financial Information for the merged group, reflecting the combined business of the Company and Yatango. The Pro forma Financial Information is presented to provide shareholders with an indication of the consolidated group's consolidated financial position as if the proposed acquisition had occurred as at 31 December 2014.

As the proposed acquisition, if implemented, will be effected at a future date, the actual financial position of the consolidated group post completion will differ from that presented below.

References to notes in the table presented below refer to the notes to Pro forma adjustments set out below.

Latitude Consolidated Limited Proforma Statement of Financial Position 31 December 2014

Assets	Yatango Reviewed A\$	LCD Reviewed A\$	Proforma \$6m Minimum raising Reviewed A\$	Proforma \$8m Minimum raising Reviewed A\$	Note Ref.
Current Assets					
Cash and cash equivalents	528,817	196,412	7,119,412	8,999,412	1
Trade and other receivables	372,475	11,568	384,043	384,043	
Inventories	316,461	-	316,461	316,461	
Current tax assets	740,669	-	740,669	740,669	
Other current assets	59,967	-	59,967	59,967	
Total current assets	2,018,389	207,980	8,620,552	10,500,552	

Assets	Yatango Reviewed A\$	LCD Reviewed A\$	Proforma \$6m Minimum raising Reviewed A\$	Proforma \$8m Minimum raising Reviewed A\$	Note Ref.
Non-current Assets					
Goodwill	1,273,348	-	1,273,348	1,273,348	
Property, plant & equipment	51,084	-	51,084	51,084	
Intangible assets	4,206,259	250,000	4,206,259	4,206,259	2
Total non-current assets	5,530,691	250,000	5,530,691	5,530,691	
TOTAL ASSETS	7,549,080	457,980	14,151,243	16,031,243	
Current Liabilities					
Trade payables	3,125,671	134,548	3,189,719	3,189,719	
Other current liabilities	1,647,064	-	1,647,064	1,647,064	
Deferred consideration	757,320	-	-	-	3
Total current liabilities	5,530,055	134,548	4,836,783	4,836,783	
Non-current Liabilities					
Deferred consideration	332,880	-	-	-	3
Borrowings	30,572	-	30,572	30,572	3
Total non-current liabilities	363,452	-	30,572	30,572	
TOTAL LIABILITIES	5,893,507	134,548	4,876,355	4,876,355	
NET ASSETS	1,655,573	323,432	9,283,888	11,163,888	

11.5 Pro forma Financial Information Cont.

Assets	Yatango Reviewed A\$	LCD Reviewed A\$	Proforma \$6m Minimum raising Reviewed A\$	Proforma \$8m Minimum raising Reviewed A\$	Note Ref.
Equity					
Issued capital	1,519,777	29,252,903	9,077,303	10,957,303	4
Options reserve	-	25,802	1,423,455	1,423,455	
Other equity	6,754,920	-	7,683,635	7,683,635	
Accumulated losses	(7,547,839)	(28,955,273)	(8,900,505)	(8,900,505)	
Non-controlling interest	928,715	-	-	-	
TOTAL EQUITY	1,655,573	323,432	9,283,888	11,163,888	

Note 1:

Assets	Proforma \$6m Minimum raising (unaudited) A\$	Proforma \$8m raising (oversubscriptions of \$2m) (unaudited) \$A
Opening cash	725,229	725,229
Funds raised from entitlements issue by the Company, net of costs	698,124	698,124
Funds raised from convertible notes issue by Yatango, net of costs	2,140,000	2,140,000
Capital raising of the Offer, net of costs	5,400,000	7,280,000
Settlement of liability to Mobicity	(300,000)	(300,000)
Share buy back from existing Yatango shareholders	(1,404,215)	(1,404,215)
Return of capital	(139,726)	(139,726)
Closing Cash	7,119,412	8,999,412

The Pro forma Financial Information assumes that the minimum amount of the offer will be fully subscribed. This pro forma adjustment reflects the net impact of the proposed \$6 million capital raising (and oversubscriptions of an additional \$2m) and associated share options and performance rights issued as part of the proposed acquisition and the issue of shares and options to certain advisors to the offer and options to proposed directors. These transactions include:

- (a) A capital raising of 60,000,000 Shares at \$0.10 each to raise \$6,000,000, less transaction costs of \$600,000 (the Minimum) and a capital raising of 80,000,000 Shares at \$0.10 each to raise \$8,000,000, less transaction costs of \$720,000 (assuming oversubscriptions);
- (b) 99,950,025 Performance Rights to be issued as part of the transaction. These have been valued but not included in the Pro forma Financial Information as the expense will be recognised progressively over the vesting period, in accordance with AASB 2 and reflected in equity (refer to Note 4 below for valuation details and assumptions);
- (c) 49,975,012 Share Options to be issued as part of the transaction, exercisable at \$0.2668 each, expiring three years from the date of issue. These have been valued in accordance with AASB 2 and reflected in equity (refer to Note 4 below for valuation details and assumptions);
- (d) 7,357,728 Share Options to be issued to proposed Directors of the Company, exercisable at \$0.2668 each, expiring three years from the date of issue. These have been valued in accordance with AASB 2 and reflected in equity (refer to Note 4 below for valuation details and assumptions);
- (e) An advisory fee, to be settled by the issue of 10,000,000 Share Options to the joint lead managers to the Offer, exercisable at \$0.12 each, expiring three years from the date of issue. These have been valued in accordance with AASB 2 and reflected in equity (refer to Note 4 below for valuation details and assumptions); and
- (f) An advisory fee, to be settled by the issue of 224,888 Shares to certain advisors at \$0.06 each (reflected in equity).

The expense or cost to be offset against equity to be raised under item (b) and (c) will be determined by reference to the market price per Share at the issue date. For the purposes of the Pro forma Financial Information, this is assumed to be \$0.02 per Share (being the capital raising price post-consolidation).

Note 2:

If the proposed acquisition is approved by shareholders, the Company intends to sell or relinquish its mining tenements and plant and equipment.

The proposed acquisition has been accounted for as a “reverse acquisition” in accordance with the requirements of AASB 3. Accordingly, the assets and liabilities of the legal parent, the Company, have been measured at their acquisition date values (acquisition date is assumed to be 31 December 2014 for the purposes of the Pro forma Financial Information) in accordance with the requirements of AASB 3. The difference between the acquisition date fair values ascribed to the identified assets and liabilities of the legal parent and the consideration paid, is reflected as goodwill on consolidation.

Note 3:

The deferred consideration is to be paid from existing cash reserves and therefore a nil value is reflected in the Pro forma Financial Information.

