  
**buyMyplace**™

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KILLARA RESOURCES LIMITED

TO BE RENAMED

“buyMyplace.com.au Ltd”

ACN 132 204 561

PROSPECTUS





# KILLARA RESOURCES LIMITED TO BE RENAMED “**BUYMYPLACE.COM.AU LTD**” ACN 132 204 561

For an offer of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000 (**Public Offer**).

This Prospectus also contains:

- an offer of up to 25,000,000 fully paid ordinary Shares (**Consideration Shares**) (**BMP Offer**); and
- an offer of up to 13,650,000 Employee Performance Rights and up to 13,650,000 Employee Options to key management and employees, including the Directors and Proposed Directors, pursuant to the proposed Employee Option Scheme Performance Rights Plan (Employee Offer).

Completion of the Offers is conditional upon ASX conditional approval to re-admit the Shares to Official Quotation. No Securities will be issued pursuant to this Prospectus until such time as the Condition is satisfied.

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

## IMPORTANT INFORMATION

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

**The Securities offered by this Prospectus should be considered highly speculative.**

### Lead Manager to the Public Offer

Patersons Securities Limited (AFSL 239 052)



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## 1. CORPORATE DIRECTORY

### Directors

Mathew Driscoll  
Chairman

Robert Kipp  
Non-Executive Director

Reza Zulkarnaen  
Executive Director

Wim Zulkarnaen  
Non-Executive Director

### Proposed Directors

Cameron Fisher  
Proposed Executive Director  
Peter Butterss  
Proposed Non-Executive Director

### Company Secretary

Leah Watson

### Current ASX Code

KRA

### Proposed ASX Code

BMP

### Share Registry

Boardroom Pty Limited  
Level 12, 225 George Street  
SYDNEY NSW 2000

### Lead Manager

Patersons Securities Limited  
Level 15, 333 Collins Street  
Melbourne VIC 3000

### Registered Office

Killara Resources Ltd  
Level 3 North Building  
333 Collins Street  
Melbourne  
Victoria 3000  
Telephone: (03) 9629 3898  
Facsimile: (03) 9629 4898

Email: [Info@killararesources.com](mailto:Info@killararesources.com)  
Website: <http://www.killararesources.com>

### BuyMyHome Pty Ltd

Email: [admin@buyMyplace.com.au](mailto:admin@buyMyplace.com.au)  
Website: <https://www.buyMyplace.com.au>

### Auditor

Grant Thornton Audit Pty Ltd  
The Rialto, Level 30  
525 Collins Street  
Melbourne VIC 3000

### Investigating Accountant

Grant Thornton Corporate Finance Pty Ltd  
The Rialto, Level 30  
525 Collins Street  
Melbourne VIC 3000

### Intellectual Property Solicitors

Watermark Patent and Trade Mark Attorneys  
302 Burwood Road  
Hawthorn Vic 3122

### Solicitors to the Company

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

## 2. IMPORTANT NOTICE

### 2.1. GENERAL

This Prospectus is dated 21 December 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 Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

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 Shares under this Prospectus.

### 2.4. CONDITIONAL OFFERS

The Offers are conditional on ASX conditional approval to re-admit the Shares to Official Quotation on conditions satisfactory to the Company (**Condition**).

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

### 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. WEBSITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at [www.killararesources.com](http://www.killararesources.com) or from [www.buyMyplace.com.au](http://www.buyMyplace.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

There is no facility for the Offers 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 the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company on +61 (3) 9629 3898.

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

No document or information included on our website is incorporated by reference into this Prospectus.

## 2.7. FORWARD-LOOKING STATEMENTS

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

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

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

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

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 5D and 10 of this Prospectus.

## 2.8. PHOTOGRAPHS AND DIAGRAMS

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

## 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 19 of this Prospectus.

## 2.10. TIME

All references to time in this Prospectus are references to Australian Eastern Daylight Time.

## 2.11. RISKS

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Sections 5D and 10 of this Prospectus for details relating to risk factors.

## 2.12. 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 Offers or how to accept the Offers, please call the Company Chairman, Matthew Driscoll on +61 (3) 9629 3898 or 0417 0417 25.

### 3. INDICATIVE TIMETABLE\*

Lodgement of Prospectus with the ASIC	21 December 2015
Opening Date of the Offers	21 December 2015
Public Offer Closing Date	29 January 2016
BMP Offer Closing Date	29 January 2016
Employee Offer Closing Date	29 January 2016
Issue of Securities under the Offers	1 February 2016
Settlement of the Acquisition	1 February 2016
Despatch of holding statements	2 February 2016
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	12 February 2016
Re-quotation of Securities (including Shares issued under the Offers) on ASX	19 February 2016

\* The above dates are indicative only and may change without notice. The Company, in consultation with the Lead Manager, reserves the right to extend the Public Offer Closing Date, the BMP Offer Closing Date, and the Employee Offer Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with any of the Offers 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.



## 4. CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors, I am pleased to present you with this Prospectus and the opportunity to increase your existing shareholding or to become a new shareholder in Killara Resources Limited to be renamed **buyMyplace.com.au Ltd** (Killara or the Company). The Company has entered into the Share Sale Agreement pursuant to which it proposes to acquire 100% of the shares in BuyMyHome Pty Ltd (ACN 126 563 746) trading as "**buyMyplace**" (**buyMyplace**).

**BuyMyplace**, is an online real estate business that helps Australians sell their homes without paying commissions to real estate agents. The business was established to capitalise on an anticipated trend in the Australian property market of selling homes online, mirroring the adoption of this practice in the US, Canada and Europe, where online real estate sales account for between 9% to 22% of total residential property sales. Over \$4,000,000 has been invested in the development of the business and the technology platform to date and the business model has been validated with over 2,700 customers having sold their own homes using **buyMyplace** since 2009. **BuyMyplace** generates revenues and profits by charging an up-front fixed fee that incorporates a margin on the services it provides to the customer.

This Prospectus has been issued by the Company for a Public Offer of 25,000,000 Shares at an issue price of \$0.20 each to raise \$5,000,000. The funds raised from the Public Offer will be used to accelerate the growth of the buyMyplace business and consolidate its position as one of the leading commission free real estate businesses in the Australian market.

In addition to the purpose of raising funds under the Public Offer, this Prospectus also contains an offer of Shares to the Vendors in part consideration for the acquisition of all the issued capital in **buyMyplace**, and an offer of Employee Performance Rights and Employee Options to key management and employees, including the Directors and Proposed Directors.

Your Board is excited by the future potential of **buyMyplace** and the Public Offer will provide the necessary capital to grow the business, which, following Settlement of the Acquisition will be managed by a very experienced leadership team being led by Paul Heath, Chief Executive Officer, and Cameron Fisher, Executive Director (Property).

I commend the Company and its new direction to you and encourage you to consider the Public Offer.

Investors should be aware of the potential risks inherent in this investment which are fully detailed in this Prospectus. Before making your decision to invest, I ask that you carefully read this Prospectus and seek professional advice if required.

Matthew Driscoll

Chairman

**KILLARA RESOURCES LIMITED**

## 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.

Item	Summary	Further information
<b>A. Company</b>		
Who is the issuer of this Prospectus?	Killara Resources Limited (ACN 132 204 561) (ASX: KRA) to be renamed <b>buyMyplace.com.au Ltd</b> (Company or Killara)	
Who is Killara and what does it do?	<p>Killara is a public company that has been listed on the ASX since 1 December 2009. The Company's principal activities previously involved coal exploration and mining in Indonesia.</p> <p>On 14 July 2015, Killara announced the sale of its Indonesian coal assets. The Company's Shareholders approved this transaction at an Extraordinary General Meeting held on 11 November 2015. The Company is attending to completion of the sale process and implementation of all requirements of the resolutions passed by Shareholders.</p> <p>In light of difficult market conditions for junior mineral exploration companies, the Company has been evaluating high quality and value adding investment opportunities outside the resources industry.</p> <p>On 9 September 2015, the Company announced to ASX that it had entered into a binding heads of agreement pursuant to which Killara would acquire 100% of the issued shares of <b>buyMyplace</b>. Subsequent to the execution of the heads of agreement, the Company, <b>buyMyplace</b> and the Major Shareholders entered into a Share Sale Agreement to more formally document the terms of the Acquisition.</p> <p><b>BuyMyplace</b> is an online real estate business that provides a complete range of real estate agency services to customers who wish to sell their homes but not pay a commission on the transaction. The Company intends to focus on growing the <b>buyMyplace</b> business. Killara proposes to change its name to "<b>buyMyplace.com.au Ltd</b>" on Settlement of the Acquisition, which in the Board's opinion will be better suited to the Company's new strategic direction.</p>	Section 6.1
Who is buyMyplace?	<b>BuyMyplace</b> is an online real estate business that offers consumers the ability to sell their property through a process almost identical to any other real estate agency business without paying a commission on the sale.	Sections 6.4 and 8

Item	Summary	Further information
<b>B. Acquisition of BuyMyplace</b>		
What is the Acquisition?	The Acquisition is the Company's proposed acquisition of 100% of the issued capital of <b>buyMyplace</b> pursuant to the Share Sale Agreement.	Section 6.2
What are the key terms of the Acquisition?	<p>The key terms of the Acquisition are as follows:</p> <ul style="list-style-type: none"> <li>a. as consideration for the acquisition of 100% of the issued capital of buyMyplace, the Company will issue to the Vendors up to 25,000,000 Shares (Consideration Shares) and up to 15,000,000 Deferred Consideration Shares.</li> <li>b. the Acquisition is conditional upon, and subject to, a number of conditions. These conditions have either been satisfied or substantially satisfied, with the exception of the following conditions which remain outstanding at the date of this Prospectus: <ul style="list-style-type: none"> <li>i. the Company receiving subscriptions for the minimum subscription amount of the Public Offer under this Prospectus; and</li> <li>ii. the Company obtaining all necessary regulatory approvals on terms acceptable to the parties as are required to give effect to the Acquisition including re-compliance with Chapters 1 and 2 of the ASX Listing Rules on terms which the Company believes are capable of satisfaction.</li> </ul> </li> </ul> <p>The Share Sale Agreement provides that some or all of the Consideration Shares and Deferred Consideration Shares may be escrowed in accordance with the requirements of ASX and will sign such form of escrow agreement as required by the ASX. The Vendors will also procure that the other parties who may receive Securities in connection with the Acquisition will execute such form of escrow agreement as required by the ASX.</p> <p>In addition to any ASX required escrow agreement, the majority of the Minority Shareholders have executed voluntary escrow deeds pursuant to which a proportion of their Consideration Shares will be escrowed for 12 months commencing on the date of issue of the Consideration Shares. This will represent approximately 18% of the Shares on issue following Settlement of the Acquisition.</p>	Sections 6.2, 16.1 and 16.2

Item	Summary	Further information
<b>B. Acquisition of BuyMyplace - continued</b>		
What is <b>buyMyplace's</b> business model?	<p><b>BuyMyplace</b> is an online real estate business that provides a complete range of real estate agency services to customers who wish to sell their homes but not pay a commission on the transaction. Customers can choose from a range of service bundles, with the basic package including a listing of the customer's home on each of Australia's largest real estate portals, a For Sale board delivered to the customer's home, access to online resources and up to 4 hours of online and over the phone professional consultancy time. Additional services available include professional photography, sworn property valuations, professionally managed Open for Inspections and negotiation and auction services.</p> <p>All <b>buyMyplace</b> packages have one thing in common: the customer does not pay a commission on the value of their property once it has been sold. <b>BuyMyplace</b> generates revenues and profits by charging an up-front fixed fee that incorporates a margin on the services it provides its customers. <b>BuyMyplace</b> is a potentially disruptive business that aims to lead the change in the way people sell their homes in Australia.</p>	
<b>C. Key Investment Highlights</b>		
What are the key investment highlights?	<p>Key investment highlights:</p> <ul style="list-style-type: none"> <li>• A potentially disruptive technology within the traditional real estate industry enabling house sellers to bypass real estate agents to sell their home.</li> <li>• A compelling customer value proposition, providing sellers with the opportunity for significant savings in real estate agents commissions.</li> <li>• First mover advantage in gaining access to additional capital resources to fund faster growth in this new segment of the Australian real estate market.</li> <li>• Over 2,700 customers have successfully sold their own homes using <b>buyMyplace</b> since it was launched in 2009.</li> <li>• The business has achieved steady growth in property listings with limited staff resources and constrained marketing spend to date.</li> <li>• Technology platform is able to handle a significant increase in scale with only a modest additional investment.</li> <li>• A planned omni-channel marketing program to consolidate <b>buyMyplace's</b> position as one of the leading commission free real estate businesses in the Australian market.</li> <li>• Leadership team has a demonstrable track record of growing online businesses as well as executing successful marketing campaigns and management is aligned to the success of the Company.</li> <li>• Opportunity to explore expansion of operations into new revenue streams such as conveyancing, home services and finance products.</li> </ul>	Section 6.3



Item	Summary	Further information
<b>D. Key Risks</b>		
What are the key risks of an investment in Killara?	<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><b>a. Re-Quotation of Shares on ASX</b></p> <p>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 the 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. 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.</p> <p><b>b. Rate of Online Migration</b></p> <p>The commission free real estate segment in Australia is currently small and consequently future growth of buyMyplace may require the segment to expand in size and proportion of the total market. Any reduction or cessation in the rate of property vendors migrating to sell their property online via a commission free real estate portal may reduce buyMyplace's future revenues.</p> <p><b>c. Marketing strategy execution</b></p> <p>With funds raised from the Public Offer the Company is proposing to undertake a marketing campaign that aims to increase traffic to its website and drive customer leads and property listings. There can be no guarantee that this marketing campaign will be successful in achieving its key objectives in the timeframe expected, or at all, which may have an adverse impact on future revenues.</p> <p><b>d. Licensing risk</b></p> <p>BuyMyplace's wholly owned subsidiary Buymyhome (Agency) Pty Ltd holds real estate licenses in each State of Australia, other than Tasmania where the license is held directly by buyMyplace. In addition Mr Cameron Fisher, a Proposed Director, is also a licensed real estate agent and ensures compliance with licensing provisions in each State in which buyMyplace operates its business from. Maintenance of these licences will be dependent upon compliance with their terms. There is a risk that if the Company does not comply with terms of these licences they could be forfeited which would have a significant negative consequence to the Company.</p>	Section 10

Item	Summary	Further information
<b>D. Key Risks - Continued</b>		
	<p><b>e. Reliance on key personnel</b></p> <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company and buyMyplace depend substantially on their senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company or buyMyplace if one or more of these employees cease their employment or if one or more of the Directors or Proposed Directors leaves the Board.</p> <p><b>f. Supplier risk</b></p> <p>BuyMyplace sources a number of products and services from outsourced suppliers. Examples include the listing of customer's homes on third party real estate portals and the delivery and installation of "For sale" boards at customer's homes. Any material changes in trading terms and/or supply from outsourced suppliers may impact buyMyplace's ability to provide the current suite of products and services to its customers at the current pricing and gross margin.</p> <p><b>g. Technology risk</b></p> <p>BuyMyplace's business relies upon customers accessing the buyMyplace website, which is hosted by Agent Point, a company providing website design and hosting services to a number of real estate companies in Australia. Any interruption to the daily service, operation and maintenance of this website plus failure or delay to continue to develop new functionality to the website may have a material impact on buyMyplace's current and future revenues and market share. buyMyplace also relies on a number of management information systems to enable the efficient running of the business. Whilst standard back-up, storage and recovery procedures are implemented, including offsite storage of back-up data, any event that causes harm or destroys the original and back-up data may have a material impact on the Company's ability to maintain continuous operations for the period of time required to remedy the cause of business interruption.</p> <p><b>h. Security risk</b></p> <p>BuyMyplace relies upon the security of its management information systems, payment systems, website and customer database. Any breaches of security including cyber attacks to the website or database that may cause damage, loss of operation or access to customer records by unauthorised parties could cause material impact or interruption to buyMyplace's continuous operation and therefore financial results. Damage, loss or misuse of customer records may cause a loss of confidence in buyMyplace by its customers as well as reputational damage.</p>	

Item	Summary	Further information
<b>E. Directors and Key Management Personnel</b>		
Who are the Directors and Proposed Directors?	<p>It is proposed that upon Settlement of the Acquisition:</p> <ol style="list-style-type: none"> <li>Cameron Fisher and Peter Butterss will be appointed to the Board;</li> <li>Matthew Driscoll and Robert Kipp will remain on the Board in their current roles; and</li> <li>Reza Zulkarnaen and Wim Zulkarnaen will resign as Directors.</li> </ol> <p>The profiles of each of the continuing Directors and Proposed Directors are set out in Sections 11.2 and 11.3. Details of the personal interests of each of the above individuals are set out in Section 11.5. Sections 11.6 and 16 set out details of related party agreements with the Company from which the Directors and Proposed Directors may benefit.</p>	Section 11
Who are the key management personnel?	<p>Following completion of the Acquisition, the key management personnel will include:</p> <ul style="list-style-type: none"> <li>Paul Heath – Chief Executive Officer</li> <li>Cameron Fisher – Executive Director (Property)</li> <li>Stephenie Pulis-Cassar – Head of Operations</li> <li>Leah Watson – Company Secretary</li> </ul>	Section 11.3
<b>F. Financial Information</b>		
What is the financial position of the Company and <b>buyMyplace</b> post completion of the Offers and the Acquisition?	<p>The Company is currently listed on ASX and its financial history, including its 2015 Annual Report is available on its website (<a href="http://www.killararesources.com">www.killararesources.com</a>).</p> <p>For the year ended 30 June 2015, <b>buyMyplace</b> generated an audited net profit after tax of \$265,610 on revenue of \$934,607. This was an increase of 316% on 2014 audited net profit of \$63,788 on revenue of \$832,830.</p> <p>Further financial information regarding the Company and <b>buyMyplace</b>, including the reviewed pro-forma statement of financial position of Killara following completion of the Offers and the Acquisition, is set out in section 12 and the Investigating Accountant's Report in Section 13.</p>	Sections 12 and 13
What is the financial outlook for Killara?	<p>Following settlement of the Acquisition, Killara will generate revenue from property listings and the provision of ancillary services to the vendors of residential properties. For the year ended 30 June 2015, <b>buyMyplace</b> generated revenue of \$0.9 million from these activities. The Directors expect significant growth of the business will result from planned sales and marketing activities (to be funded by the proceeds of the Public Offer). However the Directors have considered ASIC Regulatory Guide 170, and having regard to the requirements of this Regulatory Guide, note that any prospective financial information would contain a broad range of potential outcomes and possibilities such that the Directors have concluded the Company cannot include reliable prospective financial information in this Prospectus.</p>	Sections 12 and 13
Does Killara have sufficient funds for its activities?	<p>The Directors consider that the amount to be raised under the Public Offer will be sufficient to provide enough working capital to achieve <b>buyMyplace</b>'s objectives as set out in this Prospectus.</p>	Section 7.6

Item	Summary	Further information
<b>G. Offers</b>		
What is the Public Offer?	The Company is offering 25,000,000 Shares to the public at an issue price of \$0.20 each to raise \$5,000,000 (before costs of the Offers).	
What is the purpose of the Public Offer?	<p>The purposes of the Public Offer are to:</p> <ul style="list-style-type: none"> <li>• meet the requirement that the Company re-complies with the ASX's admission requirements in accordance with Chapters 1 and 2 of the ASX Listing Rules;</li> <li>• provide funding for: <ul style="list-style-type: none"> <li>- the implementation of <b>buyMyplace</b>'s marketing strategy;</li> <li>- investment in IT and infrastructure;</li> <li>- investment in the establishment of customer contact centre to handle customer leads and enquiries;</li> <li>- executive management employment costs;</li> </ul> </li> <li>• meet the expenses of the Offers;</li> <li>• repay debt currently owed by the Company; and</li> <li>• provide funding for working capital.</li> </ul> <p>The Company has been suspended from trading from the day of the Annual General Meeting and will not be reinstated until the Company has satisfied the Conditions of the Offer, including re-compliance with Chapters 1 and 2 of the ASX Listing Rules.</p> <p>There is a risk the Company may not be able to meet the requirements for re-quotation on the ASX. In the event the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Public Offer and will repay all Application Monies received (without interest). If the Company does not proceed with the Public Offer, it will not proceed with the BMP Offer or the Employee Offer.</p>	Sections 7.1 and 7.6
Is the Public Offer underwritten?	This Public Offer is not underwritten.	Section 7.1(b)
How do I apply for Shares in the Public Offer?	Applications for Shares under the Public Offer must be made by completing a Public Offer Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the application being \$0.20 per Share. Cheques must be made payable to "Killara Resources Limited – Subscription Account" and should be crossed "Not Negotiable".	Section 7
What is the BMP Offer?	The Company is offering up to 25,000,000 Consideration Shares to the Vendors in part consideration for the acquisition of all of the shares in <b>buyMyplace</b> .	Section 7.2
What is the purpose of the BMP Offer?	The purpose of the BMP Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Consideration Shares.	Section 7.2