11.5 Pro forma Financial Information Cont.

Note 4:

	Minimum raising (unaudited) No of shares	Maximum raising (unaudited) No of shares	Proforma \$6m Minimum raising (unaudited) \$A	Proforma \$8m raising (oversubscriptions of \$2m) (unaudited) \$A
Opening issued capital – LCD	140,850,050	140,850,050	29,252,903	29,252,903
Pro forma adjustments:-				
Fully paid share capital of Yatango	-	-	1,519,777	1,519,777
Shares issued pursuant to an entitlement issue (net of raising costs)	70,425,053	70,425,053	768,624	768,624
Share capital consolidation (1 for 6.67 basis)	(179,599,675)	(179,599,675)	-	-
Acquisition of Yatango – deemed value of shares acquired (refer Note 4(a))	182,408,796	182,408,796	1,267,650	1,267,650
Acquisition of Yatango – options issued (refer Note 1(c))	-	-	(984,508)	(984,508)
Elimination of issued capital in LCD	-	-	(29,252,903)	(29,252,903)
Issue of options to joint lead managers – capital raising costs (refer Note 1(e))	-	-	(294,000)	(294,000)
Issue of advisory fee shares (refer Note 1(f))	224,887	224,887	13,500	13,500
Issue of shares pursuant to the Offer	60,000,000	80,000,000	6,000,000	8,000,000
Share issue costs	-	-	(600,000)	(720,000)
Issue of Yatango shares following conversion of Yatango convertible notes (net of costs)	-	-	2,140,000	2,140,000
Issue of Yatango shares to satisfy loan from former Mobicity owners	-	-	790,200	790,200
Share buy back from existing Yatango shareholders	-	-	(1,404,215)	(1,404,215)
Return of capital	-	-	(139,726)	(139,726)
Closing Issued Capital	274,309,111	294,309,111	9,077,303	10,957,303

Note 4 (a):

Deemed Consideration	\$
Price per Share (last LCD trade price on 24 March 2015)	0.009
Deemed Consideration (140,850,050 shares)	1,267,650

The valuation of the Performance Rights, as detailed below, has been completed for illustrative purposes only. In accordance with the requirements of AASB 2, the value attached to the performance rights is required to be recognised progressively over the vesting period for each tranche, which comprises both market based and non-market based vesting conditions. As the grant of the performance rights is subject to shareholder approval, AASB 2 would deem the date of such approval to be the grant date. Accordingly, the recognition of any amounts in relation to the grant of the performance rights would commence from the date of grant, which has yet to occur. As a result, the performance rights have been excluded from the Pro forma Financial Information.

Performance rights valuation:

Item	Note	1	2	3
Underlying Security spot price	a	A\$0.06	A\$0.06	A\$0.06
Exercise price		Nil	Nil	Nil
Implied share price barrier		A\$ 0.2335	A\$ 0.2335	A\$ 0.4002
Valuation date		31 Dec 2014	31 Dec 2014	31 Dec 2014
Expiration date		31 Jan 2017	31 Jul 2018	31 Jul 2019
Life of the Rights (years)		1.5	3	4

11.5 Pro forma Financial Information Cont.

Note 4 (a) Cont:

Item	Note	1	2	3
Volatility	b	100%	100%	100%
Risk free rate	c	2.39%	2.39%	2.39%
Number of Rights		33,316,675	33,316,675	33,316,675
Valuation date		31 Dec 2014	31 Dec 2014	31 Dec 2014
Valuation per Right		A\$0.009	A\$0.0178	A\$0.0220
Valuation per Tranche		A\$839,580	A\$1,316,009	A\$1,522,572

Share option valuation (for issues to Yatango vendors and proposed Directors per Note 1 (c) & (d))

Item	Note	1
Underlying Security spot price	a	A\$0.06
Exercise price		\$0.267
Valuation date	b	31 December 2014
Expiration date		31 December 2017
Volatility		100%
Risk free rate	c	2.39%
Valuation per Option		A\$0.0197

Valuation per Issue:-

Yatango vendor Options (49,975,012 Options issued)	A\$984,508
Director Options (7,357,728 Options issued)	A\$144,947

Share option valuation (for issue to Joint Lead Managers per Note 1 (e))

Item	Note	1
Underlying Security spot price	a	A\$0.06
Exercise price		\$0.12
Valuation date	b	31 December 2014
Expiration date		31 December 2017
Volatility		100%
Risk free rate	c	2.39%
Valuation per Option		A\$0.0294
Valuation of issue		A\$294,000

Note a - Underlying Share Price

The valuation has assumed the underlying spot price to be \$0.009 per share, which is the last trading price of Company shares on the ASX on the date of announcement of the transaction to acquire Yatango, being 24 March 2015, converted to a post consolidation price based on the consolidation ratio of 1:6.67.

Note b - Expected Volatility of Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

Many techniques can be applied in determining volatility, with a summary of the methods that can be used outlined below:

- (a) The square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades for all days in the sample time period chosen;
- (b) The exponential weighted moving average model adopts the closing share price of the Company in a given time period. The model estimates a smoothing constant using the maximum likelihood method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future; and
- (c) The generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average level after such periods of abnormality. The model will calculate the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made

The Company will be changing its focus and company operations. Therefore, it was more relevant to review the volatility of comparable technology companies than to review the historical trading patterns of the Company as a mining exploration company.

Based on a review of the one and three year volatility of comparable companies, an estimated volatility level of 100% was adopted in the pricing model.

Note c - Risk-free Rate of Interest

The Australian Government 3-year bond rate of 2.39% as at the valuation date as input to the pricing model.

Note 5:

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



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12.

Investigating Accountant's Report



The Directors
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26 June 2015

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the directors (the Directors) of Latitude Consolidated Limited (the Company or LCD) for inclusion in the prospectus (the Prospectus) to be issued by the Company in respect of the capital raising undertaken by the Company pursuant to its acquisition of Yatango Pty Limited (the Capital Raising).

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations Act 2001(Cth) for the issue of this report.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus.

Scope

Pro forma Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company to review:

- the Pro forma Historical Consolidated Statement of Financial Position of the Company as at 31 December 2014, which is included in Section 11.5 of the Prospectus (the Pro forma Historical Financial Information).

The Pro forma Historical Financial Information has been derived from:

- the reviewed consolidated financial statements of the Company for the half year ended 31 December 2014;
- the reviewed consolidated financial statements of Yatango for the half year ended 31 December 2014 (collectively the Historical Financial Information); and
- the pro forma adjustments applied to the Historical Financial Information to illustrate the effects of events and transactions related to the Capital Raising and acquisition of Yatango on the Company as described in Section 11 of the Prospectus.

The Historical Financial Information of the Company has been extracted from the half year financial report of LCD for the half year ended 31 December 2014, which was reviewed by Grant Thornton (WA) Audit Pty Ltd. A review conclusion was issued by Grant Thornton Audit (WA) Pty Ltd which included an emphasis of matter in relation to the Company's ability to continue as a going concern without raising additional working capital.

The Historical Financial Information of Yatango has been extracted from the financial report of Yatango for the half year ended 31 December 2014, which was reviewed by Deloitte Touche Tohmatsu. A review conclusion was issued by Deloitte Touche Tohmatsu which included an emphasis of matter in relation to Yatango's ability to continue as a going concern in the absence of the acquisition by the Company.

The Pro forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as

Member of Deloitte Touche Tohmatsu Limited



described in section 11.5 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, or cash flows.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro forma Historical Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusion

Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information is not presented fairly in all material respects, on the basis of the pro forma adjustments described in Section 11.5 of the Prospectus and in accordance with the recognition and measurement principles contained in Australian Accounting Standards and the accounting policies adopted by the Company as disclosed in Section 11.4 of the Prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 11 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Consent and Disclosure of Interest

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report for which normal professional fees will be received. Deloitte Touche Tohmatsu is the auditor of Yatango.

Yours faithfully
Deloitte Corporate Finance Pty Limited

Steve Shirliff
Director



Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds and regulated emissions units (i.e., carbon) to retail and wholesale clients.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

Our fees are usually determined on a fixed fee or time cost basis and may include reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately controlled by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We and other entities related to Deloitte Touche Tohmatsu:

- do not have any formal associations or relationships with any entities that are issuers of financial products
- may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Fax: +61 2 9255 8434

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
info@fos.org.au
www.fos.org.au
Tel: 1300 780 808
Fax: +61 3 9613 6399

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

1 February 2013

Deloitte Corporate Finance Pty Limited, ABN 19 003 883 127, AFSL 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000

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13.

Corporate Governance

13. Corporate Governance

13.1 ASX Corporate Governance Council Principles and Recommendations

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

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

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on LCD's corporate governance procedures, policies and practices can be obtained from the Company website at <http://www.latitudeconsolidated.com.au>.

13.2 Board of Directors

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

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

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

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

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

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

13.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Following Settlement, the Board is proposed to consist of 5 members. The Company has adopted a Nominations Committee Charter, but has not formally adopted a Nominations and Remuneration Committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a Nomination and Remuneration Committee. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the Board.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

13.4 Identification and management of risk

The Board has established a risk management committee which is responsible for overseeing the risk management function. The risk management committee is responsible for ensuring the risks and opportunities are identified on a timely basis. To achieve this, the risk management committee has implemented a risk system which allows for the monthly monitoring of identified risk areas and performance against the activities to minimise or control these identified risks.

13.5 Ethical standards

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

13.6 Independent professional advice

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

13.7 Remuneration arrangements

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors’ remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

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

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors’ time, commitment and responsibility.

13.8 Trading policy

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

13.9 External audit

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

13.10 Audit committee

The Company has an audit committee which fulfils the Company’s corporate governance and monitoring responsibilities in relation to the Company’s risks associated with the integrity of the financial reporting, internal control systems and the independence of the external audit function.

13.11 Diversity Policy

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

13.12 Departures from Recommendations

Following re-admission to the Official List of ASX, LCD will be required to report any departures from the Recommendations in its annual financial report. The Company’s compliance and departures from the Recommendations as at the date of this Prospectus are set out in the following pages. The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons have been provided for not following them.

Principles And Recommendations	Comply (Yes/No)	Explanation
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1</p> <p>A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management</p>	YES	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is available on the Company's website.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	YES	<p>(a) The Company has detailed guidelines for the appointment and selection of the Board. Given the size of the Board there is no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors.</p> <p>The Board is responsible for undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</p>

13.12 Departures from Recommendations Cont.

Principles And Recommendations	Comply (Yes/No)	Explanation
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	NO	Existing non-executive directors do not have a written agreement with the Company however the Board is responsible for ensuring that each new director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board: (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: (a) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (b) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.	NO	<p>The Company does not have an express policy specifically addressing achieving gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future.</p> <p>The Company's Corporate Governance Plan includes a corporate code of conduct, which provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.</p>

Principles And Recommendations	Comply (Yes/No)	Explanation
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The review of the Board as a whole is carried out internally and is performed annually along with a strategic review of Company activities. The Board also performs the individual assessment of each director. It may do so with the aid of an independent advisor. (b) Details of the performance evaluations conducted will be provided in the Company's Annual Reports
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The Board is responsible for evaluating the performance of senior executives. The Board, functioning as the Remuneration committee is to arrange an annual performance evaluation of the senior executives. Given the current size of the Board, the Company does not have a separate remuneration committee. (b) Details of the performance evaluations conducted will be provided in the Company's Annual Reports.

13.12 Departures from Recommendations Cont.

Principles And Recommendations	Comply (Yes/No)	Explanation
Principle 2: Structure the board to add value		
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	YES	(a) Given the size of the Board there is no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors.
Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	NO	The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. Full details as to each director and senior executive's relevant skills and experience are available on the Company's website.

Principles And Recommendations	Comply (Yes/No)	Explanation
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director	YES	(a) The Board Charter provides for the disclosure of the names of Directors considered by the board to be independent. These details will be provided in the Annual Report of the Company; (b) The Board Charter requires Directors to disclose their interests, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors' interests, positions associations and relationships are provided in the Annual Report of the Company; and (c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director will be provided in the Annual Report of the Company.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	NO	The Board Charter requires that where practical the majority of the Board will be independent. Details of each Director's independence will be provided in the Annual Report of the Company.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	NO	The Board Charter provides that where practical, the Chairman of the Board will be a non-executive director. If the Chairman ceases to be independent then the Board will consider appointing a lead independent Director. Currently the chair of the board is not independent however this will be reassessed in the future.
Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	NO	The Board Charter does not include guidance on a specific program for professional development opportunities for Directors. The Board is responsible for the approval and review of induction of new directors and encourages each Director to continue professional development to ensure that they can effectively discharge their responsibilities.

13.12 Departures from Recommendations Cont.

Principles And Recommendations	Comply (Yes/No)	Explanation
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	YES	(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees. (b) The Company's Corporate Code of Conduct is available on the Company's website.
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	YES	The Audit Committee Charter states that: (a) The Audit and Risk Committee must have at least two (2) members; (b) The Chairman of the Audit and Risk Committee must not be Chairman of the Board and must also be independent; (c) The Audit Charter will be made available on the Company website; (d) The Board Charter requires the relevant qualifications and experience of all members to be disclosed. The Audit Committee Charter also outlines the requisite skills and experience in order to secure a position on the Audit and Risk Committee. Details of the qualifications and experience of Directors is provided in the Annual Report of the Company; and (e) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report

Principles And Recommendations	Comply (Yes/No)	Explanation
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	YES	The Board ensures that, prior to approval of the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	YES	The board will ensure that the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	YES	(a) The Board's Continuous Disclosure policy provides details of the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. (b) The Continuous Disclosure policy is available on the Company website.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.

13.12 Departures from Recommendations Cont.

Principles And Recommendations	Comply (Yes/No)	Explanation
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	The Shareholder Communication Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders are encouraged to participate at all EGMs and AGMs of the Company.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary at first instance.

Principles And Recommendations	Comply (Yes/No)	Explanation
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	NO	The Board is charged with the responsibility of determining the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	(a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 12 of the Corporate Governance Plan is entitled 'Risk Management Policy' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance. (b) Details of the review will be provided in the Company's Annual Reports.

13.12 Departures from Recommendations Cont.

Principles And Recommendations	Comply (Yes/No)	Explanation
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	The Company does not have an internal audit function. The Board has established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.
Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	The Board Charter details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually.

Principles And Recommendations	Comply (Yes/No)	Explanation
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	NO	Given the current size of the Board, the Company does not have a remuneration committee. The Board as a whole reviews remuneration levels on an individual basis. In doing so, the Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	YES	The Company discloses its policies and practices regarding the remuneration of non-executive, executive and other senior directors in its annual reports.

13.12 Departures from Recommendations Cont.

Principles And Recommendations	Comply (Yes/No)	Explanation
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Company has established an employee share option plan and the board is responsible for managing participation in the plan at its discretion after considering any potential plan participant's length of service, contribution to the Company and any other matters which the Board considers relevant.</p> <p>(b) Company's policy on participation in the plan along with a summary of the plan was disclosed to shareholders in the 2014 notice of annual general meeting to approve adoption of the plan. The full terms of the plan may be inspected at the registered office of the Company during normal business hours.</p>





14.