Item	Summary	Further information
<b>G. Offers - continued</b>		
How do I apply for Securities under the BMP Offer?	<p>The BMP Offer is an offer to the Vendors and their nominees only.</p> <p>Only the Vendors or their nominees may accept the BMP Offer. A personalised BMP Offer Application Form will be issued to each Vendor or their nominees together with a copy of this Prospectus. The Company will only provide the BMP Offer Application Forms to persons entitled to participate in the BMP Offer.</p>	Section 7.2
What is the Employee Offer?	The Company is offering up to 13,650,000 Employee Performance Rights and up to 13,650,000 Employee Options to key management and employees, including the Directors and Proposed Directors, pursuant to the proposed Employee Option Scheme and Performance Rights Plan.	Section 7.3
How do I apply for Securities under the Employee Offer?	<p>The Employee Offer is an offer to key management and employees, including the Directors and Proposed Directors only. Only these parties may apply under the Employee Offer.</p> <p>A personalised Employee Offer Application Form in relation to the Employee Offer will be issued to each person eligible to participate in the Employee Offer together with a copy of this Prospectus. The Company will only provide the Employee Offer Applications Forms to the persons entitled to participate in the Employee Offer.</p>	Section 7.3
What will Killara's capital structure look like after completion of the Offers and the Acquisition?	Refer to Section 7.7 for a pro forma capital structure following Settlement of the Acquisition and completion of the Offers.	Section 7.7
Will I be guaranteed a minimum allocation under the Public Offer?	The Directors will try and use reasonable endeavours to allocate Shares equitably to the investing public however no guarantees can be provided by the Directors regarding any allocation of Shares.	Section 7.1
What are the terms of the Shares offered under the Public Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offers are set out in Section 17.3.	Section 17.3
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 Offers, certain Securities (including those issued under the BMP Offer) 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>	Section 7.9
Will the Shares be quoted?	Application for quotation of the Shares that are to be issued under the Offers will be made to the ASX no later than 7 days after the date of this Prospectus.	Section 7.14
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 3.	Section 3

Item	Summary	Further information
<b>G. Offers - continued</b>		
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 7.1(c)
Are there any conditions to the Offers?	The Public Offer is conditional upon satisfaction of the Condition.  If the Condition is not satisfied then the Company will not proceed with the Public Offer and the Company will repay all Application Monies received. If the Company does not proceed with the Public Offer it will not proceed with the BMP Offer and the Employee Offer.	Section 2.4
<b>H. Use of proceeds</b>		
How will the proceeds of the Public Offer be used?	The Public Offer proceeds will be used for: <ul style="list-style-type: none"> <li>the implementation of <b>buyMyplace's</b> marketing strategy;</li> <li>investment in IT and infrastructure;</li> <li>investment in the establishment of customer contact centre to handle customer leads and enquiries;</li> <li>executive management employment costs;</li> <li>the expenses of the Offers;</li> <li>the repayment of debt currently owed by the Company; and</li> <li>working capital requirements of the Company.</li> </ul>	Section 7.6 and 17.11
<b>I. Additional information</b>		
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 Offers.	
What are the tax implications of investing in Shares?	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 Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.	
Where can I find more information?	<ul style="list-style-type: none"> <li>By speaking to your sharebroker, solicitor, accountant or other independent professional adviser</li> <li>By reviewing Killara's public announcements, which are accessible from ASX's website at <a href="http://www.asx.com.au">http://www.asx.com.au</a> under the ASX code "KRA"</li> <li>By visiting Killara's website at <a href="http://www.killararesources.com">http://www.killararesources.com</a></li> <li>By visiting <b>buyMyplace's</b> website at <a href="http://www.buyMyplace.com.au">http://www.buyMyplace.com.au</a></li> <li>By contacting Matthew Driscoll, Killara's Chairman, on +61 (3) 9629 3898 or 0417 0417 25.</li> <li>By contacting the Share Registry on +61 (2) 9290 9600.</li> </ul>	

## 6. TRANSACTION OVERVIEW

### 6.1. THE COMPANY

Killara Resources Limited (Killara or the Company) is a public company listed on the official list of ASX (ASX code: KRA) with its principal focus until recently having been mineral exploration and mining. The Company was incorporated on 14 July 2008 as Winchester Resources Limited, was admitted to the official list of the ASX on 1 December 2009 and subsequently changed its name to Killara Resources Limited on 10 March 2011.

Since listing, the Company has focussed on coal exploration and mining and its principal activity has been exploration and mining for coal on its Borneo Emas Hitam Project in Indonesia. 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. The only remaining exploration and mining project owned by Killara, being the Borneo Emas Hitam Project, was divested as approved by Shareholders at a general meeting on 11 November 2015.

In addition to its principal business activities, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas, which have the potential to deliver value for Shareholders.

### 6.2. THE ACQUISITION

The Company has entered into the Share Sale Agreement (the key terms of which are summarised in Section 16.1) pursuant to which it has agreed to acquire 100% of the shares in **buyMyplace**. A more detailed summary of **buyMyplace** and the proposed business of the Company following Settlement is set out in Sections 8 and 9.

### 6.3. KEY INVESTMENT HIGHLIGHTS

Key investment highlights:

- A potentially disruptive technology within the traditional real estate industry enabling property vendors to bypass traditional real estate agents to successfully sell their property.
- A compelling customer value proposition, providing vendors with the opportunity for significant savings in real estate agents' commissions.
- First mover advantage in gaining access to expanded capital resources to fund faster growth in this new segment of the Australian real estate market.
- Over 2,700 customers have successfully sold their properties using **buyMyplace** since it was launched in 2009.
- The business has achieved steady growth in property listings with minimal staffing resources and constrained marketing spend.
- Technology platform is able to handle a significant increase in scale with only a modest additional investment.

- A planned omni-channel marketing program to consolidate **buyMyplace's** position as one of the leading Commission Free Real Estate businesses in the Australian market.
- Leadership team has a demonstrable track record of growing online businesses and executing successful marketing campaigns and management are aligned to the success of the Company.
- Opportunity to explore expansion of operations into new revenue streams such as conveyancing, home services and finance products.

## 6.4. DETAILS ON BUYPYPLACE

**BuyMyplace** is an online real estate business that provides a complete range of real estate agency services to customers who wish to sell their homes but not pay a commission on the transaction. Customers can choose from a range of service bundles, with the basic package including a listing of the customer's home on each of Australia's largest real estate portals, a "For Sale" board delivered to the customer's home, access to online resources and up to 4 hours of online and over the phone professional consultancy time. Additional services available include professional photography, sworn property valuations, professionally managed "Open for Inspections" and negotiation and auction services.

All **buyMyplace** packages have one thing in common: the customer does not pay a commission on the value of their property once it has been sold, saving them thousands of dollars in real estate agents fees. **BuyMyplace** generates revenues and profits by charging an up-front fixed fee that incorporates a margin on the services it provides to the customer. **BuyMyplace** is a potentially disruptive business that aims to lead the change in the way people sell their homes in Australia.

## 6.5. SUSPENSION AND RE-ADMISSION TO ASX

As Killara has previously focussed on mineral exploration and mining, the Acquisition, if successfully completed, will represent a significant change in the nature and scale of Killara's operations to an online, commission free home sales and property services company.

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

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

Killara applied for voluntary suspension of its Shares with effect from the close of the Annual General Meeting held on 30 November 2015. The Shares will not be reinstated to Official Quotation until Killara has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by the ASX to the Official List.

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

- 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; and
- the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3.

It is expected the conduct of the Offers pursuant to this Prospectus will enable the Company to satisfy the above requirements.



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

## 6.6. CHANGE OF NAME

The Company will change its name to "buyMyplace.com.au Ltd" as a condition precedent to Settlement of the Acquisition, which in Killara's opinion will be better suited to Killara's new strategic direction.

An overview of the Company's business following Settlement of the Acquisition is set out in Sections 8 and 9.

## 7. DETAILS OF THE OFFERS

### 7.1. THE PUBLIC OFFER

Pursuant to this Prospectus, the Company is offering 25,000,000 Shares to the public at an issue price of \$0.20 each to raise \$5,000,000 (before costs of the Offers).

The Shares offered under the Public Offer will rank equally with the existing Shares on issue. Refer to Section 17.3 for a summary of the terms of Shares.

a. **Minimum subscription**

The minimum subscription for the Public Offer is \$5,000,000.

b. **Underwriting**

The Public Offer is not underwritten.

c. **Minimum application amount**

Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).

d. **Eligible participants**

To participate in the Public Offer you must be a resident of Australia. See Section 7.16 for further details.

Where the Company accepts oversubscriptions, the Shares to be issued under the oversubscriptions will be issued at the absolute discretion of the Directors.

Accordingly, the Company is not in a position to guarantee a minimum application of Shares under the Public Offer.

e. **Quotation and trading**

Application for quotation of the Shares issued under the Public Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.14 for further details.

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

## 7.2. THE BMP OFFER

This Prospectus also includes an offer of up to 25,000,000 fully paid ordinary Shares (Consideration Shares) to the Vendors in part consideration for the acquisition of all the issued capital in **buyMyplace** (BMP Offer).

The material terms and conditions of the Acquisition Agreement are summarised at Section 16.1 of this Prospectus.

Application for quotation of the Consideration Shares issued under the BMP Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.14 for further details.

Only the Vendors (or their nominees) may accept the BMP Offer. A personalised Application Form in relation to the BMP Offer will be issued to the relevant Vendors together with a copy of this Prospectus.

The Consideration Shares issued under the BMP Offer may be subject to escrow under the ASX Listing Rules.

## 7.3. THE EMPLOYEE OFFER

Pursuant to this Prospectus, the Company is also offering up to 13,650,000 Employee Performance Rights and 13,650,000 Employee Options to Directors, Proposed Directors and key employees under the Performance Rights Plan and Employee Option Scheme pursuant to the Employee Offer.

The terms and conditions of the various tranches of Employee Performance Rights and Employee Options to be issued pursuant to the Employee Offer are outlined in Sections 17.4 and 17.5 respectively.

A summary of the rules of the Employee Option Scheme is outlined in Section 17.6 and a summary of the Performance Rights Plan is outlined in Section 17.7. The rules of the Performance Rights Plan and Employee Option Scheme are available by request to the Company on +61 3 9629 3898.

## 7.4. CONDITION OF THE OFFERS

The Offers are conditional on satisfaction of the Condition.

If the Condition of the Offers is not achieved then the Company will not proceed with the Public Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

If the Public Offer does not proceed, the BMP Offer and the Employee Offer will not proceed.

## 7.5. PURPOSE OF THE OFFERS

The primary purpose of the Public Offer is to:

- assist Killara to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (e.g. Shareholder spread) (see Section 6.5 for further details); and
- to provide the Company with additional funding to progress the development and marketing of **buyMyplace** and provide the Company with sufficient working capital to meet its anticipated overhead and administrative expenses over the next 24 months.

Killara intends on applying the funds raised under the Public Offer along with its current cash reserves in the manner detailed in Section 7.6.

The purpose of the BMP Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Consideration Shares.

## 7.6. USE OF FUNDS

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

Item	Subscription under Public Offer (\$)
Existing cash reserves <sup>1</sup>	\$283,000
Funds raised under Public Offer	\$5,000,000
<b>TOTAL</b>	<b>\$5,283,000</b>
Marketing <sup>2</sup>	\$1,633,000
Sales & Business Development <sup>3</sup>	\$324,000
IT & infrastructure	\$233,000
Employment costs	\$1,707,000
Expenses of Offers <sup>4</sup>	\$590,000
Extinguishment of debt <sup>5</sup>	\$300,000
Working capital	\$496,000
<b>TOTAL</b>	<b>\$5,283,000</b>

### Notes:

- Balances as at 15 October 2015, comprising \$32,330 of Killara funds and \$251,000 of **buyMyplace** funds. Refer to financial information in Section 12 and Investigating Accountant's Report in Section 13 for further details.
- The above marketing spend assumes that **buyMyplace** generates no revenue in the foreseeable future. Consistent with past experience, **buyMyplace**'s internal budgets assume that the planned marketing campaign results in the generation of customer leads and that a proportion of these leads are converted into property listings, from which **buyMyplace** will generate revenue. As per **buyMyplace**'s audited account for FY 2015, **buyMyplace** generated revenue of \$980,000 on search engine marketing spend of \$98,350. A proportion of revenues generated by the business in the future may also be applied to marketing. Refer to Section 9 for further details regarding the Company's planned marketing campaign.
- Sales and business development costs include the anticipated costs of contact centre staff (casual and full-time employees) that will be recruited to handle anticipated customer leads and property listings generated by the planned marketing campaign.
- Refer to Section 17.11 of this Prospectus for further details in relation to expenses of the Offers.
- Comprising \$300,000 payable in respect of Director's loan balance as at 30 June 2015. Refer to the Investigating Accountant's Report set out in Section 13 of this Prospectus for further details.



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 10).

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

## 7.7. CAPITAL STRUCTURE

The expected capital structure of the Company following completion of the Offers and all related matters (assuming no Options are exercised) will be as follows:

Securities	Shares	Options <sup>1</sup>	Performance Rights
Existing issued Securities	7,662,111	1,000,000	-
Consideration Shares <sup>2</sup>	25,000,000	-	-
Public Offer	25,000,000	-	-
Employee Options <sup>3</sup>	-	13,650,000	-
Performance Rights <sup>4</sup>	-	-	13,650,000
Shares to be issued to promoters <sup>5</sup>	625,000	-	-
Shares on conversion of debt to equity <sup>6</sup>	1,800,000	-	-
<b>Total Securities on issue upon re-listing on ASX</b>	<b>60,087,111</b>	<b>14,650,000</b>	<b>13,650,000</b>
Market capitalisation on re-listing (\$)	\$12,017,422		
Deferred Consideration Shares <sup>7</sup>	15,000,000		

**Notes:**

1. Refer below for the exercise price and expiry dates of these Options.
2. It is proposed to issue 25,000,000 Consideration Shares to the Vendors of **buyMyplace** as part consideration for the acquisition of 100% of the shares in **buyMyplace**. These Shares will be offered pursuant to the BMP Offer.
3. It is proposed to issue up to 13,650,000 Employee Options pursuant to the Employee Offer. Refer to Section 17.5 for details on the terms and conditions of these Options.
4. It is proposed to issue up to 13,650,000 Employee Performance Rights pursuant to the Employee Offer. Refer to Section 17.4 for details on the terms and conditions of these Performance Rights.
5. It is proposed to issue up to 625,000 Shares between Robert Kipp (312,500 Shares), Matthew Driscoll (156,250 Shares) and Infinity Corporate Pty Ltd (a nominee of Peter Hartshorne) (156,250 Shares) pursuant to the Advisory Services Agreement summarised in Section 16.3.
6. It is proposed to issue 1,800,000 Shares between Robert Kipp (600,000 Shares) and Matthew Driscoll (1,200,000 Shares) in lieu of directors fees and in part repayment of a loan furnished to the Company by Matthew Driscoll's company M&M Driscoll Nominees Pty Ltd.
7. It is proposed to issue up to 15,000,000 Deferred Consideration Shares to the Vendors of **buyMyplace** as part consideration for the acquisition of 100% of the shares in **buyMyplace**. These Shares will only be issued upon the achievement of certain milestones between the Settlement Date and 30 June 2019. Refer to Section 17.4 for further details.

Following completion, the Offers and Settlement of the Acquisition the Company will have 14,650,000 Options on issue as outlined below.

Options	Exercise Price	Expiry Date / Term	Number
On issue as at date of Prospectus:			
Unlisted Options	\$3.12	31 December 2015	576,923
Unlisted Options	\$9.36	31 December 2015	384,615
Unlisted Options <sup>1</sup>	\$2.34	7 November 2017	19,231
Unlisted Options <sup>1</sup>	\$3.12	7 November 2017	19,231
Total existing unlisted Options			1,000,000
Issued pursuant to the Employee Offer <sup>2</sup> :			
Tranche 1	\$0.25	5 years from date of issue	4,550,000
Tranche 2	\$0.30	5 years from date of issue	4,550,000
Tranche 3	\$0.35	5 years from date of issue	4,550,000
<b>Total Options following completion of the Offers</b>			<b>14,650,000</b>

#### Notes

1. These options are currently held by Mrs Leah Watson (Company Secretary of Killara). Mrs Watson will be issued with 450,000 new Options pursuant to the Employee Offer.
2. Options to be issued to Directors, Proposed Directors and key employees pursuant to the Employee Offer. The terms and conditions of these options, including vesting conditions, are set out in Section 17.5

The Company will issue up to 13,650,000 Employee Performance Rights to Directors, Proposed Directors and key employees pursuant to the Employee Offer, as outlined below.

Employee Performance Rights <sup>1</sup>	
	Number
Employee Performance Rights <sup>1</sup> :	
Tranche 1	4,550,000
Tranche 2	4,550,000
Tranche 3	4,550,000
<b>Total Employee Performance Rights</b>	<b>13,650,000</b>

#### Notes

1. The Company intends to issue the above number of Employee Performance Rights to existing Directors, Proposed Directors and key employees of the Company. Details in respect of these Employee Performance Rights and the revenue and profitability-linked performance milestones upon which they will vest are provided in Section 17.4.

This is a statement of current intentions as at the date of this Prospectus. Intervening events may alter how the Company funds the Acquisition which may impact the proposed capital structure.

## 7.8. SUBSTANTIAL SHAREHOLDERS

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Peter John Hartshorne	1,282,052	16.7
M&M Driscoll Nominees Pty Ltd (associated with Director, Matthew Driscoll)	1,250,578	16.3
A.R. Roblex Pty Ltd (associated with Director, Robert Kipp)	569,088	7.4

Immediately on completion of the Offers (assuming full subscription under the Public Offer) and other Share issues (excluding the Deferred Consideration Shares) to be made pursuant to resolutions approved by Shareholders at the Annual General Meeting, the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Cameron Fisher (and his related entities)	7,270,324	12.00
KM Custodians Pty Ltd	6,000,000 <sup>1</sup>	10.00

**Note:**

1. The Company has entered into a share subscription agreement with KM Custodians Pty Ltd pursuant to which KM Custodians Pty Ltd or its nominee has agreed to subscribed for a minimum of \$1,200,000 worth of Shares (and a maximum of \$1,500,000 worth of Shares) pursuant to the Public Offer. This table contemplates KM Custodians Pty Ltd or its nominee subscribing for \$1,200,000 worth of Shares (equating to 6,000,000 Shares), if the maximum of \$1,500,000 worth of Shares is subscribed for (equating to 7,500,000 Shares), KM Custodians Pty Ltd or its nominee will hold approximately 12.5% of the total number of Shares on issue. Please refer to Section 16.8 for a summary of the share subscription agreement.

The following table shows the voting power of the Major Shareholders, KM Custodians Pty Ltd and the current substantial Shareholders in the Company, assuming:

- a. Settlement of the Acquisition;
- b. issue of all of the Deferred Consideration Shares;
- c. conversion of all Performance Rights issued under the Employee Offer;
- d. exercise of all Employee Options;
- e. full subscription under the Public Offer, with no substantial Shareholders taking part in the Public Offer; and
- f. no other Shares are issued or other Options exercised:

Shareholder	Shares	%
Cameron Fisher (and his related entities)	15,382,520	15.02
Peter Butterss (and his related entities)	8,535,977	8.34
M&M Driscoll Nominees Pty Ltd	6,356,827	6.21
KM Custodians Pty Ltd	6,000,000	5.86
Robert Kipp (and his related entities)	5,231,587	5.12
Peter John Hartshorne	1,438,301	1.40

The Company has been advised that none of the Shareholder groups listed in the table above are associates of one another.



## 7.9. RESTRICTED SECURITIES

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, certain Securities on issue (including the Consideration Shares, Employee Performance Rights and Employee Options) 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. The Company also intends to put in place voluntary escrow agreements lasting 12 months from the date of Official Quotation with the holders of up to a further 10.8 million Consideration Shares.

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

The Company will announce to the ASX full details (quantity and duration) of the 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).

## 7.10. TOP 20 SHAREHOLDERS

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offers and prior to the Securities re-commencing trading on ASX.

## 7.11. 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 Killara are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, Killara, 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.