Material Contracts

14. Material Contracts

14.1 Term Sheet

LCD, Yatango and Andrew Taylor (together the **Parties**) entered into a binding term sheet on 20 March 2015 setting out the terms on which the parties agreed that LCD would acquire 100% of the issued capital in Yatango. The Acquisition is conditional upon completion occurring in accordance with the Term Sheet.

- (a) (Conditions Precedent):** Completion of the Acquisition is subject to (amongst other things) the satisfaction or waiver by the Parties of the following conditions:
- (i)** the Vendors executing agreements for the transfer of 100% of their shareholdings to LCD;
 - (ii)** the major shareholder of Yatango, being The Digital Bakery Ltd, a company incorporated in the British Virgin Islands (BVI Company No 1660955) (**Digital Bakery**) executing a management share sale agreement;
 - (iii)** all outstanding Yatango secured notes being converted or cancelled prior to Completion;
 - (iv)** LCD obtaining all regulatory and shareholder approvals as required;
 - (v)** LCD obtaining all third party consents and approvals as required;
 - (vi)** LCD obtaining conditional approval from ASX to re-comply with Chapters 1 and 2 of the ASX Listing Rules;
 - (vii)** the Company undertaking the Offer and receiving valid applications for at least \$6,000,000 under the Offer; and
 - (viii)** the appointment of a minimum of three non-executive independent director to the Board.
- (b) (Consideration):** In exchange for LCD acquiring 100% of the issued capital in Yatango, LCD agrees to issue by way of consideration on a 182,408,796 Shares and 49,975,012 Options (post-Consolidation) to the Vendors in proportion to their holdings in Yatango immediately prior to the Acquisition.
- (c) (Performance Rights):** LCD has agreed to issue 99,950,025 Performance Rights (post-Consolidation) to the key management personnel of Yatango.
- (d) (Escrow):** The Consideration Shares, Consideration Options and Performance Rights will be voluntarily escrowed for a period of 6 months from the date of issue on terms determined by ASX after the date of this Prospectus.
- (e) (Joint Lead Managers and Introduction Fee):** Azure Capital Limited (**Azure Capital**) and Foster Stockbroking Pty Ltd (**Foster Stockbroking**) will be appointed as joint lead managers to the Offer for a fee of 6% of the gross funds raised. LCD has agreed to issue 224,887 Shares (on a post-consolidation basis) to Mr Ben Jarvis or his nominee in consideration for introduction and advisory services provided to LCD.
- (f) Board:** On and from Settlement of the Acquisition, Mr Andrew Taylor and Mr John Wilkinson will be appointed to the Board, and Mr Roger Steinepreis, Mr Morgan Barron and Mr Timothy Moore will resign.
- (g) (Loan):** LCD will provide Yatango with a loan of \$250,000 to assist with the Acquisition. The parties entered into a loan agreement on 24 April 2015 which sets out further details of the terms of the Loan (**Loan Agreement**). A summary of the Loan Agreement is set out below at Section 14.2.

On 30 June 2015 the Parties entered into a share sale agreement to expand upon the terms agreed in the Term Sheet.



14.2 Loan Agreement

On 24 April 2015 LCD and Yatango entered into a binding term sheet whereby LCD agreed to loan \$250,000 (**Loan**) to Yatango to assist with the acquisition of 100% of the issued capital of Yatango by LCD subject to the terms and conditions set out in the Term Sheet.

The key terms of the Loan Agreement are as follows:

- (a) Repayment:**
- (i)** In the event the Acquisition is completed by 31 July 2015, LCD absolutely and unconditionally frees and releases Yatango from any and all obligations or liabilities to repay or otherwise satisfy the Loan.
 - (ii)** Where the Acquisition is not completed by 31 July 2015, the Loan must be fully and finally repaid, together with all other interest and outstanding moneys, on the earlier to occur of:
 - (a)** 90 days from the date the Loan is advanced to Yatango (unless extended by mutual agreement); and
 - (b)** the date upon which the Lender issues a notice.
- (b) Interest:**
- (i)** In the event that the Acquisition is completed by 31 July 2015, no interest will be payable on the Loan.
 - (ii)** In the event that the Acquisition is not completed by 31 July 2015, Yatango must pay accrued interest quarterly in arrears on the principal amount of the Loan, at an interest rate of 10% per annum (accruing daily), with the interest payment due on the date of repayment of the Loan and any subsequent interest payment due on the first day of each calendar quarter thereafter.

- (c) Unsecured:**
- The Loan is unsecured. LCD shall rank as an unsecured creditor of Yatango.

14.3 Optus Agreement

On August 2012, Optus Networks Pty Ltd and Optus Mobile Pty Ltd (together **Optus**), and Yatango Mobile entered into the Optus Wholesale General Terms (**Optus Wholesale GT**) and the Optus Pre-Paid Mobile Service – Service Description (**Pre-Paid SD**) (together, the **Optus Agreement**).

Pursuant to the Optus Agreement, Optus provides pre-paid mobile service to Yatango Mobile for resupply to its subscribers who purchase services (**End User**). The Optus pre-paid mobile service allows End Users to make and receive calls from their handsets, send content from and receive content from their handsets using Optus layer 3 data access and Optus APN's currently specified as internet, yesinternet, WAP and MMS, and use a range of value added service features (together, the **Services**).

Pursuant to the Optus Agreement, Optus will provide the Service for a minimum of 60 months from the service start date, being 31 January 2013 (**Committed Term**).

In consideration for the Services, Yatango Mobile will pay to Optus on-going charges for each Service as set out in Optus's pricing schedule contained in the Optus Agreement. Additionally Yatango Mobile agreed to incur a minimum amount of Service charges for each month of the Committed Term and can be invoiced for any shortfall in addition to Service charges actually incurred.

Under the Optus Agreement, Yatango Mobile is obligated to resupply the Services to End Users and achieve minimum net activations, as detailed in the Optus Agreement, and achieve any other performance targets agreed by the parties for each year of the Committed Term. Yatango Mobile is prohibited from reselling the Services on a wholesale basis or under a brand not owned or licenced by Yatango Mobile, without Optus' written approval. Additionally, Yatango Mobile agreed that it would not supply a completing Service during the Committed Term.

Either party may terminate the Service following expiry of the Committed Term without cause by giving written notice, if either party suffers an insolvency (continued)

14.3 Optus Agreement Cont.

event, or upon material breach by the other party, where such breach is not remedied. Additionally, the Optus Agreement may be terminated by Optus for breach of specific obligations of Yatango Mobile, some of which include a failure to meet minimum net activations or other annual targets, breach of Optus' conditions of service, failure to comply with Optus policies and disposal of Yatango Mobile's End User base.

Optus has confirmed in a letter provided to Andrew Taylor on 28 August 2014 that it will not exercise its right to terminate the Optus Agreement for a failure by Yatango Mobile to meet the minimum number of net activations targets for year 1 and year 2 of the Committed Term of the Pre-Paid SD.

14.4 BJYP Intellectual Property Transfer Agreement

On 12 September 2014 Yatango Mobile and BJYP entered into an intellectual property transfer and licence agreement pursuant to which Yatango Mobile agreed to incorporate a new company Yatango Mobile Labs, which will hold intellectual property rights in the high level language computer programs which, when complied, generate the executable program that constitutes the ECConnect Code (**ECConnect Base Code**) and all customisations and developments to the ECConnect Base Code (**Customised Code**) (together, the **ECConnect Rights**)(**Intellectual Property Transfer Agreement**).

In consideration for the ECConnect Rights, on incorporation BJYP will hold 2,000,000 ordinary shares comprising 20% of the issued capital of Yatango Mobile Labs. BJYP's shareholding in Yatango Mobile Labs must not fall below 20% of the issued capital of Yatango Mobile Labs unless agreed by BJYP. The board of Yatango Mobile Labs will consist of two directors, being one nominee of Yatango Mobile and one nominee of BJYP.

Upon execution of a shareholder's agreement in relation to Yatango Mobile Labs, BJYP agrees to:

- (a) assign and transfer all intellectual property rights in the Customised Code which exist at the date of execution of the agreement to Yatango Mobile Labs free from any security interest (**Intellectual Property Rights**); and
- (b) grant to Yatango Mobile Labs an irrevocable, non-exclusive, perpetual, royalty-free licence (including the right to sublicense) to use, copy, modify, adapt and mark derivative products of the ECConnect Base Code (**Licence**).

Upon assignment of the Customised Code to Yatango Mobile Labs, Yatango Mobile Labs will grant to Yatango Mobile and its related bodies corporate an irrevocable, non-exclusive, perpetual, royalty-free licence (including the right to sublicense) to use, copy, modify, adapt and make derivative products of the Customised Code.

Each party agrees that any intellectual property rights created by BJYP or Yatango Mobile by the creation or modification of the future Customised Code made when providing software development services to Yatango Mobile Labs will vest absolutely in Yatango Mobile Labs.

In the event of Yatango Mobile's insolvency or BJYP's shareholding in Yatango Mobile Labs falling below 20% (unless otherwise agreed) the Intellectual Property Rights will transfer back to BJYP and the Licence will terminate. Yatango Mobile and Yatango Mobile Labs' rights to use the ECConnect Base Code and the Customised Code will cease.

The Intellectual Property Transfer Agreement otherwise contains terms that are considered standard for an agreement of this nature.

14.5 Contact Centre Services Agreement

On 28 November 2013 Yatango Mobile (Australia) and Acquire Client Services Pty Ltd (**ACS**) entered into a Contact Centre Services Agreement (**CCSA**) pursuant to which ACS provides Yatango Mobile (Australia) with contact centre services as an independent contractor.

Under the CCSA, ACS provides services as set out below for the period of 1 December 2013 until 31 December 2016 (**Term**). Unless either party serves written notice of non-extension on the other party, the Term will be automatically extended on the same terms and conditions for a further period of 12 months.

The services provided by ACS include:

- (a) IT system set-up, including phone system and dialler set-up;
- (b) contact centre services, including the provision of customer care, team leaders, software developers and accounts clerks/accounts payable level, each for hourly rates set out in the CCSA; and
- (c) out-bound telephony including local calls (North Melbourne), national calls and mobile calls,

(together, the **ACS Services**).

Pursuant to the CCSA, Yatango Mobile (Australia) is obligated to a minimum commitment of \$156,000 (excluding GST) minimum spend by 30 September 2014 and 50 full-time agents from 1 July 2015 to 31 December 2016 at hourly rates.

In the event that Yatango Mobile (Australia) defaults in the payment of its Service charges, ACS may suspend provision of the Services until the payment default has been remedied.

Either party may terminate the CCSA upon the other party becoming insolvent, or in the event that either party commits a material breach of any provision of the CCSA and such breach is not remedied. Additionally, Yatango Mobile (Australia) may terminate the CCSA on 30 days notice (**Early Termination**). However, in the event that ACS terminates the CCSA, or Yatango Mobile (Australia) terminates the CCSA early, then Yatango Mobile (Australia) will be liable to pay a liquidated sum of 70% of the weekly minimum commitment for the remaining weeks of the Term.

The CCSA otherwise contains terms that are considered standard for an agreement of this nature.

14.6 Reseller Agreement

On 2 October 2013 Yatango Mobile USA LLC (**Yatango USA**) and Prepaid Wireless Wholesale LLC (**PWW**) entered into a reseller agreement whereby Yatango USA agreed to purchase from PWW wireless voice minutes and data services provided exclusively via the Global System for Mobile Telecommunications standard (**Reseller Agreement**).

The Reseller Agreement allows Yatango USA to market and provide mobile service offerings to its subscribers who purchase services (**End User**) through its own privately labelled handsets, SIM cards, pre-paid cards and/or PIN's.

The Reseller Agreement commences on the date that the first End User will be activated, which is currently expected to be 3 August 2015, and continues for two (2) years (**Initial Term**). Upon expiration of the Initial Term, the Reseller Agreement will automatically renew for additional successive one (1) year terms unless terminated by either party upon written notice prior to the end of the relevant term or unless the Reseller Agreement is terminated.

During the term of the Reseller Agreement, PWW shall provide to Yatango USA voice services (including call waiting, voicemail and caller ID), SMS, MMS, general packet radio service, 3G and 4G data services (where available), directory assistance services, and 611 service routed to Yatango USA's customer service centre (**PWW Services**). Yatango USA may only sell the PWW Services to End Users and agents, retailers and wholesalers specified in the Reseller Agreement, and is prohibited from on-selling the PWW Services to other wireless providers. Following execution of the Reseller Agreement, the parties will use commercially reasonable efforts to complete the development work required to enable PWW to provide the Services to Yatango USA.

In consideration for the PWW Services, Yatango USA will pay on-going fees, charges and other amounts in accordance with PWW's pricing schedule.

Either party may terminate the Reseller Agreement if the other party fails to perform its material obligations under the Reseller Agreement and such breach is not remedied. Additionally, the Reseller Agreement may be terminated by PWW immediately, in PWW's sole discretion, for Yatango USA's failure to pay invoices within ten days of written notice of non-payment, in the event that Yatango USA becomes insolvent or immediately if the agreement between PWW and its underlying carrier is terminated.

The Reseller Transfer Agreement otherwise contains terms that are considered standard for an agreement of this nature.

14.7 Joint Lead Managers Mandate

On 20 March 2015, LCD entered into a mandate agreement (**Mandate**) with Azure Capital and Foster Stockbroking pursuant to which LCD agreed to appoint Azure Capital and Foster Stockbroking as the Joint Lead Managers (**JLMs**) to the Offer. In addition to the Offer, LCD completed a rights issue to raise approximately \$845,000 at \$0.012 per share on a pre-consolidation basis (**Rights Issue**). The JLMs have the right to place any Rights Issue shortfall to sophisticated investors.

Under the Mandate, the JLMs are entitled to be paid a management fee of 1% of the gross amount raised through the Offer and a distribution fee of 5% of the gross amount raised through the Offer, split equally between both Azure Capital and Foster Stockbroking. LCD must also issue the JLMs a total of 10,000,000 unlisted options (**Adviser Options**) with a strike price equal to a 20% premium to the Offer issue price and with an expiry date being the third anniversary of completion of the Acquisition, subject to receipt of a subscription price of \$0.001 per Adviser Option. The Adviser Options will be split equally between Azure Capital and Foster Stockbroking.