## 7.12. APPLICATIONS

Applications for Securities under the Offers 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:

- in respect of the **Public Offer – no later than 5.00pm (AEDT) on the Public Offer Closing Date**, which is currently scheduled to occur on 29 January 2016; and
- in respect of the **BMP Offer – no later than 5.00pm (AEDT) on the BMP Offer Closing Date**, which is currently scheduled to occur on 29 January 2016.
- In respect of the **Employee Offer – no later than 5.00pm (AEDT) on the Employee Offer Closing Date**, which is currently scheduled to occur on 29 January 2016.

Applications under the Public Offer must be accompanied by payment in full in Australian currency by cheque in accordance with the instructions set out in the Public Offer Application Form.

Participation in the BMP Offer is personal and personalised Application Forms in relation to the BMP Offer will be issued to the relevant participants together with a copy of this Prospectus.

Participation in the Employee Offer is personal and personalised Application Forms in relation to the Employee Offer will be issued to the relevant participants together with a copy of this Prospectus.

The Company reserves the right to extend the Offer period or close the Offers early.

If you require assistance in completing an Application Form, please contact the Share Registry on: (02) 9290 9600.

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## 7.13. ISSUE OF SHARES AND ALLOCATION POLICY

### a. General

Subject to the satisfaction of the Condition (see Section 2.4), the issue of Securities offered by this Prospectus will take place as soon as practicable after the BMP Offer Closing Date and in accordance with the timetable set out in Section 3.

### b. Public Offer

The allocation of Shares under the Public Offer will be determined by the Board in their absolute discretion. There is no guaranteed allocation of Shares under the Public Offer.

The Board reserves 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 Public Offer Closing Date.

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

### c. BMP Offer

The BMP Offer is a personal offer to the Vendors. As such, Securities offered under the BMP Offer will be allocated and issued to those parties (or their respective nominees) only.

Subject to satisfaction of the Condition (see Section 2.4), allocations under the BMP Offer are guaranteed.

### d. Employee Offer

The Employee Offer is a personal offer to key management and employees, including the Directors and Proposed Directors. As such, Securities offered under the Employee Offer will be allocated and issued to those parties (or their respective nominees) only.

Subject to satisfaction of the Condition (see Section 2.4), allocations under the Employee Offer are guaranteed.

### e. Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment in respect of a Public Offer Application 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.

### f. Interest

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

## 7.14. ASX LISTING

Killara will apply for Official Quotation of all Shares issued under this Prospectus (with the exception of Deferred Consideration Shares and Options) 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 Killara has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offers.

If the Shares 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 Killara's application for re-admission to the Official List, Killara 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 Killara 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 Killara or the Shares now offered for subscription.

## 7.15. CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM AND ISSUER SPONSORSHIP

Killara 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 Killara. Electronic sub-registers mean that Killara 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 Shares 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).

Electronic sub-registers also mean ownership of Shares 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 Killara during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

## 7.16. APPLICANTS OUTSIDE AUSTRALIA

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. Persons who are resident in countries other than Australia should not apply for Securities under the Offers.

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.

## 7.17. ENQUIRIES

If you have any queries in relation to the Offers, please contact Matthew Driscoll, Chairman, on: +61 (3) 9629 3898 or 0417 0417 25.

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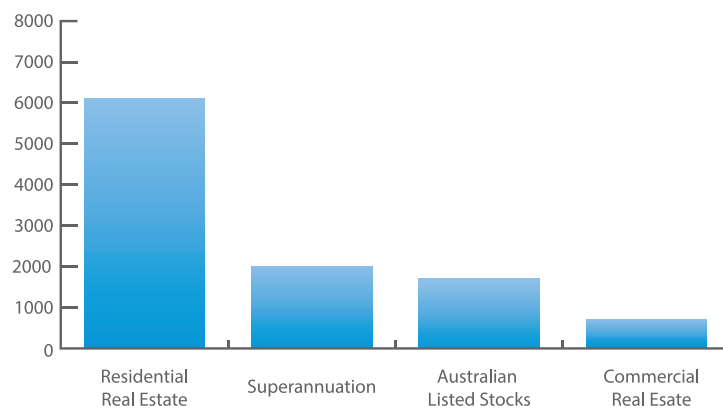


## 8. THE INDUSTRY

### 8.1. AUSTRALIAN RESIDENTIAL HOMES LISTING AND SALES MARKET

Residential real estate in Australia underpins the wealth of the Australian public and reached AUS \$6.1 trillion in value as at August 2015. It is more than three times larger than the next largest asset category, Australian Superannuation.

Australian Asset Classes (A\$millions)



**Source:** Core Logic Housing Market & Economic Update, September 2015

Residential real estate also now accounts for more than half of household wealth in Australia and is more than double the value of the next largest category - Australian Superannuation.

The Australian residential home listing market comprised of approximately 480,000 sales in 2014.

## 8.2. SALES LISTINGS GROWTH

The Australian residential real estate sales market has been growing steadily at above 3% for the last 5 years.

**Sales Growth & 2014 Property Listings** : Source : Core Logic Reports



## 8.3. ON-LINE / OFF-LINE ADVERTISING

A noticeable shift has occurred in advertising property from off-line (mostly print media) to online advertising. Today, online advertising accounts for over 90% of all Residential real estate.

## 8.4. SALES CHANNELS

Real estate agents still have a dominant position as the preferred sales channel in Australia with over 90% of all residential sales transacted via a real estate agent.

The remainder is shared between advocates, independent advisors and a relatively new sector known as 'Commission Free Real Estate Sales', where home owners are empowered to sell their own property and potentially save thousands of dollars in agent commissions, fees and costs.

## 8.5. THE COMMISSION FREE REAL ESTATE SECTOR IN AUSTRALIA

Commission free real estate sales have been around for many years in Australia. However in 2009, internet-enabled businesses triggered substantial growth. The commission free real estate sector today represents approximately 2% of total residential property listings, or approximately 12,000 homes.

The commission free real estate sector is divided into two segments:

- **Free Sites**  
Such as Gumtree, which has nearly 4,000 listings; and
- **Paid Sites**  
Spread across approximately 10 independent companies who use internet websites and portals to assist vendors and buyers through the sale process.

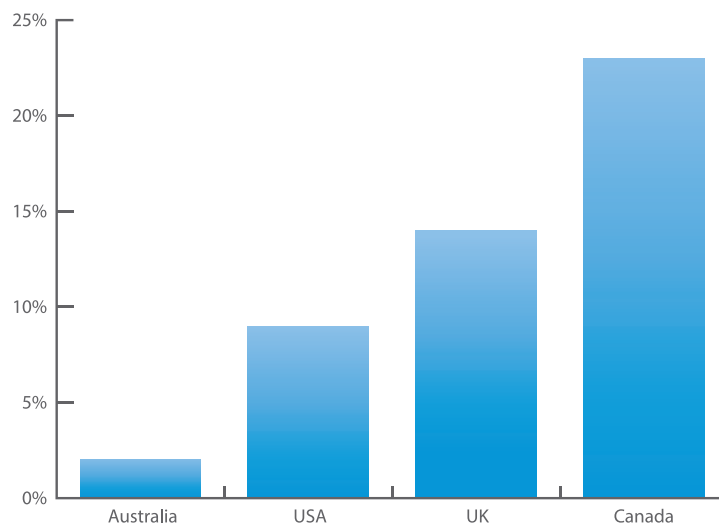
## 8.6. INDUSTRY FAST FACTS 2014

• Total market - residential property listings	615,000
• Total residential sales (number of properties)	490,000
• Average home value	\$604,000
• Average commission paid to real estate agents	\$15,000
• Average cost of marketing and advertising	\$4,000

## 8.7. INTERNATIONAL MARKET COMPARISONS

The commission free real estate market is not new to international markets. In the property markets of Canada, the United Kingdom and the United States, the sector is well into its second decade of maturity.

**Proportion of Commission-Free Residential Sales by Country**



These markets have flourished due to the following influences:

- savings in commissions and fees;
- increased propensity to 'Do It Yourself' in property and other internet enabled markets;
- decreased value proposition offered by the traditional real estate agent driven model; and
- extended impacts and effects of the global financial crisis (2009-2013).

The outcome has been for the commission free real estate category to grow over the last 15 years to between 9 to 22% of the total residential property sales market in these countries.

## 8.8. BUSINESS DRIVERS FOR INDUSTRY CHANGE

Growth of the commission free real estate market in Australia is being driven by a number of factors.

### a. Savings for Australians

The savings for vendors choosing a commission free sale is significant in both real estate agent commissions and property marketing costs. Using a hypothetical calculation based on the average real estate agents commission and average cost of marketing and advertising outlined in Section 8.6 and the average service fee paid by **buyMyplace** customers, the average saving for **buyMyplace** customers is in excess of \$15,000.

### b. Industry Reform

In the last 12 months, over 10 featured articles have appeared in Australian newspapers and periodicals from market commentators and journalists calling for reform in the Australian real estate industry. Technology driven disruption is constantly being purported as the key driver of this reform.

### c. Change of Consumer Behaviour

The internet has changed our behaviour as consumers. It has provided 24/7 access to information, services, purchasing and sales on a global basis. It has disrupted and reshaped business models and therefore companies, markets and national economies. There are many examples of industries that have been disrupted and reshaped by the internet, including travel, entertainment, broadcast TV, advertising, publishing, telecommunications, banking and financial services. **BuyMyplace** is a business model providing the same potentially disruptive opportunity to the traditional real estate industry.

In early 2015 a 'Consumer Perceptions of Real Estate Agents' survey was conducted by RP Data / Core Logic, who wanted to test this stereotype by going directly to people who had experience of agents and their performance. The key finding was that the majority of vendors reported positive experiences with their agents with 31% rating the experience as Excellent and 35% rating it as Good. 34% however said the service had underwhelmed and even angered them and 30% believed the overall experience of selling their home via an agent as poor or disastrous.

With 30% of vendors describing their experience of selling their property via a real estate agent as poor or disastrous, the Company believes an opportunity exists to expand the commission free segment significantly beyond its current 2% share of the total market.

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## 9. BUYMYPLACE - COMPANY OVERVIEW

### 9.1. INTRODUCTION

**BuyMyplace** is an online real estate business that helps Australians sell their own homes without paying commission to real estate agents, via its primary website [buymyplace.com.au](http://buymyplace.com.au).

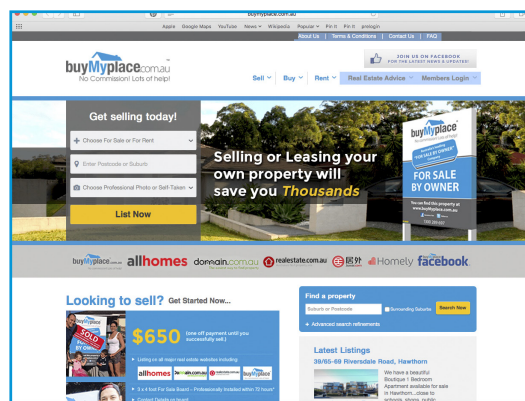
For a property selling at the average of \$604,000 a comparison of typical costs and resulting savings are shown in the table below:

Channel	Basic Listing		Listing with Additional Marketing	
	buyMyplace	Traditional Agent	buyMyplace	Traditional Agent
Listing Fees	650	15,000	650	15,000
Photography & Copywriting		400	280	400
Signboard, Sold Stickers, brochures		400		400
Listing on REA & Domain		500		
Marketing Spend of 1.5% of Property Value				6000
Auctioneer			699	500
Total	650	16,300	1,629	22,300
<b>Savings</b>	<b>15,650</b>		<b>20,671</b>	

The business was formed in 2007 in anticipation of an emerging trend in the Australian property market towards the sale of homes online analogous to the well-established adoption of this practice in the US, Canada and Europe. The online concept was matured and in 2009, **buyMyplace.com.au** was launched nationally.

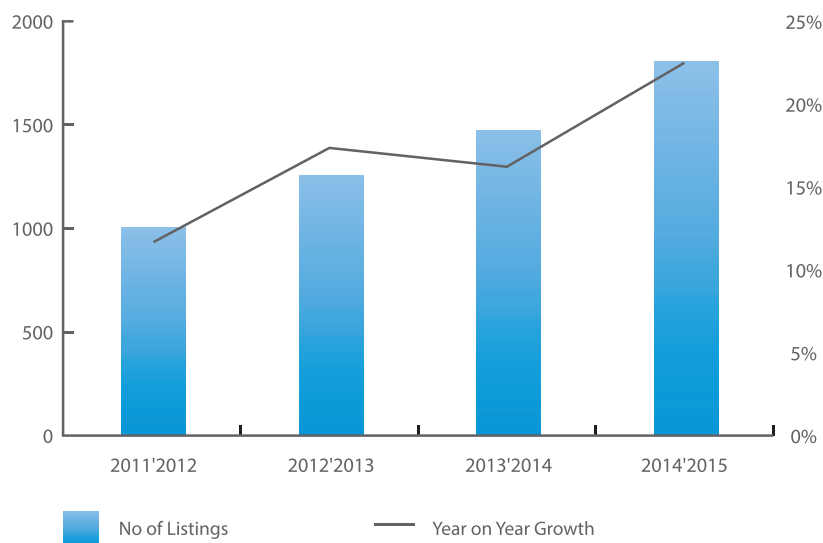
Over \$4,000,000 has been spent to date on the technology platform and initial marketing campaigns to establish **buyMyplace** as one of the largest commission free real estate companies (by comparison of 'property for sale' listings on **buyMyplace** and commission free competitors' websites) in Australia today. As at the date of this Prospectus, over 2,700 homes have been sold via the [buymyplace.com.au](http://buymyplace.com.au) website, reflecting both significant and increasing vendor acceptance of the commission free real estate construct.

**BuyMyplace** has achieved steady property listings growth in the last few years with minimal staffing resources and constrained marketing spend.



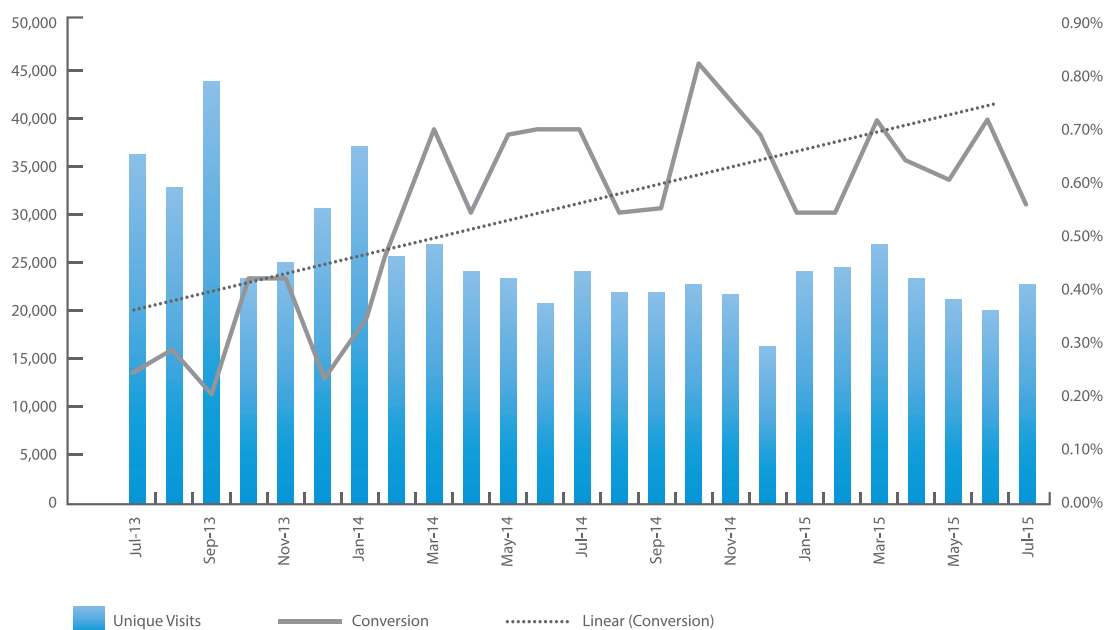


### New Listings Growth Source : Internal Records & Data



**BuyMyplace** has continued to improve the rate of conversion of unique website visitors to property listings, effectively doubling it to 0.75% in the last two years. Although investment in marketing has reduced over the last two years, unique visitors to the website have remained at approximately the same level each year, reflecting a significant optimisation of marketing spend.

### Unique Website Visits Vs Listing Conversion : Source : International Records and Data



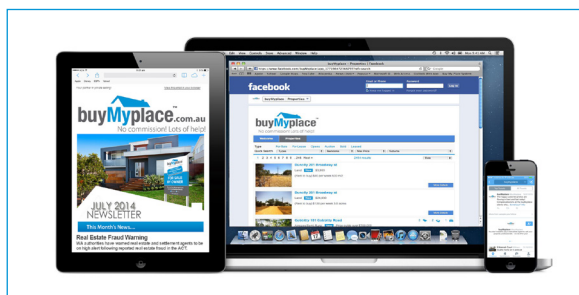
**BuyMyplace** has also attracted significant media coverage over the past five years including several features on Channels 7 and 9, as consumers show interest in the commission free real estate segment.

The Company is seeking capital to accelerate the growth of the **buyMyplace** business via investment in a marketing program aimed at boosting listing numbers by driving consumers to the website and increasing awareness and understanding of the **buyMyplace** business offering.

## 9.2. BUYMYPLACE TODAY

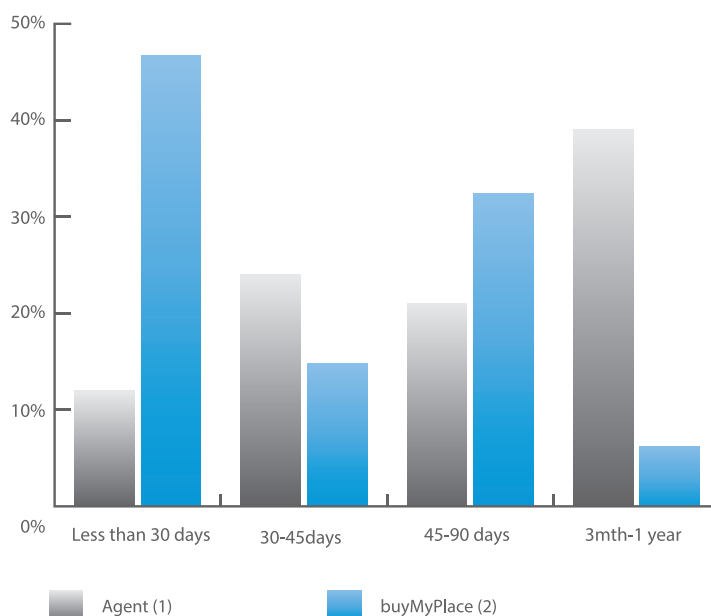
Today **buyMyplace** can best characterised by the following attributes;

- fiscal 2015 revenue of \$935,000 and EBITDA of \$266,000 (refer to the audited financial statements of **buyMyplace** for the year ended 30 June 2015 in Section 12);
- the business is currently achieving a run-rate of at least 120 new property listings per month with minimal advertising or promotion;
- since its launch in 2009, over 2,700 Australians have sold their own home using **buyMyplace** as at the date of this Prospectus;
- the [www.buymyplace.com.au](http://www.buymyplace.com.au) website currently has over 1,000 current unique property listings;



- for the calendar year period to date (1 January 2015 to 15 October 2015), 47% of properties sold have sold within one month of listing on byMyplace and the average period on market for all properties sold was 96 days. This compares favourably with total market statistics for average days on market;

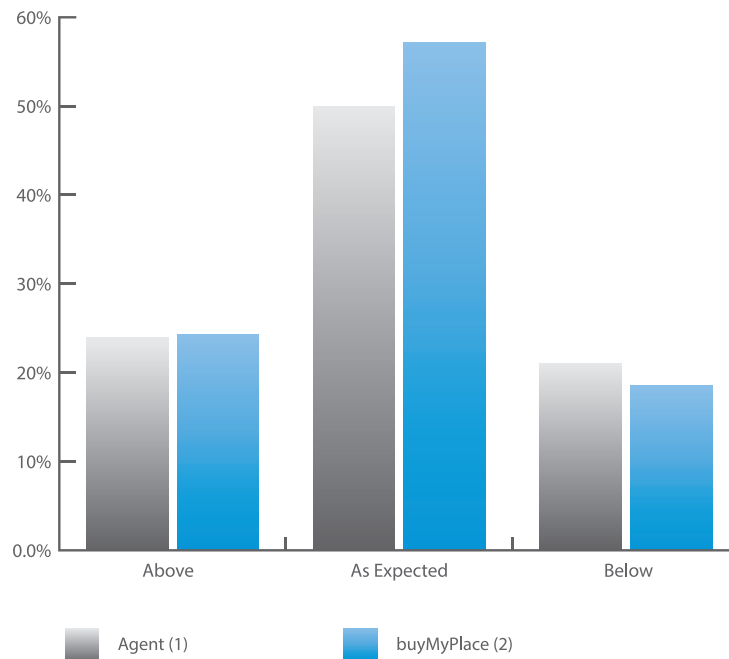
**Comparative Days on Market for Properties Sold**



1. Source RP Data Perceptions of Real Estate Agent Survey 2015
2. buyMyplace company database

- for the calendar year period to date (1 January 2015 to 15 October 2015), sales price achieved for properties sold via **buyMyplace** compared favourably with traditional agents with 81% of vendors achieving prices on or above expectations via **buyMyplace** compared to 74% via traditional agents. Conversely, only 19% of vendors who sold properties via **buyMyplace** achieved prices below expectations compared to 21% of vendors who sold via traditional agents (the remaining 5% of properties from traditional agents being unsold and hence no outcome on price expectations);

**Price Outcome vs Vendor Expectations**



1. Source RP Data Perceptions of Real Estate Agent Survey 2015
2. buyMyplace company database

- the business has developed a feature rich and robust technology platform customised to meet the needs of the commission free real estate market; and
- the business has recruited a committed management team who strive to exceed expectations of Australians wishing to sell their own home.

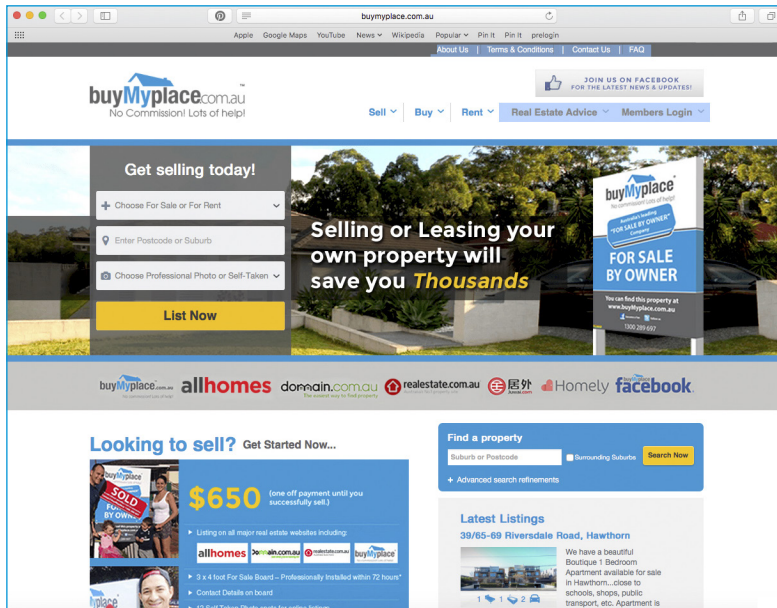
### 9.3. CURRENT PRODUCTS AND SERVICES

A wholly owned subsidiary of **buyMyplace**, Buymyhome (Agency) Pty Ltd, is the holder of real estate agent licences in all Australian States, other than Tasmania where the licence is held by **buyMyplace**, enabling **buyMyplace** to provide customers with a complete range of real estate agency services. Customers can choose from a range of service bundles, with the basic ("Success") package (costing a flat fee of \$650) including:

- a listing (until sold) of their home on the **buyMyplace.com.au** website;
- a standard listing (until sold) of their home on each of Australia's largest real estate portals including realestate.com.au, Domain.com.au;
- a comparative market analysis report on the customers' home;

- a "For Sale" board delivered to the customer's home (and professionally installed for metropolitan properties);
- printable brochures;
- access to online resources; and
- up to 4 hours of online and over the phone professional consultancy time.

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#### Additional services available include:

- initial consultation and advice;
- sworn valuations;
- professional photography;
- additional signs and photographic signboards;
- featured advertisements on third party websites (realestate.com.au domain.com.au and others);
- additional photographs on the website;
- professionally managed "Open for Inspections";
- vendor advocate services; and
- negotiation and auction services.

## 9.4. BUSINESS MODEL

A significant investment has been made in the **buyMyplace** technology platform that enables customers to easily register their property, select the service package and additional services that they want, upload their property details (including photographs) and list their property on the **buyMyplace** and nominated third party websites. Maintenance of the website and customer enquiries are currently handled by a small team led by Cameron Fisher (a Proposed Director) and Stephanie Pulis-Cassar (Head of Operations).

All **buyMyplace** packages have one thing in common: the customer does not pay a commission on the value of their property once it has been sold. **BuyMyplace** generates revenues and profits by charging an up-front fixed fee that incorporates a margin on the services it provides to the customer. **BuyMyplace** is a disruptive business that aims to lead the change in the way people sell their homes in Australia.

## 9.5. VISION AND OBJECTIVES FOR BUYMYPLACE

The Directors believe that **buyMyplace** has an opportunity to become a significant player in the Australian residential property sales market.

a. **Vision**

To enable Australians to sell their own home and generate substantial savings by eliminating real estate agents commissions, with additional services and assistance along the way.

b. **Objectives**

- To become the website of choice for Australians wishing to sell their own home and not pay commissions.
- To become the partner of choice for other companies involved in the end to end delivery model involved with helping Australians sell their own home
- To become the employer of choice for management and staff as a great place to work and grow.

## 9.6. GROWTH STRATEGY

The Company intends to accelerate the growth of the **buyMyplace** business by:

- a. building awareness and grow the overall commission free real estate market segment;
- b. increasing the **buyMyplace** market share of the segment;
- c. significantly increasing property listings on **buyMyplace.com.au**;
- d. increasing the "share of wallet" from **buyMyplace** customers by up-selling additional services (for example, vendor advocacy and negotiation and auction services);
- e. establishing a Customer Contact Centre to provide sales support, customer service and customer case management (refer to Section 9.7(d));
- f. developing new products and services such as conveyancing, home services and finance products; and
- g. considering synergistic acquisitions, partnerships and joint ventures that build on **buyMyplace's** current service offering, leverage its existing customer base and marketing channels and deliver new revenue streams.



## 9.7. MARKETING STRATEGY

The Company's marketing strategy can be broken into three major sections:

### a. **Product**

The Company will continue to broaden the **buyMyplace** product and service offering to create a unique value proposition and efficient journey for property vendors in selling their home. In addition to the current product and service offering **buyMyplace** will look to offer, either directly or via relationships with other service providers:

- finance and insurance products;
- connection services;
- legal and conveyancing services;
- a variety of home services; and
- removals and storage.

### b. **Price**

There are two major contributing influences on pricing, which have an immediate flow-through to revenue. Firstly, the Directors believe the price for the existing product offering can be increased over time as a consequence of the magnitude of the savings generated to the consumer being so large.

Secondly, the expansion of products and services, as listed above, is anticipated to provide increased up-sell opportunities and provide the potential to achieve increases in average revenue per listing.

### c. **Promotion**

As consumer awareness of the commission free real estate category is still low in Australia, **buyMyplace** proposes to use a combination of online and traditional media to expand awareness, to generate demand and drive growth.

Although it is intended that almost all online channels will be engaged over time, the advertising channels contributing the largest proportion of new customer listings will be Search Engine Management (**SEM**), Search Engine Optimisation (**SEO**) and television.

A summary of the major marketing activities are as follows:

Channel	Proportionate Marketing Budget Allocation	Strategy
Web Site	Medium	Continue to invest in expanding the functionality and scale of the site.
SEM	Low	Purchase important key words on major search engines to generate visitor traffic to our site from related searches by property vendors.
SEO	Low	Continue to refine the content on the <b>buyMyplace</b> website to ensure it ranks high in organic searches from related searches by property vendors and generates visitor traffic by property vendors.
Re-Targeting	Low	Re-targeting visitors to the <b>buyMyplace</b> website and other related websites and searches as well as specific customer segments.
Customer Relationship Management	Medium	Improving capture of leads and registrations of interested potential property vendors and managing a content strategy to remain relevant as well as top of mind.
Social Media	Medium	Post customer success stories and content plus target new customers via social media.
Television	High	Implement a TV campaign in key areas and selected periods in the year to increase awareness, consideration and listings.

There will also be an ongoing investment in improving the **buyMyplace.com.au** website to ensure customers are delighted with their site experience, latest technological developments are incorporated and conversion of customer enquiries through the site funnel is optimised.

d. **Customer Contact Centre**

To complement the scale and growth of digital channels, the existing customer support helpline will be steadily scaled to provide a comprehensive Customer Contact Centre (**CCC**). The CCC will provide the following services.

- **Sales Support:** To help Australians understand the commission free real estate sector and list their properties.
- **7 X 24 Service:** To help vendors derive the most value from their **buyMyplace** listing and throughout the home sales cycle.
- **Vendor Support:** To proactively identify and work with customers to maximise their chances of selling their home, based on **buyMyplace** case studies and sales records.

## 9.8. CRITICAL SUCCESS FACTORS

The five key critical success factors that will enable **buyMyplace** to meet its objectives are:

- To execute effective marketing campaigns that result in significant increases in category growth, brand awareness and most importantly, property listings.
- To continue to facilitate a network of value added and third party listing sites such as realestate.com.au and Domain to maximise vendor exposure.
- To continue to offer "best in class" assistance and help vendors to maximise opportunities to sell their homes at best prices.
- To develop a series of additional market driven products and services that protect and increase possible future revenue streams.

- To provide Australian property vendors with confidence that **buyMyplace** is a fast, easy and attractive way to sell their property.

## 9.9. FUNDING

The funding for the Company for the two years following re-admission to the Official List of ASX will be met by the offer of Shares pursuant to the Public Offer under this Prospectus and by the Company's existing cash reserves (see Section 7.6 for further details). As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of securities and/or from debt funding.

## 9.10. FINANCIAL INFORMATION

### a. Historical financial information

The financial information contained in Section 12 of this Prospectus sets out:

- the historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 for Killara;
- the historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 for **buyMyplace**;
- the pro-forma historical Statement of Financial Position of Killara as at 30 June 2015. Investors are urged to read Section 12 and the Investigating Accountant's Report in Section 13 in full.

The full financial statements for Killara for its financial year ended 30 June 2015 can be found on the Company's ASX announcements platform on [www.asx.com.au](http://www.asx.com.au).

## 9.11. DIVIDEND POLICY

It is anticipated that, post-Settlement of the Acquisition, the Company will focus on the development of the **buyMyplace** business. The Company does not expect to declare any dividends during this period.

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



## 10. RISK FACTORS

The business, assets and operations of the Company, including after completion 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 our Company. The Company's Securities comprise a speculative investment, particularly as it is proposed for the Company's business after the Acquisition to comprise participation in the digital property sector and its associated business.

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 they can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to.

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from **buyMyplace**, parties contracted or associated with **buyMyplace** and the Share Sale Agreement and other agreements, including, but not limited to, those summarised in this Prospectus.

The summary of risks that follows is not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company, **buyMyplace** and their related entities and consequently Applicants. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire all of the shares in **buyMyplace** are as follows.

### 10.1. RISKS RELATING TO THE CHANGE IN NATURE AND SCALE OF ACTIVITIES AND RE-QUOTATION OF SHARES ON ASX

#### a. Dilution Risk

The Company currently has 7,662,111 Shares on issue. On completion of the Acquisition, the Company proposes to issue the relevant number of Shares under the Acquisition and issue 25,000,000 Shares to raise \$5,000,000 as part of the Capital Raising. On issue of the 25,000,000 Consideration Shares under the Acquisition and the minimum subscription of the Shares under the Public Offer (assuming no exercise of Options), the existing Shareholders will retain approximately 16% of the issued capital of the Company, with the Vendors holding 42%, and the investors under the Public Offer holding 42% of the issued capital of the Company respectively.

There is also a risk that the interests of Shareholders will be further diluted as a result of exercise of Options and future capital raisings required in order to seek to fund the development of the Company's proposed businesses after completion of the Acquisition.

b. **Liquidity Risk**

On Settlement of the Acquisition, the Company proposes to issue a total of 25,000,000 Consideration Shares. Subject to achievement of certain milestones, the Company also proposes to issue 15,000,000 Deferred Consideration Shares to the Vendors. 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 (and assuming no further Shares are issued or Options exercised), these Shares will equate to approximately 53% 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.

c. **Contractual Risk**

Pursuant to the Share Sale Agreement the Company has agreed to acquire 100% of the issued shares in **buyMyplace** 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 Share Sale Agreement. It is possible that the Company could acquire less than 100% of the issued shares in **buyMyplace**. The existence of a minority interest in **buyMyplace** may have an impact on the operations of the Company, although this impact would depend upon the ultimate level of **buyMyplace** ownership acquired by the Company.

## 10.2. RISKS SPECIFIC TO THE COMPANY

There are a number of specific risks involved for the Company, and consequently its Security holders, in the acquisition of **buyMyplace** including risks specific to the businesses and assets of **buyMyplace** which include the following non-exhaustive list.

a. **Customer service**

**BuyMyplace** relies upon both the continuous operation of its website as well as the ability to provide an acceptable level of customer assistance and service via its own staff and/or outsource providers. Any event that causes customer service to fall to inadequate or unacceptable levels may cause reputational damage and consequently a reduction in **buyMyplace's** ability to retain existing customers and attract new customers. Any loss of existing or new customers will impact the Company's revenues.

b. **Infringement of Intellectual Property Rights**

Should **buyMyplace** be accused of infringing a third party's intellectual property rights or trademarks and commence legal proceedings against **buyMyplace**, the Company may incur significant costs in defending such proceedings, regardless of the outcome. Defending legal proceedings can often be defocusing for management and possibly other staff, which may divert their attention from the optimal management of the Company and results. Should a third party obtain injunctive or other relief, it may prevent **buyMyplace** from further use of the related intellectual property or trademark. Should such litigation be successful, **buyMyplace** may also be caused to pay damages to the third party and incur additional cost in the future to use or replace the functionality of the related intellectual property or trademark.

### 10.3. INDUSTRY SPECIFIC RISKS

a. **Rate of Online Migration**

The commission free real estate segment in Australia is currently small and consequently future growth of **buyMyplace** may require the segment to expand in size and proportion of the total market. Any reduction or cessation in the rate of property vendors migrating to sell their property online via a commission free real estate portal may reduce **buyMyplace**'s future revenues.

b. **Advertising Costs**

The majority of properties offered for sale in Australia are advertised in a number of online (e.g. realestate.com.au, domain.com.au, etc) and offline media (local press, national press, flyers, etc) for both real estate agent mediated as well as commission free property listings. **buyMyplace** focuses the majority of advertising of property listings in online media. Any material increase in advertising cost of property listings in online media to the commission free real estate segment will likely increase prices to property vendors and may reduce the rate of growth of the commission free real estate segment.

c. **New Technology**

Any substantial change to property vendors' current practice of listing properties for sale on the Internet, in favour of a different medium may cause a reduction in the number of property vendors wishing to advertise online. **BuyMyplace**'s current business model is dependent on property vendors advertising online, any significant reduction to this practice may cause a material reduction in the Company's future revenue.

### 10.4. GENERAL RISKS

a. **Additional requirements for capital**

The funds raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (including in relation to **buyMyplace**) to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional financing will be required.

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

b. **Market conditions**

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

- i. general economic outlook;
- ii. introduction of tax reform or other new legislation;
- iii. interest rates and inflation rates;

- iv. changes in investor sentiment toward particular market sectors;
- v. the demand for, and supply of, capital; and
- vi. terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Security holders arising from the transactions the subject of this Prospectus or otherwise.

c. **Market acceptance**

The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns.

Accordingly, there is a risk that the Company may not be able to commercialise its products, which could adversely impact the Company's operations.

d. **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company and **buyMyplace** depend substantially on their senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or if one or more of the Directors leaves the Board.



## 11. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

### 11.1. DIRECTORS AND KEY PERSONNEL

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

- a. Mr Matthew Driscoll (Non-Executive Chairman);
- b. Mr Robert Kipp (Non-Executive Director);
- c. Mr Reza Zulkarnaen (Executive Director); and
- d. Mr Wim Zulkarnaen (Non-Executive Director).

It is proposed that upon Settlement of the Acquisition:

- a. Mr Cameron Fisher and Mr Peter Butterss will join the Board;
- b. Mr Matthew Driscoll and Mr Robert Kipp will continue as Directors in their current roles; and
- c. Mr Reza Zulkarnaen and Mr Wim Zulkarnaen will resign as Directors.

Our Company is aware of the need to have sufficient management to properly manage the business and the Board will continually monitor the management roles in the Company. The Board may look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company and **buyMyplace**.

## 11.2. CURRENT DIRECTORS AND SENIOR MANAGEMENT

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



### MATTHEW DRISCOLL (NON-EXECUTIVE CHAIRMAN)

Mr Driscoll was a founding Director of Killara Resources Limited and has over 29 years' experience in the financial services industry, having provided advice on all aspects of the securities, derivatives and investment markets.

Matthew is an experienced Director of both Not-For-Profit, private and listed companies with broad experience across several industries including financial services, fin-tech start-ups, property, Government and mining. He has a Bachelor of Arts Degree, a Graduate Diploma in Education, a Graduate Diploma of Applied Finance, is a Master of the Stockbrokers Association of Australia, a

Graduate Member of the Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australasia (SF FIN).

He has specialised experience within investment markets, inclusive of analysis and evaluation of investment opportunities, transaction analysis, financial modelling, debt structuring, asset and equity valuation and due diligence. He was a Member of the Australian Securities Exchange prior to its demutualisation and was a founding member of the Securities and Derivatives Industry Association.

In addition to his directorship with the Company Mr Driscoll is also a Non-Executive Director of Powerwrap Limited, a next generation wealth management administration platform and a Non-Executive Director of Workspace Australia Limited, a not-for-profit business incubator in Central Victoria.

Mr Driscoll was a director of ASX-listed company ILH Group Limited (ILH) from 1 October 2014 to 4 September 2015. On 17 December 2014 ILH appointed voluntary administrators. The Directors (other than Mr Driscoll) have considered the circumstances surrounding Mr Driscoll's involvement as a director of IHL and are of the view that his previous involvement with IHL in no way impacts on his appointment and contribution as a Director of the Company.



### ROBERT KIPP (NON-EXECUTIVE DIRECTOR)

Mr Kipp was a founding Director of Killara Resources Limited and has over 29 years commercial experience. He has a Bachelor of Business Degrees in both accounting and marketing, a Masters Degree in Applied Finance, is a Fellow Member of the Certified Practising Accountants of Australia (FCPA), a Graduate Member of the Australian Institute of Company Directors (GAICD) and a Fellow Member of the Financial Services Industry of Australia (F FINSIA).

He was Managing Director of Premium Investors Limited and held senior executive positions with Treasury Group Limited. Prior to joining Treasury Group Limited he held senior executive positions in private industry and was a senior partner in a public accounting practice, where he provided specialised corporate advisory services including IPO's, mergers and acquisitions, strategic corporate planning, start-ups and tax advisory services.



## LEAH WATSON (COMPANY SECRETARY)

Mrs Watson is a Chartered Accountant and has eighteen years commercial and professional experience, including serving as Company Secretary of listed companies Treasury Group Ltd and Premium Investors Limited. Prior to that Mrs Watson worked at KPMG and Hall Chadwick Chartered Accountants & Business Advisors. Mrs Watson is also a member of the Governance Institute of Australia.

### 11.3. PROPOSED DIRECTORS AND SENIOR MANAGEMENT

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



## CAMERON FISHER (CURRENT MANAGING DIRECTOR OF BUYMYPLACE AND PROPOSED EXECUTIVE DIRECTOR OF THE COMPANY)

Cameron is highly qualified in his profession, and was previously a director of some of Australia's leading real estate companies including Bennison Mackinnon and Talbot Birner Morley (TBM) after commencing his first real estate business when he was 26 years of age.

Mr Fisher holds an array of qualifications, including:

- fully Licensed Real Estate Agent;
- Diploma in valuations (distinction);
- fully Accredited Auctioneer with over 5,000 successful auctions under his belt; and
- advisor to leading institutions, developers, accountancy practices and law firms.

Cameron is also the managing director of Changing Places Real Estate Consultants Pty Ltd, a full service flat fee real estate agency. He has for a long time believed agents fees to be too high hence his flat fee service, and as such his thinking and philosophies are very much in line with those of buyMyplace.

Cameron, from time to time, provides additional services to buyMyplace and its clients for which he is remunerated on a 'per service' basis. Such services include the conduct of auctions and price negotiation on behalf of buyMyplace vendors. Cameron's fee for such services are in line with or typically below normal market rates. For the conduct of an auction Cameron's fee is \$400 plus GST which compares favourably to the fee charged for auctions by other auctioneers who charge \$600 plus GST for the same service.

Refer to Section 16.5(a) for a summary of the key terms of Mr Fisher's Executive Services Agreement..