The JLMs will also receive a fee equal to 6% of the gross proceeds raised through the Rights Issue. It is agreed that Azure Capital and Foster Stockbroking will act and be named as Joint Lead Managers to the Rights Issue.

LCD has also agreed to pay all reasonable fees and expenses payable to other advisers and any fees due to regulatory or statutory bodies in connection with the transaction, as well as all fees payable to printers and media representatives in relation to the preparation and printing of any announcements or other documentation.

If the Offer is not completed for any reason LCD will reimburse the JLMs for all of their out-of-pocket expenses.

14.8 Non-executive letters of appointment – Proposed Directors

The Company has entered into Non-Executive Director appointment letters for the appointments of Mr John Mackay, Mr Michael Malone and Mr Tom Alexander pursuant to which each of them will be paid \$45,000 per annum as Non-Executive Directors of the Company. Additionally, under the letters of appointment the proposed Non-Executive Directors will receive security based remuneration. The remuneration to be paid to each of the Non-Executive Directors is set out in section 10.6 of the Prospectus.

14.9 Deeds of indemnity, insurance and access

The Company has entered into deeds of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

The Company is in the process of finalising deeds of indemnity, insurance and access with each of its Proposed Directors and will enter into such deeds with the Proposed Directors following their appointments.

14.10 Executive Services Agreements

(a) Mr Andrew Taylor

On 15 May 2015 Latitude Consolidated Group Limited entered into an executive employment agreement with Mr Andrew Taylor (**AT Employment Agreement**), pursuant to which he was appointed as “Managing Director” of LCD, subject to completion of the Acquisition.

The key terms of the AT Employment Agreement are set out below:

- (i) **Term:** Mr Taylor’s employment shall continue for a minimum term of 2 years, or until the AT Employment Agreement is validly terminated.
- (ii) **Salary:** Mr Taylor shall be paid a salary of \$272,146 per year, reviewable annually, plus director’s fees during such period he serves as a director of LCD.
- (iii) **Performance bonus:** Mr Taylor is entitled to a performance-based bonus over and above his salary of \$25,000 quarterly payments upon satisfaction of certain key performance indicators.
- (iv) **Termination:** Mr Taylor’s employment may be terminated by standard termination events, including illness, breach of agreement, incompetence, gross misconduct, conviction of a criminal offence or by giving notice:

(b) Mr John Wilkinson

On 15 May 2015 Latitude Consolidated Group Limited (**LCD**) entered into an executive employment agreement with Mr John Wilkinson (**JW Employment Agreement**), pursuant to which he was appointed as “Finance Director” of LCD, subject to completion of the Acquisition.

The key terms of the JW Employment Agreement are set out below:

- (i) **Term:** Mr Wilkinson’s employment shall continue for a minimum term of 2 years, or until the JW Employment Agreement is validly terminated.
- (ii) **Salary:** Mr Wilkinson shall be paid a salary of \$269,406 per year, reviewable annually, plus director’s fees during such period he serves as a director of LCD.
- (iii) **Performance bonus:** Mr Wilkinson is entitled to a performance-based bonus over and above his salary of \$25,000 quarterly payments upon satisfaction of certain key performance indicators.
- (iv) **Termination:** Mr Wilkinson’s employment may be terminated by standard termination events, including illness, breach of agreement, incompetence, gross misconduct, conviction of a criminal offence or by giving three months notice.



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Additional
Material
Information

15. Additional Material Information

15.1 Litigation

As at the date of this Prospectus, neither LCD or Yatango is involved in any material legal proceedings and the Directors and Proposed Directors are not aware of any legal proceedings pending or threatened against LCD or Yatango.

15.2 Rights and liabilities attaching to Shares (including Shares to be issued under the Offer)

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

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

(a) General meetings

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

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

(b) Voting rights

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

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

(c) Dividend rights

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

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

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount

which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

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

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Shareholder liability

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

(f) Transfer of Shares

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

(g) Variation of rights

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

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not

the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class..

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

15.3 Terms of Vendor Consideration Options

A summary of the terms and conditions of the Options to be issued under the Vendor Consideration Offer is set out below:

- (a) Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) Exercise Price**
Subject to paragraph 15.3(j), the amount payable upon exercise of each Option will be \$0.2668 (**Exercise Price**).
- (c) Expiry Date**
Each Option will expire at 5:00 pm (WST) on the date that is three 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 are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) Notice of Exercise**
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) Timing of issue of Shares on exercise**
Within 15 Business Days after the 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.

15.4 Terms of Adviser Options

The terms of the Consideration Options are set out as follows:

- (a) Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) Exercise Price**
Subject to paragraph 15.3(j), the amount payable upon exercise of each Option will be \$0.12 (**Exercise Price**).
- (c) Expiry Date**
Each Option will expire at 5:00 pm (WST) on the date that is three 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 are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) Notice of Exercise**
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

15.4 Terms of Adviser Options Cont.

(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 15.3(g)15.3(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 Option holder 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.

15.5 Terms of Performance Rights

A summary of the terms and conditions of the Performance Rights offered to key management personnel of Yatango pursuant to the Term Sheet is provided below.

The Performance Rights entitle the holder to Shares on the following terms and conditions:

(a) (Milestones): The Performance Rights will vest upon satisfaction of the following milestones:

(i) Tranche A Performance Rights:

(a) the Company:

- (I) entering into an agreement with a reputable financial institution for the launch of Yatango Money (and the agreement being unconditional in all respects) where the reputable financial institution provides the necessary support to Yatango to offer its clients financial products via an integrated platform;
- (II) additionally, appointing a head of division for Yatango Money; and
- (III) the volume weighted average price (VWAP) for 20 consecutive trading days of Shares equals or exceeds 23.345 cents, such price to be adjusted on a pro-rata basis post consolidation, after completion of the Acquisition;

(ii) Tranche B Performance Rights:

- (a) the Company generates from the Yatango Assets a gross revenue of \$1,600,000 for one month (calculated in accordance with Australian Accounting Standards); and
- (b) the VWAP for 20 consecutive trading days of Shares equals or exceeds 31.68 cents per Share, such price to be adjusted on a pro-rata basis post consolidation, after completion of the Acquisition;

(iii) Tranche C Performance Rights:

- (a) the Company generates from the Yatango Assets a gross revenue of \$2,500,000 for one month (calculated in accordance with Australian Accounting Standards); and
- (b) the VWAP for 20 consecutive trading days of Shares equals or exceeds 40.02 cents per Share, such price to be adjusted on a pro-rata basis post consolidation, after completion of the Acquisition,

(together, the Milestones).

(b) (Notification to holder): The Company shall notify the holder in writing when the relevant Milestones have been satisfied.