## PETER BUTTERSS (PROPOSED NON-EXECUTIVE DIRECTOR)

Peter is an entrepreneur with experience commercialising and growing both disruptive and traditional businesses. He has successfully guided businesses in disciplines such as Information Technology, Recruitment, Property and Business Transformation. He began his involvement with buyMyplace in 2008 as the CEO and guided the company through the initial start-up phase. Most recently Mr Butterss has presided over his family group of companies within the Property and Human Capital Management sectors. In addition, Peter was a founding member of an IT-recruitment firm ultimately known as Ambit Group Pty Ltd, which was sold to ASX-listed Peoplebank Limited for \$100 million in December 2007.

Refer to Section 16.6 for a summary of the key terms of Mr Butterss' letter of appointment.



## PAUL HEATH (CHIEF-EXECUTIVE OFFICER)

Paul will initially commence on a three month contract with buyMyplace and transition to Chief Executive Officer of the Company once it is re-admitted to the Official List of ASX.

Paul has significant experience in managing growth and transformation of both local and multi-national businesses in Australia and throughout Asia Pacific as well as across a number of industries including eCommerce, Media and Entertainment, Financial Services, Telecommunications and Technology.

Paul most recently led Vistaprint in Australia, Japan, New Zealand and Singapore, achieving significant growth during his tenure whilst steering this company to one of the best performing businesses globally for Vistaprint. Vistaprint (NASDAQ: CMPR) is an online pure-play company and the global leader in Web2Print. Paul's experience also includes driving growth and improvement in a number of other businesses, including Vodafone, American Express, Foxtel, Reader's Digest and NetComm.

Paul brings a wealth of commercial experience to buyMyplace as well as significant marketing experience in online and traditional channels. Paul is a Graduate of AICD and holds a Bachelor of Commerce degree from Auckland University, graduating as Senior Scholar of the Management Faculty.

Refer to Section 16.5(b) for a summary of the key terms of Mr Heath's Executive Services Agreement.



## STEPHENIE PULIS-CASSAR (HEAD OF OPERATIONS)

Stephenie joined buyMyplace in September 2009 after starting her career studying Business at Victoria University and working as a Business Development Manager for various internet start-up companies.

Stephenie's role at buyMyplace sees her leading the day to day operations of the business as well as being responsible for managing new revenue streams, technology processes and new marketing strategies. Stephenie's extensive online and property industry experience has been the driving force behind the great success of buyMyplace's year-on-year growth.

As a keen property investor, Stephenie has always believed in the mission and vision of buyMyplace and has seen firsthand the benefits that Commission Free sales can provide Australian home owners.

Refer to Section 16.5(c) for a summary of the key terms of Miss Pulis-Cassar's Services Agreement for the position of Head of Operations.

## 11.4. PERSONAL INTERESTS OF DIRECTORS

Directors are not required under Killara's Constitution to hold any Shares to be eligible to act as a director.

Details of the Directors' and Proposed Directors' remuneration and relevant interest in the Securities of the Company upon completion of the Offers and Security issues to be made pursuant to Shareholder approval of all resolutions at the Annual General Meeting are set out in the table below:

Director	Remuneration for year ended 30 June 2014 \$	Remuneration for year ended 30 June 2015 \$	Proposed remuneration for current financial year \$
Matthew Driscoll <sup>1</sup>	\$319,475	-	\$70,000
Robert Kipp <sup>1</sup>	\$239,084	-	\$50,000
Reza Zulkarnaen <sup>2</sup>	\$233,420	-	-
Wim Zulkarnaen <sup>2</sup>	\$87,442	-	-
Cameron Fisher <sup>3</sup>	N/A	N/A	\$130,000
Peter Butterss <sup>3</sup>	N/A	N/A	\$50,000

Director	Shares	Deferred Consideration Shares	Performance Rights	Employee Options
Matthew Driscoll	2,606,828 <sup>4</sup>	-	1,875,000	1,875,000
Robert Kipp	1,481,588 <sup>5</sup>	-	1,875,000	1,875,000
Cameron Fisher	7,270,324 <sup>6</sup>	4,362,195 <sup>7</sup>	1,875,000	1,875,000
Peter Butterss	2,991,236 <sup>8</sup>	1,794,741 <sup>9</sup>	1,875,000	1,875,000

### Notes:

1. Remuneration for Messrs Matthew Driscoll, Reza Zulkarnaen and Robert Kipp in the 2014 Financial Year includes \$150,000 each, in share based payments comprising of Performance Rights, which have either lapsed or been cancelled as part of this transaction.
2. Reza Zulkarnaen and Wim Zulkarnaen will resign as Directors upon Settlement of the Acquisition.
3. Cameron Fisher and Peter Butterss will join the Board upon Settlement of the Acquisition.
4. Includes 1,356,250 Shares to be issued to Matthew Driscoll or his nominee pursuant to approval of all resolutions at the Annual General Meeting. 977,019 Shares are currently held by M&M Driscoll Nominees Pty Ltd, a company associated with Matthew Driscoll and 273,558 Shares are currently held by Ticolls Pty Ltd as trustee for Ticolls Superfund which Mr Driscoll is a beneficiary of.
5. Includes 912,500 Shares to be issued to Robert Kipp or his nominee pursuant to approval of all resolutions at the Annual General Meeting. 384,135 Shares are currently held by A.R. Roblex Pty Ltd, a company associated with Mr Kipp, 180,769 Shares are currently held by A.R. Roblex Pty Ltd as trustee for Mr Kipp's super fund and 4,183 Shares are currently held by Robert and Alexandra Kipp.
6. 87,300 Consideration Shares to be issued to Cameron Fisher and Vanessa Fisher as trustees for Centurian

Superannuation Fund and 7,183,024 Consideration Shares to issued to Changing Places Real Estate Consultants Pty Ltd, a company which Cameron Fisher controls.

7. 52,380 Deferred Consideration Shares to be issued to Cameron Fisher and Vanessa Fisher as trustees for Centurian Superannuation Fund and 4,309,815 Deferred Consideration Shares to be issued to Changing Places Real Estate Consultants Pty Ltd, a company which Cameron Fisher controls.
8. 2,392,651 Consideration Shares to be issued to Butterss Consulting Pty Ltd as trustee for P& R Butterss Family Trust and 598,585 Consideration Shares to be issued to Sweeney 138 Enterprises Pty Ltd as trustee for the Sweeney Family Trust.
9. 1,435,590 Deferred Consideration Shares to be issued to Butterss Consulting Pty Ltd as trustee for P& R Butterss Family Trust and 359,151 to be issued to Sweeney 138 Enterprises Pty Ltd as trustee for the Sweeney Family Trust.

Killara'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 Shareholders have approved the payment of fees to the Non-Executive Directors which in aggregate cannot exceed \$250,000 per annum, although this may be varied by ordinary resolution of the Shareholders in general meeting. 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.

## 11.5. DIRECTOR PARTICIPATION IN THE OFFER

None of the Directors or Proposed Directors intend on participating in the Public Offer.

## 11.6. AGREEMENTS WITH DIRECTORS

The agreements the Company has entered into with Directors and Proposed Directors are contained in Section 16.1, 16.3, 16.5 and 16.6.

Directors Robert Kipp and Matthew Driscoll are parties to the Advisory Services Agreement along with Peter Hartshorne of Infinity Consulting Pty Ltd. These parties have provided advisory and management services in the preparation and promotion of the Acquisition and their respective fees are \$250,000 on a capital raising of \$5,000,000. Details of the Advisory Services Agreement are set out in Section 16.3.

Proposed Directors Cameron Fisher and Peter Butterss (or their related entities) are Major Shareholders and are therefore party to the Share Sale Agreement. Details of the Share Sale Agreement are set out in Section 16.

Details of Cameron Fisher's Executive Services Agreement are set out in Section 16.5(a). Pursuant to the terms of Mr Fisher's Executive Services Agreement, the Company will pay Mr Fisher a one-off sign-on fee of \$50,000 inclusive of superannuation after completion of the Public Offer and within one month of all monies for the Public Offer having been received. Details of Peter Butterss' Non-Executive Director letter of appointment are set out in Section 16.6.

Proposed Director Cameron Fisher's related entity, Changing Places Real Estate Consultants Pty Ltd (**Changing Places**), is currently paid a monthly fee of \$8,000 (plus GST) by **buyMyplace** for office space, office support and various management services provided by Changing Places. Mr Fisher and the Company have agreed that this arrangement will cease upon Mr Fisher's ESA (summarised in Section 16.5(a)) becoming effective, being the date on which the Company is readmitted to the official list of ASX following Settlement of the Acquisition.

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Lineage Human Capital Group Pty Ltd, a company associated with Proposed Director Peter Butterss, will be paid a one-off recruitment fee of \$45,000 (excluding GST) for the placement of Mr Paul Heath as Chief Executive Officer of the Company. The Directors are satisfied that this agreement was struck on arms' length terms.

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## 12. FINANCIAL INFORMATION ON THE COMPANY AND BU MYPLACE

### 12.1. INTRODUCTION

The financial information set out in this Section 12 summarises the selected financial data derived from the respective audited financial statements of both Killara Resources Limited (**Killara** or the **Company**) (consolidated) and BuyMyHome Pty Ltd (**buyMyplace** or **BMP**), in addition to a reviewed pro forma statement of financial position as at 30 June 2015.

This Section contains the following information, prepared by the Directors:

- Summary historical statement of profit and loss and comprehensive income for the year ended 30 June 2013 (**FY2013**), year ended 30 June 2014 (**FY2014**) and the year ended 30 June 2015 (**FY2015**) for both Killara (consolidated) and **buyMyplace** companies (**Historical Statement of Profit and Loss and Comprehensive Income**);
- Summary historical statement of cash flows for FY2013, FY2014 and FY2015 for both Killara (consolidated) and **buyMyplace** (**Historical Statement of Cash flows**); and
- Historical and pro forma consolidated historical statement of financial positions as at 30 June 2015 of Killara (**Historical and Pro forma Consolidated Historical Statement of Financial Position**),
- together the **Historical Financial Information**.

### 12.2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL INFORMATION

The financial information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act. The financial information is presented in an abbreviated form insofar as it does not include all of the disclosures, statements or comparative information as required by Australian Accounting Standards as applicable to annual financial reports prepared in accordance with the Corporations Act. The key accounting policies of Killara and **buyMyplace** relevant to the Financial Information are set out in Section 12.6.

The Directors of the Company are responsible for the inclusion of all financial information in this Prospectus.

The Financial Information has been reviewed and reported on by Grant Thornton Corporate Finance Pty Limited (**Grant Thornton Corporate Finance**) as set out in the Independent Limited Assurance Report (**Investigating Accountant's Report**) in Section 13. Investors should note the scope and limitations of the Investigating Accountant's Report.

**Killara**

The Historical Financial Information of Killara has been extracted from the audited financial statements for FY2013 (audited by Bentleys Audit & Corporate (WA) Pty Ltd), and FY2014 and FY2015, which were audited by Grant Thornton Audit Pty Ltd, who both issued unqualified audit opinions with emphasis of matters in respect of these periods.

**buyMyplace**

The Historical Financial Information of **buyMyplace** has been extracted from the audited financial statements for FY2013, FY2014 and FY2015, which were audited by Grant Thornton Audit Pty Ltd who issued unqualified audit opinions in respect of these periods.

**Pro-forma Consolidated**

As noted in Section 16.1, Killara has entered into a Share Sale Agreement to acquire all of the issued shares in **buyMyplace**. The acquisition of **buyMyplace** by Killara is not deemed to be a business combination, as Killara is not considered to be a business under AASB 3 Business Combinations.

As such the consolidation of Killara and **buyMyplace** is on the basis of the continuation of **buyMyplace** with no fair value adjustments, whereby BMP is deemed to be the accounting parent. Therefore, the most appropriate treatment for the transaction is to account for it under AASB 2 Share Based Payments, whereby **buyMyplace** is deemed to have issued shares to Killara shareholders in exchange for the net assets held by Killara.

**12.3. THE COMPANY (KILLARA)**

This Section contains a summary of the audited historical statement of profit and loss and statement of financial position of the Company for the three years ended 30 June 2015 that the Directors consider relevant to investors. The financial information presented is in an abbreviated form and does not contain all of the disclosures that are usually contained in statutory accounts prepared in accordance with the Corporations Act.

<b>Killara</b>			
<b>Consolidated Financial Information</b>	<b>30 June 2013</b>	<b>30 June 2014</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenue [1]	-	183,240	24,723
Operating expenses	(3,688,199)	(2,121,923)	(3,636,641)
<b>EBITDA</b>	<b>(3,688,199)</b>	<b>(1,938,683)</b>	<b>(3,611,918)</b>
Depreciation and amortisation expenses	(13,458)	(22,428)	(12,523)
EBIT	(3,701,657)	(1,961,111)	(3,624,441)
Interest income	60,956	180,782	227,341
<b>Loss before income tax</b>	<b>(3,640,701)</b>	<b>(1,780,329)</b>	<b>(3,397,100)</b>
Income tax benefit / (expense)	-	-	-
<b>Loss after tax from continuing operations</b>	<b>(3,640,701)</b>	<b>(1,780,329)</b>	<b>(3,397,100)</b>
Total assets	3,949,328	3,835,223	919,149
Total liabilities	(967,038)	(2,372,704)	(2,835,603)
<b>Net assets / (deficiency) in assets</b>	<b>2,982,290</b>	<b>1,462,519</b>	<b>1,619,454</b>

The Consolidated Historical Statement of Profit and Loss have been extracted from the audited financial statements of Killara for the financial years ended FY2013, FY2014 and FY2015.

**Notes:**

[1] Total revenue excludes interest income.

**Revenue**

Historically, Killara's operations were focused on resource exploration and mining, therefore revenue has historically been generated through coal sales. Production delays led to the termination of the contractor at its Indonesian coal mine, and operations were ceased at the mine in 2014 while the company reviewed plans to directly engage in the production process.

**Expenses**

Historically, overheads were largely comprised of employee and corporate costs, including publicly listed expenditure. After the termination of the contractor, the Board embarked on a cost review of all activities, which resulted in reductions in headcount and corporate expenses, including travel and consultancy.

The audited financial statements (inclusive of significant accounting policies) of the Company for the three years ended 30 June 2015 are available on the Company's website at [www.killararesources.com](http://www.killararesources.com) or by request to the Company on +61 3 9629 3898.

## 12.3.1 KILLARA HISTORICAL FINANCIAL PERFORMANCE

	30 June 2013	30 June 2014	30 June 2015
	\$	\$	\$
Revenue	-	174,240	-
Interest revenue	60,956	180,782	227,341
Other income	-	9,000	24,723
Cost of direct materials and labour used in production	-	(444,562)	-
Employee benefit expenses	(930,777)	(985,224)	(67,736)
Equity based payments	(44,899)	(96,322)	(3,659)
Occupancy expenses	(170,521)	(56,991)	(74,213)
Depreciation expense	(13,458)	(22,428)	(12,523)
Consultancy expenses	(142,279)	(47,199)	(40,927)
Legal and compliance expenses	(273,091)	(21,949)	(27,353)
Exploration expenses incurred	(72,221)	(21,947)	(981)
Administration expenses	(278,152)	(336,531)	(21,076)
Write-off of stockpile	-	-	(74,046)
Write-off of exploration and evaluation assets	(1,776,259)	(111,198)	-
Impairment of assets	-	-	(3,326,650)
<b>Loss before income tax</b>	<b>(3,640,701)</b>	<b>(1,780,329)</b>	<b>(3,397,100)</b>
Income tax expense	-	-	-
<b>Loss for the year</b>	<b>(3,640,701)</b>	<b>(1,780,329)</b>	<b>(3,397,100)</b>
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	5,168	(62,059)	(67,219)
<b>Other comprehensive profit / (loss) net of tax</b>	<b>5,168</b>	<b>(62,059)</b>	<b>(67,219)</b>
<b>Total comprehensive loss for the year</b>	<b>(3,635,533)</b>	<b>(1,842,388)</b>	<b>(3,464,319)</b>
<b>Loss for the year attributable to :</b>			
Owners of the Company	(3,639,911)	(1,656,503)	(3,278,677)
Non-controlling interests	(790)	(123,826)	(118,423)
	<b>(3,640,701)</b>	<b>(1,780,329)</b>	<b>(3,397,100)</b>
<b>Total comprehensive loss attributable to :</b>			
Owners of the Company	(3,634,743)	(1,718,562)	(3,345,896)
Non-controlling interests	(790)	(123,826)	(118,423)
	<b>(3,635,533)</b>	<b>(1,842,388)</b>	<b>(3,464,319)</b>

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the notes below and the prior year financial information set out below. Past performance is not a guide to future performance.

## 12.3.2 KILLARA HISTORICAL CASH FLOWS

	30 June 2013	30 June 2014	30 June 2015
	\$	\$	\$
<b>Operating activities</b>			
Receipts from customers	-	183,240	24,723
Payments to suppliers and employees	(1,841,363)	(1,809,864)	(286,246)
Interest paid	-	(19,003)	-
Interest received	61,525	9,100	615
<b>Net cash used in operating activities</b>	<b>(1,779,838)</b>	<b>(1,636,527)</b>	<b>(260,908)</b>
<b>Investing activities</b>			
Payments for tenements	(1,401,602)	-	-
Purchase of plant and equipment	(34,550)	-	-
Proceeds on disposal of plant and equipment	11,774	-	-
<b>Net cash used in from investing activities</b>	<b>(1,424,378)</b>	<b>-</b>	<b>-</b>
<b>Financing activities</b>			
Loans to employees	(4,343)	(1,028)	-
Repayment of employee loans	18,352	9,679	960
Loans to related entities	(931,834)	(3,115)	-
Repayment of loans to related entities	-	26,358	-
Proceeds from borrowings	-	799,575	165,553
Proceeds from issue of shares	2,907,785	253,000	75,000
Payment for share issue costs	(33,256)	(9,572)	(1,614)
<b>Net cash provided from financing activities</b>	<b>1,956,704</b>	<b>1,074,897</b>	<b>(239,899)</b>
<b>Net change in cash and cash equivalents</b>	<b>(1,247,512)</b>	<b>(561,630)</b>	<b>(21,009)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,835,918</b>	<b>589,002</b>	<b>28,650</b>
Exchange differences on cash and cash equivalents	596	1,278	(254)
<b>Cash and cash equivalents, end year</b>	<b>589,002</b>	<b>28,650</b>	<b>7,387</b>

This consolidated statement of cash flows shows the historical cash flows of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the notes below and the prior year financial information set out below. Past performance is not a guide to future performance.

## 12.3.3 KILLARA HISTORICAL FINANCIAL POSITION

	30 June 2013	30 June 2014	30 June 2015
	\$	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	589,002	28,650	7,387
Trade and other receivables	36,427	139,197	151,458
Inventories – coal stockpile	-	68,060	-
Total current assets	625,429	235,907	158,845
<b>Non-current assets</b>			
Trade and other receivables	1,423,811	1,465,544	-
Exploration and evaluation assets	1,672,557	-	-
Mine properties	-	1,951,816	590,000
Plant and equipment	42,188	24,800	13,446
Other non-current assets	185,343	157,156	156,858
Total non-current assets	3,323,899	3,599,316	760,304
<b>Total assets</b>	<b>3,949,328</b>	<b>3,835,223</b>	<b>919,149</b>
<b>Current liabilities</b>			
Trade and other payables	802,689	1,457,581	1,579,945
Borrowings	-	852,205	1,191,776
Provisions	18,346	21,019	18,095
Total current liabilities	821,035	2,330,805	2,789,816
<b>Non-Current liabilities</b>			
Provisions	146,003	41,899	45,787
Total non-current liabilities	146,003	41,899	45,787
<b>Total liabilities</b>	<b>967,038</b>	<b>2,372,704</b>	<b>2,835,603</b>
<b>Net assets</b>	<b>2,982,290</b>	<b>1,462,519</b>	<b>(1,916,454)</b>
<b>EQUITY</b>			
Issued capital	12,655,252	12,898,680	12,972,066
Reserves	1,996,010	1,626,784	1,128,326
Accumulated losses	(11,670,050)	(12,923,195)	(15,766,974)
Total equity attributable to owners of the Company	2,981,212	1,602,269	(1,666,582)
Total non-controlling interest	1,078	(139,750)	(249,872)
<b>Total equity</b>	<b>2,982,290</b>	<b>1,462,519</b>	<b>(1,916,454)</b>

This consolidated statement of financial position shows the historical financial position of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the notes below and the prior year financial information set out below. Past performance is not a guide to future performance.



## 12.4. BUYMYPLACE

This Section contains a summary of the audited historical statement of profit and loss and statement of financial position of **buyMyplace** for the three years ended 30 June 2015. The financial information presented is in an abbreviated form and does not contain all of the disclosures that are usually contained in statutory accounts prepared in accordance with the Corporations Act.

<b>buyMyplace</b>			
<b>Financial Information</b>	<b>30 June 2013</b>	<b>30 June 2014</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenue [1]	907,223	832,830	931,032
Operating expenses	(655,578)	(736,575)	(647,876)
<b>EBITDA</b>	<b>251,645</b>	<b>96,255</b>	<b>283,156</b>
Depreciation and amortisation expenses	(63,354)	(37,879)	(20,987)
<b>EBIT</b>	<b>188,291</b>	<b>58,376</b>	<b>262,169</b>
Interest income	4,962	2,859	3,575
<b>Profit before income tax</b>	<b>193,253</b>	<b>61,235</b>	<b>265,744</b>
Income tax benefit / (expense)	3,045	2,553	(134)
<b>Profit after tax from continuing operations</b>	<b>196,298</b>	<b>63,788</b>	<b>265,610</b>
Total assets	279,033	251,583	309,437
Total liabilities	(389,170)	(297,932)	(90,276)
<b>Net assets</b>	<b>(110,137)</b>	<b>(46,349)</b>	<b>219,261</b>

The Historical Statements of Profit and Loss have been extracted from the audited financial statements of **buyMyplace** for the financial years ended FY2013, FY2014 and FY2015.

### Notes:

[1] Total revenue excludes interest income.

### Revenue

In 2014 **buyMyplace** commenced offering a flat once-off fee and dispensed with the fee plus pay per month option due to changes in customer offers from direct competitors. Over the past three years **buyMyplace** has focussed on cost control and the stabilisation of revenues.

### Expenses

To coincide with the new flat-once off fee revenue in 2014, investment in marketing was higher than in 2014 than in 2013 and 2015, resulting in higher expenditure for that year.

## 12.4.1 BUYSPLACE HISTORICAL FINANCIAL PERFORMANCE

	30 June 2013	30 June 2014	30 June 2015
	\$	\$	\$
Revenue	912,185	835,689	934,607
Direct Costs	(477,542)	(452,820)	(352,752)
Advertising expenses	(1,417)	(955)	(743)
Depreciation and amortisation expenses	(63,354)	(37,879)	(20,987)
Employee benefits expenses	(78,316)	(126,948)	(126,031)
Other expenses	(98,303)	(155,852)	(168,350)
<b>Profit before income tax</b>	<b>193,253</b>	<b>61,235</b>	<b>265,744</b>
Income tax (expense) / benefit	3,045	2,553	(134)
Profit after tax	196,298	63,788	265,610
<b>Other comprehensive income:</b>			
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive loss for the year</b>	<b>196,298</b>	<b>63,788</b>	<b>265,610</b>

## 12.4.2 BUYSPLACE HISTORICAL CASH FLOWS

	30 June 2013	30 June 2014	30 June 2015
	\$	\$	\$
<b>Operating activities</b>			
Receipts from customers	857,222	832,637	880,437
Payments to suppliers and employees	(755,933)	(826,779)	(808,353)
Interest received	4,596	2,859	3,575
<b>Net cash used in operating activities</b>	<b>105,885</b>	<b>8,717</b>	<b>75,659</b>
<b>Investing activities</b>			
Payments for plant and equipment	(26,910)	-	(2,077)
<b>Net cash used in from investing activities</b>	<b>(26,910)</b>	<b>-</b>	<b>(2,077)</b>
Net change in cash and cash equivalents	78,975	8,717	73,582
Cash and cash equivalents, beginning of year	104,134	183,109	191,826
<b>Cash and cash equivalents, end year</b>	<b>183,109</b>	<b>191,826</b>	<b>265,408</b>

## 12.4.3 BUYSPLACE HISTORICAL FINANCIAL POSITION

	30 June 2013	30 June 2014	30 June 2015
	\$	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	183,109	191,826	265,408
Trade and other receivables	13,028	12,188	14,030
Total current assets	196,137	204,014	279,438
<b>Non-current assets</b>			
Plant and equipment	71,360	37,489	21,303
Tax assets	4,803	7,356	7,222
Other non-current assets	6,733	2,724	1,574
Total non-current assets	82,896	47,569	30,099
<b>Total assets</b>	<b>279,033</b>	<b>251,583</b>	<b>309,537</b>
<b>Current liabilities</b>			
Trade and other payables	385,864	296,370	89,156
Provisions	3,306	1,562	1,120
Total current liabilities	389,170	297,932	90,276
<b>Total liabilities</b>	<b>389,170</b>	<b>297,932</b>	<b>90,276</b>
<b>Net assets deficiency</b>	<b>(110,137)</b>	<b>(46,349)</b>	<b>219,261</b>
<b>EQUITY</b>			
Issued capital	7,827,354	7,827,354	7,827,354
Accumulated losses	(7,937,491)	(7,873,703)	(7,608,093)
<b>Total equity</b>	<b>(110,137)</b>	<b>(46,349)</b>	<b>219,261</b>

## 12.5. HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2015

The table below sets out the historical statement of financial position as at 30 June 2015 for the Company, together with subsequent event and pro-forma adjustments that have been made to the Historical Consolidated Statement of Financial Position.

The pro-forma statement of financial position has been prepared based on the audited financial statements as at 30 June 2015, the subsequent events detailed below and adjusting for the transactions and events relating to the Acquisition and the issue of Shares under this Prospectus outlined in Section 12.5.1.

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 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.

## HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL POSITION AT 30 JUNE 2015

Based on funds raised of \$5 million

	Notes	KRA Audited as at 30-Jun-15 \$	BMP Audited as at 30-Jun-15 \$	Subsequent events Total \$	Pro-forma adjustments Total \$	Pro-forma after offer \$
<b>ASSETS</b>						
<b>Current</b>						
Cash & cash equivalents	12.5.2	7,387	265,408	177,376	4,111,913	<b>4,562,084</b>
Trade & other receivables	12.5.3	151,458	14,030	(136,340)	-	<b>29,148</b>
		158,845	279,438	41,036	4,111,913	<b>4,591,232</b>
<b>Non Current</b>						
Plant and equipment	12.5.4	13,446	21,303	(11,043)	-	<b>23,706</b>
Mining assets	12.5.5	590,000	-	(590,000)	-	-
Tax assets		-	7,222	-	-	<b>7,222</b>
Other non-current assets	12.5.6	156,858	1,574	(131,345)	-	<b>27,087</b>
		760,304	30,099	(732,388)	-	<b>58,015</b>
<b>TOTAL ASSETS</b>		<b>919,149</b>	<b>309,537</b>	<b>(691,352)</b>	<b>4,111,913</b>	<b>4,649,247</b>
<b>LIABILITIES</b>						
<b>Current</b>						
Trade & other payables	12.5.7	1,579,945	89,156	(1,261,403)	(228,297)	<b>179,401</b>
Borrowings	12.5.8	1,191,776	-	(795,537)	(396,239)	-
Provisions (Current)		18,095	1,120	-	-	<b>19,215</b>
		2,789,816	90,276	(2,056,940)	(624,536)	<b>198,616</b>
<b>Non Current</b>						
Provisions (Non-Current)	12.5.9	45,787	-	(45,787)	-	-
		45,787	-	(45,787)	-	-
Total liabilities		2,835,603	90,276	(2,102,727)	(624,536)	<b>198,616</b>
<b>NET ASSETS</b>		<b>(1,916,454)</b>	<b>219,261</b>	<b>1,411,375</b>	<b>4,736,449</b>	<b>4,450,631</b>
<b>EQUITY</b>						
Issued capital	12.5.10	12,972,066	7,827,354	(163,000)	(6,336,365)	<b>14,300,055</b>
Reserves	12.5.11	1,128,326	-	134,215	(1,262,541)	-
Accumulated losses - prior year/months	12.5.12	(15,766,974)	(7,608,093)	1,190,288	12,335,355	<b>(9,849,424)</b>
<b>Total parent interest in equity</b>		<b>(1,666,582)</b>	<b>219,261</b>	<b>1,161,503</b>	<b>4,736,449</b>	<b>4,450,631</b>
<b>Total Outside Equity Interest</b>	12.5.13	<b>(249,872)</b>	<b>-</b>	<b>249,872</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		<b>(1,916,454)</b>	<b>219,261</b>	<b>1,411,375</b>	<b>4,736,449</b>	<b>4,450,631</b>

The pro-forma consolidated statement of financial position after the Offer is as per the consolidated statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus.

## 12.5.1 PRO FORMA TRANSACTIONS

### Subsequent events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 30 June 2015:

1. On 14 July 2015 Killara announced its intention to sell its Indonesian mining assets to a private consortium led by two of Killara's Indonesian directors, Wim and Reza Zulkarnaen. As this transaction is a related party transaction a valuation of the mining interests and independent expert's report was procured, and shareholder approval will be sought at an EGM which will be held on 11 November 2015. For the purposes of preparing the pro-forma financial information, it was assumed that this transaction would be approved by shareholders, with completion expected to take place on 12 November 2015.

As consideration for the buy-back of 32,960,000 fully paid ordinary shares that will be bought-back and cancelled by Killara, the following items will be transferred out of the consolidated accounts:

- security and other interests in 80% of the issued shares in PT Borneo Emas Hitam (**BEH**), including all loans owing by Rukis to the Company in connection with that investment;
- all assets and liabilities of the subsidiary PT Killara Resources;
- the loan debt owed to Wiz Investments Holding Pty Ltd, which will be novated to BEH.

2. On 28 August 2015, Killara made a placement of 20,000,000 Shares to a private investor for \$100,000.

Apart from the matters dealt with in this section, to the best of the Directors' knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in this section or that would cause such information to be deceptive or misleading.

### Pro forma transactions

The pro-forma statement of financial position has been prepared based on the following transactions and events relating to the Acquisition and the issue of Shares under this Prospectus:

3. the issue of 25,000,000 Shares and the issue of 15,000,000 Deferred Consideration Shares to the Vendors in consideration for the Acquisition of all of the issued capital of **buyMyplace**;
4. the issue 25,000,000 Shares at an offer price of \$0.20 each to raise \$5 million before costs, pursuant to the Public Offer;
5. Cash expenses associated with the Offers are estimated at \$588,087 (exclusive of GST). In addition, non-cash expenses relating to Promoters fees of \$125,000 will be paid through the issue of Shares (refer note 6) bringing the total expenses to \$713,087. Of this, \$624,776 has been; allocated against contributed equity and \$88,311 against accumulated losses;
6. The issue of the 625,000 Shares to the Promoters of the Offer;
7. the issue of 1,800,000 Shares on the conversion of existing debts owed to Robert Kipp and Matthew Driscoll;

### Employee Options

Refer to Section 17.5 for details of Employee Options. There is no impact on the pro-forma statement of financial position from the Employee Options as their corresponding vesting periods have not commenced as at the pro-forma date.

### Performance Rights

Refer to Section 17.4 for details of Employee Performance Rights. There is no impact on the pro-forma statement of financial position from the Employee Performance Rights as their corresponding vesting periods have not commenced as at the pro-forma date.

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## 12.5.2 CASH AND CASH EQUIVALENTS

		\$
Cash and cash equivalents at 30 June 2015		7,387
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	77,376
Issue of capital to private investor	12.5.1.2	100,000
		<u>177,376</u>
Pro-forma adjustments		
Acquisition of BMP	12.5.1.3	265,408
Proceeds from shares issued under the Public Offer	12.5.1.4	5,000,000
Capital raising costs	12.5.1.5	(588,087)
Repayment of director loan	12.5.1.17	(300,000)
		<u>4,337,321</u>
Pro-forma balance		<u>4,562,084</u>

## 12.5.3 TRADE AND OTHER RECEIVABLES

		\$
Trade and other receivables at 30 June 2015		151,458
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	(136,340)
		<u>(136,340)</u>
Pro-forma adjustments		
Acquisition of BMP	12.5.1.3	14,030
		<u>14,030</u>
Pro-forma balance		<u>29,148</u>

## 12.5.4 PLANT AND EQUIPMENT

		\$
Plant and equipment at 30 June 2015		13,446
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	(11,043)
		<u>(11,043)</u>
Pro-forma adjustments		
Acquisition of Buy My Home	12.5.1.3	21,303
		<u>21,303</u>
Pro-forma balance		<u>23,706</u>

### 12.5.5 MINING ASSETS

		\$
Mining assets at 30 June 2015		590,000
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	(590,000)
		<u>(590,000)</u>
Pro-forma balance		-

### 12.5.6 OTHER NON-CURRENT ASSETS

		\$
Other non-current assets at 30 June 2015		156,858
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	(131,345)
		<u>(131,345)</u>
Pro-forma adjustments		
Acquisition of Buy My Home	12.5.1.3	1,574
		<u>1,574</u>
Pro-forma balance		<u>27,087</u>

### 12.5.7 TRADE AND OTHER PAYABLES

		\$
Trade and other payables at 30 June 2015		1,579,945
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	(1,261,403)
		<u>(1,261,403)</u>
Pro-forma adjustments		
Acquisition of BMP	12.5.1.3	89,156
Accrued wages owing to directors converted to equity	12.5.1.7	(228,297)
		<u>(228,297)</u>
Pro-forma balance		<u>179,401</u>

## 12.5.8 BORROWINGS

		\$
Borrowings at 30 June 2015		1,191,776
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	(795,537)
		<u>(795,537)</u>
Pro-forma adjustments		
Repayment of director loan	12.5.1.7	(300,000)
Balance of director loan converted to equity	12.5.1.7	(96,239)
		<u>(396,239)</u>
Pro-forma balance		<u>-</u>

## 12.5.9 NON-CURRENT PROVISIONS

		\$
Provisions (Non-current) at 30 June 2015		45,787
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	(45,787)
		<u>(45,787)</u>
Pro-forma balance		<u>-</u>

## 12.5.10 ISSUED CAPITAL

		Number of shares	\$
Fully paid ordinary share capital of Killara as at 30 June 2015		132,484,378	12,972,066
Subsequent events			
Divestment of Indonesian assets (Share buy-back)	12.5.1.1	(32,960,000)	(263,000)
Shares issued to private investor 28 August 2015	12.5.1.2	20,000,000	100,000
		(12,960,000)	(163,000)
Fully paid ordinary share capital of Killara post subsequent events		119,524,378	12,809,066
Completion of capital consolidation (15.6 shares into 1)		7,662,111	12,809,066
Pro-forma adjustments			
Acquisition of Buy My Home	12.5.1.3	-	7,827,354
Elimination of Killara's issued capital upon Acquisition)	12.5.1.3	-	(12,809,066)
Issue of Ordinary shares to the Vendors for the Acquisition	12.5.1.3	25,000,000	1,647,941
Issue of Ordinary shares to Directors and Advisors for the Acquisition	12.5.1.6	625,000	125,000
Balance of director loan and accrued wages converted to equity	12.5.1.7	1,800,000	324,536
Proceeds from shares issued under the Public Offer	12.5.1.4	25,000,000	5,000,000
Capital raising costs	12.5.1.5	-	(624,776)
		52,425,000	1,490,989
Pro-forma balance		60,087,111	14,300,055

## 12.5.11 RESERVES

		\$
Reserves at 30 June 2015		1,128,326
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	134,215
		<u>134,215</u>
Pro-forma adjustments		
Elimination of Killara's reserves upon Acquisition	12.5.1.3	(1,262,541)
		<u>(1,262,541)</u>
Pro-forma balance		<u>-</u>

## 12.5.12 ACCUMULATED LOSSES

		\$
Accumulated losses at 30 June 2015		(15,766,974)
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	1,190,288
		<u>1,190,288</u>
Pro-forma adjustments		
Acquisition of BMP	12.5.1.3	(7,608,093)
Elimination of Killara's accumulated losses upon Acquisition	12.5.1.3	14,576,686
Amount recognised as ASX listing expense upon Acquisition	12.5.1.3	(2,153,020)
Expenses of the offer relating to listing expenses, not capitalised	12.6(b)	<u>(88,311)</u>
		<u>4,727,262</u>
Pro-forma balance		<u>(9,849,424)</u>

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### 12.5.13 OUTSIDE EQUITY INTEREST

		\$
Outside equity interest at 30 June 2015		(249,872)
Subsequent events		
Divestment of Indonesian assets	12.5.1.1	249,872
		<hr/> 249,872
Pro-forma balance		<hr/> -

### 12.5.14 ACQUISITION ACCOUNTING

#### Provisional accounting for the Acquisition

A summary of the details with respect to the Acquisition as included in the Investigating Accountant's Report is set out below. These details have been determined for the purpose of the pro-forma adjustments as at 30 June 2015, and will require re-determination based on the identifiable assets and liabilities as at the successful acquisition date, which may result in changes to the value as disclosed below.

Under the Acquisition, Killara acquires all the shares in BMP by issuing 25,000,000 Shares and 15,000,000 Deferred Consideration Shares in Killara to BMP shareholders. The acquisition of BMP by Killara is not deemed to be a business combination, as Killara is not considered to be a business under AASB 3 Business Combinations.

As such the consolidation of these two companies is on the basis of the continuation of **buyMyplace** with no fair value adjustments, whereby **buyMyplace** is deemed to be the accounting parent. Therefore, the most appropriate treatment for the transaction is to account for it under AASB 2 Share Based Payments, whereby **buyMyplace** is deemed to have issued Shares to Killara Shareholders in exchange for the net assets held by Killara.

In this instance, the value of the **buyMyplace** shares provided has been determined in reference to the Killara VWAP. We have deemed this to be \$1,647,941.

The pre-Acquisition equity balances of Killara are eliminated against this increase in Share capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of Killara, being \$2,153,020.

The net assets acquired, and the amount recognised as an ASX listing expense, are as follows:

Acquiree's carrying value before  
Acquisition

\$

**Net assets acquired:**

Cash and cash equivalents	184,763
Trade and other receivables	15,118
Plant and equipment	2,403
Other non-current assets	25,513
Trade and other payables	(318,542)
Borrowings	(396,239)
Provisions (current)	(18,095)
Net asset deficiency of Killara as at 30 June 2015 post subsequent events	<b>(505,079)</b>
Fair value of Killara consideration shares	1,647,941
Net asset deficiency acquired	505,079
<b>Amount recognised as ASX listing expense upon acquisition</b>	<b>2,153,020</b>

## 12.5.15 RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

## 12.5.16 COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

## 12.6. ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

**Basis of preparation of historical financial information:**

The historical financial information has been prepared in accordance with the recognition and measurement, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial information has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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### Going concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

### Reporting basis and conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### a. Principles of consolidation

The historical information incorporates the assets, liabilities and results of entities controlled by Killara ("Parent") at the end of the reporting period. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Where controlled entities have entered or left the group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated historical financial information, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

b. **Business combinations**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

c. **Foreign currency translation**

**Functional and presentation currency**

The consolidated financial statements are presented in Australian dollars ('AUD'), which is also the functional and presentation currency of the Parent Company.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rate at the date when fair value was determined.

**Foreign operations**

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into \$AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into \$AUD at the closing rate. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

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d. **Revenue**

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

All revenue is stated net of the amount of goods and services tax (GST).

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Coal sales**

Contract terms for the Group's sale of coal allow for a price adjustment based on final qualitative results of the coal by the customer. Recognition of sales revenue for these commodities is based on the most recently determined estimate of quality (based on initial sampling results of the stockpile) and the spot price at the date of shipment, with a subsequent adjustment made upon final determination.

**Interest income**

Interest income and expenses are reported on an accrual basis using the effective interest method.

**Rendering of services**

Revenue is recognised when the service has been provided and the outcome of the transaction can be reliably estimated.

**Other income**

Other income is recognised on an accruals basis when the company is entitled to it.

e. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in administration costs.

f. **Income tax**

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

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

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

g. **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

h. **Mine properties**

Mine properties are accounted for in accordance with AASB 116 Property, Plant and Equipment and represent the accumulation of all exploration, evaluation and development expenditure incurred in respect of areas of interest in which mining has commenced or in the process of commencing. When further development expenditure is incurred in respect of mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a unit of production basis (other than restoration and rehabilitation expenditure detailed below) which results in a write off of the cost proportional to the depletion of the proven and probable mineral reserves.

The net carrying value of each area of interest is reviewed regularly and to the extent to which this value exceeds its recoverable amount, the excess is either fully provided against or written off in the financial year in which this is determined.

The Group provides for environmental restoration and rehabilitation at site which includes any costs to dismantle and remove certain items of plant and equipment. The cost of an item includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs when an item is acquired or as a consequence of having used the item during that period. This asset is depreciated on the basis of the current estimate of the useful life of the asset.