(c) (Vesting): The Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest in the event of:

- (i) a takeover bid in respect of the Company under Chapter 6 of the Corporations Act is made, with the offeror under the takeover bid announcing that it has achieved acceptances in respect of 50.1% or more of the Shares, and the takeover bid becoming unconditional, however the total number of ordinary shares to be issued upon vesting of the Performance Rights must be no more than 10% of the issued ordinary capital of the entity as at the date of conversion;
- (ii) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, with a scheme being an event in which:

15.5 Terms of Performance Rights Cont.

- (a) at a Court convened meeting of shareholders, the shareholders of the Company have voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (I) cancelled; or
 - (II) transferred to a third party; and
 - (b) the Court, by order, approves the proposed scheme of arrangement or compromise for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; and
 - (c) the scheme does not include a scheme of arrangement for the purposes of corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company;
 - (iii) any person becomes bound or entitled to acquire shares in the Company under:
 - (a) section 414 of the Corporations Act; or
 - (b) Chapter 6A of the Corporations Act;
 - (iv) the Company passes a resolution for voluntary winding up; or
 - (v) an order is made for the compulsory winding up of the Company, and
- such a determination shall be notified to the holder in writing. If no determination is made or if the Board determines that some or all of a holder's Performance Rights do not vest, those Performance Rights shall automatically lapse.
- (d) (Consideration): The Performance Rights will be issued for no consideration each and no consideration will be payable upon the vesting of the Performance Rights.

- (e) (Conversion of Performance Rights): Subject to the satisfaction of the vesting condition set out in paragraph 1.1, each Performance Right vests to one (1) Share.
- (f) (Lapse of a Performance Right): If the Milestone attaching to a Performance Right has not been satisfied in the time periods set out below, it will automatically lapse:
 - (i) Tranche A Performance Rights: 18 months from the date of completion of the Acquisition;
 - (ii) Tranche B Performance Rights: 36 months from the date of completion of the Acquisition; and
 - (iii) Tranche C Performance Rights: 48 months from the date of completion of the Acquisition,(separately, the Relevant Expiry Dates).

Any Performance Right not vested before the Relevant Expiry Date of each Tranche shall automatically lapse on the Relevant Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.
- (g) (Share ranking): All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (h) (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.
- (i) (Transfer of Performance Rights): The Performance Rights are not transferable.
- (j) (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.

15.6 Interests of Directors

- Other than as set out elsewhere in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:
- (a) the formation or promotion of LCD;
 - (b) any property acquired or proposed to be acquired by LCD in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer;
 - (c) the Offer,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:
- (a) as an inducement to become, or to qualify as, a Director; or
 - (b) for services provided in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer;

15.7 Interests of Experts and Advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

- (b) promoter of LCD.

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

- (a) the formation or promotion of LCD;
- (b) any property acquired or proposed to be acquired by LCD in connection with:

- (i) its formation or promotion; or
- (ii) the Offer; or.

- (c) the Offer,

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

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

Azure Capital has acted as joint lead manager of LCD in relation to the Offer. LCD estimates it will pay Azure Capital \$240,000 being brokerage on funds raised under the Offer (excluding GST). LCD will also issue 5,000,000 unlisted options to Azure Capital for these services, being half of the Adviser Options issued by the Company. Please refer to 15.4 for terms and details of the options and section 14.7 for a summary of the Mandate. During the 24 months preceding lodgement of this Prospectus with ASIC, Azure Capital has received \$25,353 (excluding GST) from LCD for joint lead manager services in relation to the entitlement issue of the Company which closed on 20 April 2015. Further, Azure Capital has acted as joint lead manager

to Yatango in relation to a convertible note offering whereby Yatango raised \$1 million from investors to fund working capital requirements and has paid Azure Capital a fee of 3% of funds raised, being \$30,000.

Directors and shareholders of Azure are also convertible note holders of Yatango and will receive Shares as consideration for the purchase of their Yatango shares, following conversion of their convertible notes into Yatango Shares, as part of the proposed Acquisition. Foster Stockbroking has acted as joint lead manager of LCD in relation to the Offer. LCD estimates it will pay Foster Stockbroking \$240,000 being brokerage on funds raised under the Offer (excluding GST). LCD will also issue 5,000,000 unlisted options to Foster Stockbroking for these services, being half of the Adviser Options issued by the Company. Please refer to 15.4 for terms and details of the options and section 14.7 for a summary of the Mandate. During the 24 months preceding lodgement of this Prospectus with ASIC, Foster Stockbroking has received \$25,353 (excluding GST) from LCD for joint lead manager services in relation to the entitlement issue of the Company which closed on 20 April 2015.

Further, Foster Stockbroking has acted as joint lead manager to Yatango in relation to a convertible note offering whereby Yatango raised \$1 million from investors to fund working capital requirements and has paid Foster Stockbroking a fee of 3% of funds raised, being \$30,000.

Deloitte Corporate Finance Pty Limited (**Deloitte**) has prepared the Investigating Accountant's Report which is included in Section 12 of this Prospectus. LCD estimates it will pay Deloitte a total of \$20,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Deloitte has not received any fees from LCD for their services.

Deloitte Touche Tohmatsu (**Deloitte Audit**) has acted as independent auditor to Yatango in relation to the audit and review of financial statements of Yatango from incorporation to 31 December 2014. During the 24 months preceding lodgement of this Prospectus with the ASIC, Deloitte Audit has not received any fees from Yatango for any other services. Yatango estimates it will pay Deloitte Audit \$100,000 (excluding GST) in fees for these services.

Grant Thornton Audit Pty Ltd acts as independent auditor to the Company. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grant Thornton Audit Pty Ltd has received fees of \$32,015 (excluding GST) from LCD for these services.

Steinepreis Paganin has acted as the solicitors to LCD. LCD estimates it will pay Steinepreis Paganin \$65,000 (excluding GST) for these services solely in respect of this Offer. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received fees of \$124,538 (excluding GST) from LCD for legal services (excluding fees paid to Steinepreis Paganin related to director fees for Roger Steinepreis), including the fees associated with the Acquisition and the Notice of Meeting. Mr Roger Steinepreis is a partner of Steinepreis Paganin and is also a director and shareholder of the Company.

The Company has engaged Ventnor Capital Pty Ltd (Ventnor) as the compliance manager in relation to the Offer and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules and will be paid for these services on standard industry terms and conditions. During the 24 months preceding lodgement of this Prospectus with the ASIC, Ventnor has received fees of \$219,062 (excluding GST) from LCD for company secretarial services, provision of a registered office, financial accounting, CFO, book keeping and administrative services and executive director services, including fees associated with the Acquisition and preparation of the Notice of Meeting. Mr Morgan Barron is a director and shareholder of Ventnor and is also a director and shareholder of the Company. Further, Mr Brett Tucker, the Company Secretary of the Company is also an employee of Ventnor.

15.8 Consents

- (a) Other than as set out below, each of the parties referred to in this Section 15.8:
 - (i) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the relevant party;
 - (ii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and
 - (iii) did not authorise or cause the issue of all or any part of this Prospectus.
- (b) Foster Stockbroking has given its written consent to being named as corporate advisor of the Company in this prospectus. Foster Stockbroking has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (c) Azure Capital has given its written consent to being named as corporate advisor of the Company in this prospectus. Azure Capital has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (d) Steinepreis Paganin has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as Australian lawyers to LCD in relation to the Offer.
- (e) Deloitte has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 11 of this Prospectus in the form and context in which the information and report are included. Deloitte has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (f) Deloitte Audit has given its written consent to being named as auditor of Yatango in this Prospectus. Deloitte Audit has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (g) Grant Thornton Audit (WA) Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus. Grant Thornton Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

15.9 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$720,000 (if the Offer is fully subscribed) and are expected to be applied towards the items set out in the table below:

Item of Expenditure	\$6,000,000 Minimum Subscription under Offer (\$)	\$8,000,000 full subscription under Offer (\$)
ASIC fees	2,320	2,320
ASX fees	78,204	80,141
Legal fees	65,000	65,000
Investigating Accountant's Fees	20,000	20,000
Brokerage	360,000	480,000
Advisory Fees	40,000	40,000
Printing and distribution	15,000	15,000
Miscellaneous	19,476	17,539
Total	600,000	720,000

15.10 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations.