In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets an entity is also required to recognise as a provision the best estimate of the present value of expenditure required to settle the obligation. The present value of estimated future cash flows is measured using a current market discount rate.

i. **Plant and equipment**

Buildings, IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Buildings, IT equipment and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, IT equipment and other equipment. The following useful lives are applied:

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Buildings (temporary, on concessions)	3-5 years
Leasehold improvements	3-5 years
Furniture, fittings and equipment (including IT)	3-8 years
Vehicles	3-5 years

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

j. **Impairment of assets**

At each reporting date the Company assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the company makes a formal estimate of recoverable amount. Where carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or company assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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.

k. **Provisions, contingent liabilities and contingent assets**

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

**l. Rehabilitation provision**

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, is recognised when the land is contaminated.

The provision represents the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

**m. Employee benefits**

**Short-term obligations**

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement. Annual leave is included in non-current liabilities and not discounted when calculating the leave liability as the Group expects all annual leave for all employees to be used wholly within 12 months of the end of reporting period. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 Presentation of Financial Statements.

**Other long-term employee benefit obligations**

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**Share-based payments**

Share-based compensation benefits are provided to employees via the Killara Resources Limited Employee Incentive Option plan and share ownership plan.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

n. **Financial instruments**

*Recognition, initial measurement and de-recognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Loans and receivables;
- Financial assets at Fair Value Through Profit or Loss ('FVTPL');
- Held-To-Maturity ('HTM') investments; or
- Available-For-Sale ('AFS') financial assets.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

*Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit

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risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

#### *Financial Assets at FVTPL*

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### *HTM Investments*

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Group has the intention and ability to hold them until maturity. The Group currently does not hold any investments designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

#### *AFS financial assets*

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group does not currently hold any AFS financial assets.

All other AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'interest income' (see Note 12.6 (f)).

Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit or loss and any subsequent increase in fair value is recognised in other comprehensive income.

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### *Classification and subsequent measurement of financial liabilities*

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

### *Derivative financial instruments and hedge accounting*

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which requires a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

The Group does not have any derivative financial instruments for the reporting periods under review.

#### **o. Equity and reserves**

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

#### **p. Goods and services tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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## 13. INVESTIGATING ACCOUNTANT'S REPORT



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Board of Directors  
Killara Resources Limited  
Level 3 North Building  
333 Collins Street  
MELBOURNE VIC 3000

15 December 2015

Dear Sirs,

### INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

#### Introduction

We have been engaged by Killara Resources Limited (to be renamed buyMyplace.com.au Ltd) ("KRA" or the "Company") to report on the Historical and Pro Forma Historical Financial Information of the Company for inclusion in a Prospectus (the "Prospectus") to be dated on or about 15 December 2015, and to be issued by KRA in respect to the offer of shares in the Company ("Public Offer").

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

#### Scope

Grant Thornton Corporate Finance has been requested to prepare this report on the following financial information:

#### Historical Financial Information

The Historical Financial Information of KRA and BuyMyHome Pty Ltd, as set out in the Prospectus comprises:

- The consolidated historical statement of profit or loss and other comprehensive income of KRA for FY2013, FY2014 and FY2015;

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- The consolidated historical statement of cash flows of KRA for FY2013, FY2014 and FY2015;
- The consolidated historical statement of financial position of KRA as at 30 June 2015;
- The historical statement of profit or loss and other comprehensive income of BuyMyHome Pty Ltd for FY2013, FY2014 and HY2015;
- The historical statement of cash flows of BuyMyHome Pty Ltd for FY2013, FY2014 and HY2015; and
- The historical statement of financial position of BuyMyHome Pty Ltd as at 30 June 2015.

(collectively the “Historical Financial Information”)

The Historical Financial Information of KRA and BuyMyHome Pty Ltd have been extracted from the audited financial statements for FY2013, FY2014, and FY2015 which were audited by Grant Thornton Audit Pty Ltd (except for the audit of KRA for FY2013 which was performed by Bentleys Audit & Corporate (WA) Pty Ltd) who issued unqualified audit opinions in respect of these periods with emphasis of matters.

*Pro forma Historical Financial Information*

- The pro forma historical statement of financial position as at 30 June 2015 of KRA (the “Pro Forma Historical Financial Information”)

The pro forma historical statement of financial position as at 30 June 2015 assumes completion of the proposed transactions outlined in **Section 12.5.1** of the “Financial Information” section which includes the Offer (the “Pro Forma Transactions”) as though they had occurred on that date.

(Hereafter the “Historical and Proforma Historical Financial Information”).

The stated basis of preparation is the recognition and measurements principles contained in the Australian equivalents to Financial Reporting Standards (“AIFRS”) and KRA’s adopted accounting principles applied to the Historical Financial Information and which are consistent with BuyMyHome Pty Ltd.

The Historical and Proforma Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the Corporations Act 2001.

This report has been prepared for inclusion in the Prospectus. Grant Thornton Corporate Finance disclaims any assumption of responsibility for any reliance on this report or on the Financial Information to which this report relates for any purpose other than the purposes for which it was prepared. This report should be read in conjunction with the Prospectus.

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#### Directors Responsibility

The Directors of KRA are responsible for the preparation and presentation of the Historical Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions set out in **Section 12.5.1** of the “Financial Information” section and the basis of preparation of the Historical and Proforma Historical Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Historical and Proforma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

#### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical and Proforma Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3420: “*Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information*” and ASAE 3450: “*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Historical Financial Information*”. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Historical and Proforma Historical Financial Information.

These procedures are 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 an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical and Proforma Historical Financial Information.

Our engagement did not involve updating or re issuing any previously issued audit or review reports on any Historical Financial Information used as a source of the Historical and Proforma Historical Financial Information.

#### Conclusion

##### *Historical and Pro Forma Historical Financial Information*

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical and Proforma Historical Financial Information of KRA and BuyMyHome Pty Ltd as described in the “Financial Information” section of the Prospectus does not present fairly:

- The consolidated historical statement of profit or loss and other comprehensive income for FY2013, FY2014 and FY2015 of both KRA and BuyMyHome Pty Ltd;
- The consolidated historical statement of cash flows for FY2013, FY2014 and FY2015 of both KRA and BuyMyHome Pty Ltd;
- The consolidated historical statement of financial position as at 30 June 2015 of KRA;

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- The pro forma historical statement of financial position as at 30 June 2015 of KRA; and
- The Pro Forma Transactions set out in **Section 12.5.1** of the “Financial Information” section are a reasonable basis for the pro forma historical statement of financial position as 30 June 2015;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under the AIFRS as if the Pro Forma Transactions set out in **Section 12.5.1** of the “Financial Information” section had occurred at 30 June 2015.

#### Restriction on Use

Without modifying our conclusion, we draw attention to **Section 12** of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

#### Consent

Grant Thornton Corporate Finance has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

#### Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

#### Independence and Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this report.

#### Financial Services Guide

We have included our Financial Services Guide as **Appendix A** to this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in this report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

Brock Mackenzie  
Partner – Audit & Assurance

Peter Thornely  
Partner – Corporate Finance

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## Appendix A (Financial Services Guide)

This Financial Services Guide is dated 15 December 2015.

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### 1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by Killara Resources Limited (to be renamed buyMyplace.com.au Ltd) (KRA) or (the Company) to provide general financial product advice in the form of an Independent Limited Assurance Report (the Report) on the financial information comprising the Historical and Proforma Historical Financial Information included in Section 12 of the Prospectus dated on or about 15 December 2015 (the Prospectus). You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

### 2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

### 3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

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a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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#### 4 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail finance product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

#### 5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive from the Company a fee of \$10,000 plus GST, which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, and related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to the provision of the services described in this FSG.

#### 6 Referrals

Grant Thornton Corporate Finance including its Partners, Directors, employees or associates and related bodies corporate, does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

#### 7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

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#### 8 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

#### 9 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

#### 10 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance  
Grant Thornton Corporate Finance Pty Ltd  
Level 17, 383 Kent Street  
Sydney, NSW, 2000

## 14. INTELLECTUAL PROPERTY REPORT

**watermark**  
Intellectual Asset Management

6 November 2015  
Our Ref: ST4924AU00

The Board of Directors  
Killara Resources Limited  
Level 3, North Building  
333 Collins Street  
MELBOURNE VIC 3000



Dear Sirs

### Re: Trade Marks and Domains in the name of BuyMyHome Pty Ltd

We have been instructed by Killara Resources Limited ('Killara') to provide a report on Australian trade marks in the name of BuyMyHome Pty Ltd ('BuyMyHome') and also domain names licensed to BuyMyHome. The report has been prepared for inclusion in a re-compliance prospectus to be issued by Killara.

### Trade Marks

BuyMyHome currently has three registered Australian trade marks. Details of these marks are listed below.

Trade Mark No.	Trade Mark	Class(es)	Status	Renewal Deadline
1254032		35, 36	Registered	29 July 2018
1268825		35, 36	Registered	23 October 2018
1309652	BUYMYPLACE	35, 36	Registered	15 July 2019

Trade mark no. 1254032 is registered in respect of the following services:

**Class 35:** Providing an online marketplace to advertise real estate, mortgages, land, property; advertising, promotional and marketing and advertisement services; advertising services related to real estate; business management of real estate for others; provision of marketing in relation to real estate via an electronic bulletin board; real estate auctioneering; real estate brokerage listings; listings of homes and other real estate for sale, including on behalf of others via the Internet; advertising, marketing and business consultancy services all related to real estate.

**Class 36:** Providing an online marketplace to buy and sell real estate, mortgages, land, property; on-line services featuring tours of residential and commercial real estate; real estate services; real estate sales; agency services for the sale and promotion of real estate; appraisal of real estate; evaluation of real estate; leasing, management of real estate; insurance, financial and monetary affairs, including those relating to real estate; mortgage services, financial services; provision of information in relation to real estate; real estate agency services; provision of information, advice and consultancy in relation to all the aforementioned services, and all of the foregoing including those provided online; provision of information, news, hints, and strategies about real estate, mortgages, sale, marketing, finance and purchase of real estate via an electronic bulletin board; provision of real estate services via an online computer database.

AXO  
Page 1 of 3

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*watermark*

Trade mark no. 1309652 is registered for the same services as trade mark no. 1254032 with the addition of 'provision of information, news hints, and strategies about marketing of real estate via an electronic bulletin board' in class 35.

Trade Mark no. 1268825 is registered for the following services:

**Class 35:** Real estate brokerage listings; agency services for the promotion of existing or new loans or mortgages, real estate; providing information, news, hints, and strategy about sales and marketing of real estate on an electronic bulletin board; promoting real estate and mortgage offers online on behalf of others; provision of information, advice and consultancy in relation to all of the aforementioned services, and all of the foregoing including those provided online.

**Class 36:** Loan services; mortgage services; financial and monetary services; real estate services; real estate sales; providing on-line computer database in the field of real estate, loans, mortgages; services relating to credit and debit control, investment, grants and financing of loans; listing of mortgages, loans, homes and other real estate for sale or renegotiation, including on behalf of others via the Internet; agency services for the sale and promotion of existing or new loans or mortgages; facilitation of real estate and mortgage transactions via an online marketplace in which parties can offer to buy, sell, auction, extinguish or renegotiate loans, mortgages or real estate; provision of information, advice and consultancy in relation to all of the aforementioned services, and all of the foregoing including those provided online.

The owner of a registered trade mark has the exclusive right to use, or authorize others to use, the trade mark in Australia for the goods and services for which the mark is registered. A registered trade mark owner is also entitled to take legal action to prevent any unauthorized use of the mark.

These rights remain enforceable as long as the registration of the marks is current. The registrations are current up to the renewal deadline, at which point the registrations will need to be renewed in order to maintain the rights in these marks through payment of a renewal fee. The registration of these marks can be renewed in ten year intervals.

#### Domain Names

There are currently seventeen domain names licensed to Buy My Home.

The domain names are listed below.

#	Domain	Owner/Registrant Contact
1	<a href="http://www.buymyloan.com.au">www.buymyloan.com.au</a>	BuyMyHome Pty Ltd
2	<a href="http://www.buymyloan.co.nz">www.buymyloan.co.nz</a>	BuyMyHome Limited
3	<a href="http://www.buymymortgage.com.au">www.buymymortgage.com.au</a>	BuyMyHome Pty Ltd
4	<a href="http://www.buymyplace.com">www.buymyplace.com</a>	BuyMyHome Limited
5	<a href="http://www.buymyplace.com.au">www.buymyplace.com.au</a>	Buy MyHome Limited
6	<a href="http://www.buymyplace.co.nz">www.buymyplace.co.nz</a>	BuyMyHome Limited
7	<a href="http://www.buymyplace.net.au">www.buymyplace.net.au</a>	BuyMyHome Pty Ltd
8	<a href="http://www.dreamplace.com.au">www.dreamplace.com.au</a>	BuyMyHome Pty Ltd
9	<a href="http://www.dreamprice.com.au">www.dreamprice.com.au</a>	BuyMyHome Pty Ltd
10	<a href="http://www.knock-knock.com.au">www.knock-knock.com.au</a>	BuyMyHome Pty Ltd
11	<a href="http://www.makememove.com.au">www.makememove.com.au</a>	BuyMyHome Pty Ltd
12	<a href="http://www.myhomesales.com.au">www.myhomesales.com.au</a>	BuyMyHome Pty Ltd
13	<a href="http://www.privatelist.com.au">www.privatelist.com.au</a>	BuyMyHome Pty Ltd
14	<a href="http://www.privatelist.net.au">www.privatelist.net.au</a>	BuyMyHome Pty Ltd
15	<a href="http://www.soldsoldsold.com.au">www.soldsoldsold.com.au</a>	BuyMyHome Pty Ltd
16	<a href="http://www.timetosell.com.au">www.timetosell.com.au</a>	BuyMyHome Pty Ltd
17	<a href="http://www.yourdreaming.com.au">www.yourdreaming.com.au</a>	BuyMyHome Pty Ltd

These domain names were located using the Reverse Who is tool from Mark Monitor on 15 October 2015.

**watermark**

These domain names are licensed out for a specific duration (usually one or two years). The license of the domain names can be renewed.

#### **Independence**

This is an independent report. When considering this report, it should be noted that:

- Watermark Patent and Trade Mark Attorneys ('Watermark') have prepared this report. Watermark will be paid a fee by Killara and payment is not contingent on the outcome of the prospectus.
- Watermark confirms this report is prepared by J Roger Green, who is a Principal at Watermark, and a registered Patent and Trade Marks Attorney based in the Melbourne office of Watermark.
- Neither Watermark nor any of its Principals or employees, has an entitlement to any shares in BuyMyHome or Killara, or has any interest in the promotion of BuyMyHome or Killara, or has any financial interest in the outcome of the prospectus.

#### **Limitations**

The accuracy of this report is dependent on the accuracy of the databases maintained by IP Australia and Mark Monitor. These databases do not guarantee the accuracy of their records.

Yours sincerely



J Roger Green  
Principal

## 15. CORPORATE GOVERNANCE

### 15.1. ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

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

To the extent applicable, commensurate with the Company's size and nature, Killara 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 Killara's corporate governance procedures, policies and practices can be obtained from the Company website at: <http://www.killararesources.com>.

### 15.2. 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.

### 15.3. 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 4 members.

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.

### 15.4. IDENTIFICATION AND MANAGEMENT OF RISK

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. The current full Board of Killara performs the function of the risk management committee. Upon the transition of Killara to an online property services company the Board will review the risk function and establish a risk management committee responsible for overseeing the risk management function of its new enterprise.

### 15.5. ETHICAL STANDARDS

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

### 15.6. 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.

### 15.7. 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 \$250,000 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.

## 15.8. 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 Chief Executive Officer/Managing Director). The policy generally provides that written notification to the Chairman (or in the case of the Chairman, the Chief Executive Officer/Managing Director) must be satisfied prior to trading.

## 15.9. 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.

## 15.10. AUDIT COMMITTEE

The full board of the Company perform the function of the 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. Upon the transition of Killara to an online property services company the Board will review the audit function and establish an audit committee responsible for overseeing the audit committee function of its new enterprise.

## 15.11. 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.

## 15.12. DEPARTURES FROM RECOMMENDATIONS

Following re-admission to the Official List of ASX, Killara will be required to report any departures from the Recommendations in its annual financial report.

## 16. MATERIAL CONTRACTS

### 16.1. SHARE SALE AGREEMENT

In accordance with the terms of the Share Sale Agreement, the Company proposes to acquire all of the issued shares in **buyMyplace** on the terms and conditions set out below.

The key terms of the Share Sale Agreement are as follows:

a. **Acquisition**

The Company has agreed to acquire and the Major Shareholders have agreed to sell 100% of the shares in **buyMyplace**.

Pursuant to the Share Sale Agreement, the Majority Shareholders have agreed to procure that the other shareholders in **buyMyplace** (Minority Shareholders) accept a separate offer by Killara to acquire their BMP Shares made under a more short form agreement.

b. **Conditions Precedent**

Completion of the Acquisition remains subject to the satisfaction or waiver by the parties of the following outstanding conditions:

- i. Killara completing the Public Offer;
- ii. the parties obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law on terms acceptable to the parties as are required to allow the parties to lawfully complete the matters set out in this Agreement (including, but not limited to, re-compliance by Killara with Chapters 1 and 2 of the Listing Rules and Killara receiving conditional approval from ASX to reinstate Killara's quoted securities to trading on ASX following completion of the Acquisition on conditions satisfactory to Killara, acting reasonably); and
- iii. to the extent required by the ASX, Killara or the ASX Listing Rules, BMP Vendors entering into restriction agreements as required by ASX imposing such restrictions on trading of those securities as mandated by the ASX Listing Rules in respect of the Killara securities that are issued to those parties by Killara. (together the **Conditions Precedent**).

c. **Consideration**

In consideration for the Acquisition, the Company will issue the following to the Vendors (or their nominees):

- i. 25,000,000 Consideration Shares at Settlement; and
- ii. 15,000,000 Deferred Consideration Shares upon satisfaction of the Milestones.

d. **Board of directors of Killara**

At or following Completion, the Company must:

- i. use its reasonable endeavours to procure that each of the then current directors of the Company, except for two to be decided on by the then current Company board resign. To this extent Mr Robert Kipp and Mr Matthew Driscoll will remain on the Board and Mr Reza Zulkarnaen and Mr Wim Zulkarnaen will resign; and



- ii. appoint the following parties to the board of directors of the Company:
- Cameron Fisher; and
  - Peter Butterss.
- e. **Employee Option Scheme and Performance Rights Plan**
- Killara has agreed to adopt the Employee Option Scheme and Performance Rights Plan and obtained Shareholder approval at the Annual General Meeting for the issue of:
- i. 7,500,000 Performance Rights and 7,500,000 Employee Options to current Directors and new Directors; and
  - ii. 6,150,000 Performance Shares and 6,150,000 Employee Options to employees of **buyMyplace**.
- f. **Employment of Cameron Fisher**
- The Company will engage Mr Cameron Fisher as an Executive Director for a period of three years and he will continue to make available the unfettered use of all current real estate agent licenses required to assist the Company with meeting its corporate objectives.
- g. **Warranties**
- The Share Sale Agreement includes standard commercial warranties regarding **buyMyplace** and its business provided by the Majority Shareholders.

## 16.2. AGREEMENTS WITH MINORITY SHAREHOLDERS

- a. **Share Sale Agreements**
- It is a term of the Share Sale Agreement that the Company agrees to make an offer to each of the minority shareholders of **buyMyplace** (Minority Shareholders) for the acquisition of their shares in **buyMyplace** and the Majority Shareholders have agreed to procure that the Minority Shareholders accept that offer when made by the Company.
- The Company and **buyMyplace** have entered into binding share sale agreements with holders of 99.9% of the issued shares in **buyMyplace**. Pursuant to the share sale agreements with the Minority Shareholders, the Company has made an offer to acquire 100% of each Minority Shareholder's shares in **buyMyplace** for the consideration and subject to the Conditions Precedent set out in Section 16.1(b). The Company continues with its endeavours to secure 100% acceptance from all of the Minority Shareholders, however this cannot be guaranteed.
- b. **Voluntary Restriction Deeds**
- The Company and the majority of the Minority Shareholders have entered into voluntary restriction deeds pursuant to which each Minority Shareholder has agreed that 75% of the Consideration Shares (**Restricted Shares**) to be issued to them will be escrowed for a period of 12 months from the date of issue (being the Settlement Date) (**Escrow Period**).
- The key terms of the voluntary restriction deeds are as follows:
- i. Subject to certain exceptions, during the Escrow Period, the Minority Shareholder will not dispose of, or agree or offer to dispose of, the Restricted Shares.
  - ii. Subject to certain exceptions, during the Escrow Period the Restricted Shares will be subject to a holding lock and the Company may apply the holding and prevent a transfer of the Restricted Shares by either requesting the Share Registry to apply the holding lock or refusing to register a paper-based transfer document in respect of the Restricted Shares.