Specifically, like all listed companies, the Company will continue to be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

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

15.11 Governing law

The Offer and the contracts formed on return of an Application Form are governed by the laws applicable in Western Australia, Australia. Each person who applies for Securities pursuant to this Prospectus submits to the nonexclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.





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16.

Directors' Authorisation

16. Directors' Authorisation

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

In accordance with Section 720 of the Corporations Act, each Director and Proposed Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC



Timothy Moore
Non - Executive Chairman
For and on behalf of
Latitude Consolidated Limited



17.

Glossary & Interpretation

17. Glossary & Interpretation

17.1 Definitions

Unless the context requires otherwise, where the following terms are used in this Prospectus, they have the following meanings:

\$ means an Australian dollar.

Acquisition means the purchase of 100% of the issued capital in Yatango by the Company in accordance with the Term Sheet.

Applicant means a person who has submitted an Application Form.

Application means an application for Shares made on an Application Form.

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

ASIC means Australian Securities & Investments Commission.

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

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

Azure Capital means Azure Capital Limited (AFSL 276569).

BJYP means BJYP Pty Ltd (ACN 160 097 254)

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

CHESS has the meaning given in Section 7.9 of this Prospectus.

Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 3 of this Prospectus (subject to LCD reserving the right to extend the Closing Date or close the Offer early).

Company or **LCD** means Latitude Consolidated Limited (ACN 080 939 135) as the context requires.

Conditions means the conditions to the Offer set out in Section 2.4 of this Prospectus.

Consideration Options means the issue of 49,975,012 Options to the Vendors in consideration for the Acquisition.

Consideration Shares means the issue of 182,408,796 Shares to the Vendors in consideration for the Acquisition.

Consolidation means a 1 for 6.67 consolidation of Shares, Options and for which Shareholder approval is being sought at the General Meeting.

Constitution means the constitution of LCD (as amended or replaced from time to time).

Corporations Act means the Corporations Act 2001 (Cth).

Deloitte means Deloitte Corporate Finance Pty Limited (ACN 003 833 127).

Deloitte Audit means Deloitte Touche Tohmatsu (ACN 490 121 060).

Directors means the directors of LCD as at the date of this Prospectus.

Essential Resolutions means those Shareholder resolutions referred to in Section 6.7 of this Prospectus to be considered at the General Meeting, as described in further detail in the Notice of Meeting.

EST means Eastern Standard Time as observed in Sydney, New South Wales.

Foster Stockbroking means Foster Stockbroking Pty Ltd (AFSL 223687)

General Meeting means the general meeting of LCD to be held on 6 July 2015, which seeks Shareholder approval for the matters set out in the Notice of Meeting (including the Essential Resolutions)..

JLMs or **Joint Lead Managers** means Foster Stockbroking and Azure Capital together.

Mandate means the mandate entered into between the Joint Lead Managers and LCD, as summarised in section 14.3.

Milestone has the meaning given in Section 15.5.

Minimum Subscription means LCD receiving Valid Applications for at least 60,000,000 Shares to raise at least \$6,000,000.

Notice of Exercise has the meaning given in Section 15.3.

Notice of Meeting means the Notice of General Meeting and Explanatory Statement of LCD dated 3 June 2015 in relation to the General Meeting.

Offer means the Offer.

Official List means the official list of ASX.

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

Option means an option to acquire a Share.

Performance Rights means the Performance Rights proposed to be offered to key management personnel of Yatango under the Term Sheet with the terms set out in Section 15.5.

Products means the consumer focused software products designed, developed and marketed by Yatango.

Proposed Directors has the meaning given in Section 10.1.

Prospectus means this prospectus.

Public Authority means any government or governmental, semi-governmental, administrative, statutory, fiscal, or judicial body, entity, authority, agency, tribunal, department, commission, office, instrumentality, agency or organisation (including any minister or delegate of any of the foregoing), any self-regulatory organisation established under statute and any recognised securities exchange (including without limitation ASX), in each case whether in Australia or elsewhere.

PWW means Prepaid Wireless Wholesale LLC, a company incorporated in Maryland.

Offer means the offer of 80,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.10 per Share to raise up to \$8,000,000 with a minimum subscription of \$6,000,000 pursuant to this Prospectus.

Optus means Optus Networks Pty Ltd (ABN 92 008 570 330) and Optus Mobile Pty Ltd (ABN 65 054 365 696).

Optus Agreement means together the Optus Wholesale General Terms entered into on 24 August 2012 between Yatango Mobile and Optus Networks Pty Ltd and the Optus Pre-Paid Mobile Service – Service Description entered into between Yatango Mobile and Optus Mobile Pty Ltd on 24 August 2012.

Recommendations has the meaning given in Section 13.1.

Section means a section of this Prospectus.

Securities means all securities of the Company, including a Share, an Option or a Performance Share (as the context requires).

Settlement means settlement of the Acquisition in accordance with the terms of the Term Sheet.

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

Shareholder means a holder of one or more Shares.

Share Registry means Link Market Services Limited (ABN 14 127 175 946).

US means the United States of America.

Valid Application means a valid and complete Application to subscribe for Securities under the Offer, accompanied by the appropriate Application money in full.

Vendors means the holders of Yatango Shares.

Vendor Consideration Securities has the meaning set out in Section 6.7(d).

Voluntary Restriction Agreements means the voluntary restriction agreements the Vendors will enter into to escrow the Vendor Consideration Securities for a period of six months after completion of the Acquisition.

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

Yatango means Yatango Pty Limited (ACN 159 748 240).

Yatango Mobile means Yatango Mobile Pty Ltd (ACN 159 765 232).

Yatango Mobile (Australia) means Yatango Mobile (Australia) Pty Ltd (ACN 159 050 441).

Yatango Mobile Labs means Yatango Mobile Labs Pty Ltd (ACN 605 597 519).

Yatango USA means Yatango Mobile USA LLC, a company incorporated in Delaware.

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

17.2 Interpretation

Unless the contrary intention appears, the following rules apply in interpreting this Prospectus:

- (a) words or phrases defined in the Corporations Act have the same meaning in this Prospectus;
- (b) a reference to legislation, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency;
- (e) a reference to Australian dollars, AUD, \$ or dollars is to the lawful currency of the Commonwealth of Australia; and
- (f) a reference to time is to WST.



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Thank You



For more information contact
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+61 8 9482 0550

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Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Latitude Consolidated Limited ("Latitude") Shares. Further details about the shares are contained in the Prospectus dated 1 July 2015 issued by Latitude. The Prospectus will expire 13 months after the date of the Prospectus. While the Prospectus is current, Latitude will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investment Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 20,000 Shares and thereafter in multiples of 2,000. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Latitude will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Latitude and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to Latitude's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to "**Latitude Consolidated Limited – Share Application Account**" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (WST) on 20 July 2015 at:

Mailing Address

Latitude Consolidated Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

Latitude Consolidated Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.