### 16.3. ADVISORY SERVICES AGREEMENT

Pursuant to an agreement dated 27 August 2015, Robert Kipp, Matthew Driscoll and Peter Hartshorne (or their nominees) may receive various cash payments and Share issues in consideration for their promoter and advisory services to the Company as part of the Acquisition.

Pursuant to the Advisory Services Agreement:

- a. Matthew Driscoll is proposed to be issued up to \$31,250 in cash and up to \$31,250 worth of Shares (at a deemed issue price of \$0.20 per Share);
- b. Robert Kipp is proposed to be issued up to \$62,500 in cash and up to \$62,500 worth of Shares (at a deemed issue price of \$0.20 per Share); and
- c. Peter Hartshorne (or his nominee) is proposed to be issued up to \$31,250 in cash and up to \$31,250 worth of Shares (at a deemed issue price of \$0.20 per Share),

based on the maximum subscription under the Public Offer, being \$5,000,000.

Of the \$62,500 cash payable to Robert Kipp, \$50,000 was paid in the months of September, October and November 2015 and a further \$12,500 will be paid on Settlement of the Acquisition as advisory fees.

### 16.4. LEAD MANAGER MANDATE

On 12 October 2015 the Company entered into an agreement with Patersons Securities Limited (ACN 008 896 311) (**Patersons**) pursuant to which Patersons was appointed as lead manager to the Public Offer (**Mandate**).

The keys terms of the Mandate are as follows:

- a. Patersons will act as lead manager to the Public Offer and provide issue management services, structuring, due diligence, documentation advice and strategic marketing advice in relation to the Public Offer.
- b. The Company will pay Patersons:
  - i. a management fee of 1% (plus applicable GST) of the gross amount raised under the Public Offer;
  - ii. a selling fee of 4.5% (plus applicable GST) of the gross amount raised by the Public Offer; and
  - iii. an additional selling fee of 0.5% on the gross amount raised from participating brokers on ASX or other licensed securities dealers. All selling fees payable to third parties will be paid by Patersons from the selling fee.

The Mandate is otherwise on standard commercial terms for an arrangement of this nature.

## 16.5. EXECUTIVE SERVICES AND EMPLOYMENT AGREEMENTS

The Company has entered into executive service agreements with Proposed Director Mr Cameron Fisher and Mr Paul Heath (Chief Executive Officer) effective from the date on which the Company is readmitted to the official list of ASX following Settlement of the Acquisition (ESAs). **BuyMyplace's** wholly-owned subsidiary, Buymyhome (Agency) Pty Ltd has also entered into an employment agreement with Stephenie Pulis-Cassar as Head of Operations of [buyMyplace.com.au](http://buyMyplace.com.au).

The material terms of these ESAs and the employment agreement are as follows.

a. **Mr Cameron Fisher**

The Company and Cameron Fisher entered into an ESA for his role as Executive Director (Property) of the Company on 15 October 2015.

Under the ESA, Mr Fisher will receive an annual base salary of \$130,000 inclusive of superannuation. The Company will pay Mr Fisher a once-off sign-on fee of \$50,000 inclusive of superannuation after completion of the Public Offer and within one month of all monies for the Public Offer having been received.

Mr Fisher may terminate the ESA by giving one months' notice in writing. The Company may terminate the ESA by giving one months' notice in writing or by making a payment in lieu of notice.

The ESA is effective from the date on which the Company is readmitted to the official list of ASX following Settlement of the Acquisition.

b. **Mr Paul Heath**

The Company and Paul Heath entered into an ESA for his role as Chief Executive Officer of the Company on the date of the official listing of **buyMyplace.com.au** on the Australian Stock Exchange for an initial term of three years.

Under the ESA, Mr Heath will receive an annual base salary of \$300,000, including superannuation.

Mr Heath may be issued a cash bonus of \$50,000, subject to the achievement of mutually agreed key performance indicators between Mr Heath and the Board.

Either party can terminate the agreement by giving one month's notice in writing or in the case of the Company by paying Mr Heath one month's salary in lieu of notice.

Subject to Shareholder approval, the following Executive Options and Performance Rights will be issued to Mr Heath.

#### Executive Options

	Tranche 1	Tranche 2	Tranche 3
<b>Quantity</b>	1,000,000	1,000,000	1,000,000
<b>Strike Price</b>	\$0.25	\$0.30	\$0.35
<b>Expiry Date</b>	<b>5 Years from issue</b>	<b>5 Years from issue</b>	<b>5 Years from issue</b>
<b>Vesting Conditions Continued Employment</b>	Vesting 30 Nov 2016	Vesting 30 Nov 2017	Vesting 30 Nov 2018

#### Performance Rights

	Tranche 1	Tranche 2	Tranche 3
<b>Quantity</b>	1,000,000	1,000,000	1,000,000
<b>Vesting Condition Continued Employment whilst Performance Hurdles are being met.</b>	On the Company achieving more than 8,000 paid property listings in any 12 month financial year period up to 30 June 2019	On the Company Achieving more than \$10 mil in Revenue in any 12 month financial year period up to 30 June 2019	On the Company achieving more than \$3 million EBITDA in any 12 month financial year period up to 30 June 2019

c. **Ms Stephenie Pulis-Cassar**

Buymyhome (Agency) Pty Ltd and Stephenie Pulis-Cassar entered into an employment agreement for her role as Head of Operations of the Company on 22 July 2015.

Under the employment agreement, Ms Pulis-Cassar will receive an annual base salary of \$100,000, including superannuation.

Ms Pulis-Cassar may be issued a cash bonus of \$20,000, subject to the achievement of mutually agreed key performance indicators between Ms Pulis-Cassar and the Chief Executive Officer.

Either party can terminate the agreement by giving one month's notice in writing or in the case of Buymyhome (Agency) Pty Ltd by paying the Ms Pulis-Cassar one month's salary in lieu of notice.

Subject to Shareholder approval, the following Executive Options and Performance Share Rights will be issued to Ms Pulis-Cassar.

### Executive Options

	Tranche 1	Tranche 2	Tranche 3
<b>Quantity</b>	600,000	600,000	600,000
<b>Strike Price</b>	\$0.25	\$0.30	\$0.35
<b>Expiry Date</b>	5 Years from issue	5 Years from issue	5 Years from issue
<b>Vesting Conditions Continued Employment</b>	Vesting 30 Nov 2016	Vesting 30 Nov 2017	Vesting 30 Nov 2018

### Performance Rights

	Tranche 1	Tranche 2	Tranche 3
<b>Quantity</b>	600,000	600,000	600,000
<b>Vesting Condition Continued Employment whilst Performance Hurdles are being met.</b>	On the Company achieving more than 8,000 paid property listings in any 12 month financial year period up to 30 June 2019	On the Company achieving more than \$10 mil in Revenue in any 12 month financial year period up to 30 June 2019	On the Company achieving more than \$3 million EBITDA in any 12 month financial year period up to 30 June 2019

## 16.6. NON-EXECUTIVE LETTERS OF APPOINTMENT

On 23 November 2015, Peter Butterss executed a letter of appointment to become a non-executive Director of the Company effective from the date the Company re-lists on the ASX.

a. **Term**

Mr Butterss service will commence on the date that the Board formally appoints him as a Director and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution, the Corporations Act or any other applicable law.

b. **Fee**

During the term of his services Mr Butterss will be paid a fee of \$50,000 per annum (inclusive of statutory superannuation). The fee paid to Mr Butterss is subject to annual review by the Board. The Company will also reimburse Mr Butterss for all reasonable and properly documented expenses incurred in performing his duties, subject to prior approval by the Chairman or Executive Director of Finance.

## 16.7. DEEDS OF INDEMNITY, INSURANCE AND ACCESS

### Current Directors and Proposed Directors

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. 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.

For existing directors, the Company has entered into deeds of indemnity, insurance and access.

## 16.8. SHARE SUBSCRIPTION AGREEMENT

Pursuant to an agreement dated 10 December 2015, KM Custodians Pty Ltd has agreed to subscribe (or arrange for a nominee to subscribe) for a minimum of \$1,200,000 worth of Shares, and a maximum of \$1,500,000 worth of Shares, under the Public Offer (Share Subscription Agreement).

The Share Subscription Agreement is otherwise on customary terms and provides that:

- a. following completion of the issue of the Shares to KM Custodians Pty Ltd, KM Custodians Pty Ltd may appoint one director to the board of directors of Killara (**Nominee Director**); and
- b. the Company will issue to KM Custodians Pty Ltd (or its nominee) or the Nominee Director 1,8750,000 Employee Options and 1,8750,000 Performance Rights subject to compliance with the Corporations Act and ASX Listing Rules.

## 17. ADDITIONAL INFORMATION

### 17.1. CORPORATE STRUCTURE

The current corporate structure of the Company includes a 100% owned subsidiary Killara Resources (Indonesia) Pty Ltd. This is currently a dormant company.

Upon Settlement of the Acquisition, the Company's focus will shift to the development of the **buyMyplace** business.

### 17.2. LITIGATION

As at the date of this Prospectus, neither Killara, **buyMyplace** or any of their respective subsidiaries are involved in any material legal proceedings and the Directors and Proposed Directors are not aware of any legal proceedings pending or threatened against Killara or **buyMyplace** or any of their respective subsidiaries.

### 17.3. RIGHTS AND LIABILITIES ATTACHING TO SHARES (INCLUDING SHARES TO BE ISSUED UNDER THE OFFERS)

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

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

#### a. General meetings

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

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

#### b. Voting rights

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

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

c. **Dividend rights**

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

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

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

d. **Winding-up**

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

e. **Shareholder liability**

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

f. **Transfer of Shares**

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

g. **Future increase in capital**

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

h. **Variation of rights**

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

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

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i. **Alteration of Constitution**

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

## 17.4. TERMS AND CONDITIONS OF DEFERRED CONSIDERATION SHARES AND EMPLOYEE PERFORMANCE RIGHTS

The Company proposes to issue the following Deferred Consideration Shares to the Vendors as and when the relevant milestones are achieved, and the Employee Performance Rights pursuant to the Employee Offer:

Class	Deferred Consideration Shares	Employee Performance Rights	Milestones
Tranche 1	5,000,000	4,550,000	The Company achieving 8,000 property listings in any financial year between the Settlement Date and 30 June 2019. <b>(Milestone A)</b>
Tranche 2	5,000,000	4,550,000	The Company achieving revenue of \$10 million or more in any financial year between the Settlement Date and 30 June 2019. <b>(Milestone B)</b>
Tranche 3	5,000,000	4,550,000	The Company achieving EBITDA of \$3 million or more in any financial year between the Settlement Date and 30 June 2019. <b>(Milestone C)</b>
<b>Total</b>	<b>15,000,000</b>	<b>13,650,000</b>	

In addition to the milestones set out above, the terms of Performance Rights are as follows:

- (Notification to holder):** Killara shall notify the holder in writing when the relevant Milestones have been satisfied.
- (Vesting):** The Performance Rights will vest on the date the Milestone relating to that Performance Right has been satisfied.
- (Consideration):** The Performance Rights will be issued for no consideration.
- (Conversion):** Upon vesting, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in Killara (Share).

- e. **(Trading restriction):** Any Share issued on conversion of a Performance Right within 12 months of Killara being reinstated to official quotation after Settlement of the Acquisition (Re-Listing Date) cannot be traded until the date which is 12 months after the Re-Listing Date unless otherwise permitted by the Board and subject to any other escrow requirements imposed by ASX.
- f. **(Lapse):** Any Performance Right that has not vested within 5 years from the Settlement Date will automatically lapse.
- 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):** Killara will not apply for quotation of the Performance Rights on ASX. However, Killara 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 Killara Performance Rights):** The Performance Rights are not transferable.
- j. **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (l) (Reorganisation of Capital), Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- k. **(Adjustment for bonus issue):** If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- l. **(Reorganisation of Capital):** In the event that the issued capital of Killara is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the holder are not diminished or terminated.
- m. **(Dividend and Voting Rights):** Performance Rights do not confer on the holder an entitlement to vote or receive dividends.
- n. **(Change in Control):** Upon:
- i. a takeover bid under Chapter 6 of the Corporations Act having been made in respect of Killara and:
    - A. having received acceptances for not less than 50.1% of Killara's shares on issue; and
    - B. having been declared unconditional by the bidder; or
  - ii. a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of Killara or its amalgamation with any other company or companies,
- then, to the extent Performance Rights have not converted into Shares due to satisfaction of a Milestone, Performance Rights will automatically convert to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue in Killara, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue at that time. Performance Rights that are not converted into Shares will continue to be held by the holder on the same terms and conditions.

## 17.5. TERMS AND CONDITIONS OF EMPLOYEE OPTIONS

The Company proposes to issue the Employee Options pursuant to the Employee Offer on the following terms and conditions.

a. **Entitlement**

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

b. **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.25 for Tranche 1 Employee Options, \$0.30 for Tranche 2 Employee Options and \$0.35 for Tranche 3 Employee Options in accordance with the table in paragraph (d) below (**Exercise Price**)

c. **Expiry Date**

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

d. **Employee Exercise Period**

The Options are exercisable at any time on and from the earlier of:

Employee Option Tranche	Number of Options	Exercise Price	Vesting Conditions
Tranche 1	Up to 2,050,000	\$0.25	Continued employment one year from Settlement or until 30 November 2016.
Tranche 2	Up to 2,050,000	\$0.30	Continued employment with the Company up to 30 November 2017.
Tranche 3	Up to 2,050,000	\$0.35	Continued employment with the Company up to 30 November 2018.

until the Expiry Date (**Exercise Period**).

e. **Director Exercise Period**

The Options are exercisable at any time on and from the earlier of:

Employee Option Tranche	Number of Options	Exercise Price	Vesting Conditions
Tranche 1	Up to 2,500,000	\$0.25	Continued employment until 30 November 2016 or volume-weighted average share price over 10 consecutive trading days is greater than \$0.25
Tranche 2	Up to 2,500,000	\$0.30	Either Continued employment with the Company up to 30 November 2016 or volume-weighted average share price over 10 consecutive trading days is greater than \$0.30.
Tranche 3	Up to 2,500,000	\$0.35	Either continued employment with the Company up to 30 November 2016 or volume-weighted average share price over 10 consecutive trading days greater than \$0.40.

until the Expiry Date (**Exercise Period**).

f. **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.

g. **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**).

h. **Timing of issue of Shares on exercise**

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

- 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;
- 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
- 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 (h)(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.

i. **Shares issued on exercise**

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

j. **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.

k. **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.

l. **Participation in new issues**

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

m. **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

n. **Unquoted**

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

o. **Transferability**

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

## 17.6. SUMMARY OF EMPLOYEE OPTION SCHEME

The key terms of the Company's Employee Option Scheme are as follows:

a. **Eligibility:** Participants in the Scheme may be:

- i. a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
- ii. a full or part time employee of any Group Company;
- iii. a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or

iv. a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,

who is declared by the Board to be eligible to receive grants of Options under the Scheme (**Participants**).

- b. **Administration of Plan:** The Board is responsible for the operation of the Scheme and has a broad discretion to determine which Participants will be offered Options under the Scheme.
- c. **Offer:** The Board may issue an offer to a Participant to participate in the Scheme. The offer:
  - i. will set out the number of Options offered under the Scheme;
  - ii. will specify the exercise price and expiry date of the Options;
  - iii. will specify any exercise conditions and restriction periods applying to the Options;
  - iv. will specify an acceptance period; and
  - v. specify any other terms and conditions attaching to the Options.
- d. **Issue price:** unless the Options are quoted on the ASX, Options issued under the Scheme will be issued for no more than nominal cash consideration.
- e. **Exercise Conditions:** An Option may be made subject to exercise conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- f. **Restriction Periods:** a Share issued on exercise of an Option may be made subject to a restriction period as determined by the Board in with the Scheme and as specified in the Offer for the Option.
- g. **Lapse of Options:** Subject to this Scheme, a Participant's unexercised Option will lapse immediately and all rights in respect of that Option will be lost if, in respect of the Option:
  - i. the relevant person ceases to be a Participant for any reason whatsoever (including without limitation resignation or termination for cause) and:
    - A. any exercise conditions have not been met by the date the relevant person ceases to be a Participant (**Ceasing Date**); or
    - B. where any exercise conditions have been met by the Ceasing Date or the Option is not subject to any exercise conditions, the Participant does not exercise the Option within a period of three (3) months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);
  - ii. any exercise conditions are unable to be met; or
  - iii. the expiry date has passed, whichever is earlier.
- h. **Power of attorney:** Each Participant, in consideration of an offer, irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of the Scheme.
- i. **Scheme limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

- j. **Restriction on transfer:** Options will not be transferable except to the extent provided for by the Scheme or unless the Offer provides otherwise.
- k. **Quotation on ASX:** Options will not be quoted on the ASX, except to the extent provided for by the Scheme or unless the Offer provides otherwise.
- l. **Rights attaching to Shares:** Each Share issued on exercise of an Option will have the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Scheme) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date

## 17.7. SUMMARY OF PERFORMANCE RIGHTS PLAN

The key terms of the Company's Performance Rights Plan are as follows:

- a. The Board may, from time to time, in its absolute discretion, make a written offer to any of the following:
  - i. a Director (whether executive or non-executive) of any Group Company;
  - ii. a full or part time employee of any Group Company;
  - iii. a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
  - iv. a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (a), (b) or (c) above,

**(Eligible Participants).**
- b. Under the Plan the Board may grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and vesting conditions as the Board determines.
- c. The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
  - i. the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
  - ii. the maximum number of Shares that the Eligible Participant is entitled to be issued on the exercise of each Performance Right or the formula for determining the maximum number of Shares;
  - iii. any applicable vesting conditions;
  - iv. when unvested Performance Rights will expire **(Expiry Date)**;
  - v. the date by which an offer must be accepted **(Closing Date)**; and
  - vi. any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be issued on exercise of the Performance Rights.
- d. Subject to clause (h), a Performance Right granted under the PR Plan will not vest and be exercisable unless the vesting conditions (if any) have been satisfied and the Board has notified the Eligible Participant of that fact.
- e. The Board must notify an Eligible Participant in writing within 10 Business Days of becoming aware that any vesting conditions attaching to a Performance Right have been satisfied.



- f. Subject to the Corporations Act, the ASX Listing Rules and the Plan, the Company must issue to the Participant or his or her personal representative (as the case may be) the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights that are exercised, within 10 business days of the Performance Rights being exercised.
- g. A Performance Right will lapse upon the earlier to occur of:
- i. an unauthorised dealing in, or hedging of, the Performance Right occurring, as governed by the Plan;
  - ii. a vesting condition in relation to the Performance Right is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
  - iii. a vested Performance Right is not exercised within the time limit specified in the Plan;
  - iv. an Eligible Participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
  - v. the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant in accordance with the Plan;
  - vi. the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right in accordance with the Plan;
  - vii. the Expiry Date of the Performance Right; and
  - viii. the seven (7) year anniversary of the date of grant of the Performance Rights.
- h. The Board may, in its absolute discretion, by written notice to a participant, resolve to waive any of the vesting conditions applying to the Performance Rights due to:
- i. a Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, ceasing to be an Eligible Participant as a result of:
    - A. death or total or permanent disability; or
    - B. retirement or redundancy; or
  - ii. an Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, suffering severe financial hardship;
  - iii. the terminal illness of the participant (or Eligible Participant, as applicable) or of an immediate family member of the participant (or Eligible Participant, as applicable);
  - iv. a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company,
- in which case, the following applies a participant (or their personal legal representative where applicable) may exercise any vested Performance Right at any time within one month of the Board notifying that the Performance Right has vested, failing which the Performance Right will lapse, by a signed written notice to the Board specifying the Performance Rights being exercised and providing the certificate for those Performance Rights.

## 17.8. INTERESTS OF DIRECTORS

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

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

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

## 17.9. INTERESTS OF EXPERTS AND ADVISERS

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

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

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

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

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

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

Grant Thornton has acted as Investigating Accountant and auditor of the Company and has prepared the Investigating Accountant's Report which is included in Section 13 of this Prospectus. The Company estimates it will pay Grant Thornton a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grant Thornton has acted as auditor for the Company and total fees for the provision of accounting services over the past 24 months is \$55,000.

Watermark Patent and Trade Mark Attorneys has prepared Intellectual Property Report which is included in Section 14 of this Prospectus. The Company estimates it will pay Watermark Patent and Trade Mark Attorneys a total of \$1,880 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Watermark Patent and Trade Mark Attorneys has not received any funds from the Company for legal services.

Patersons Securities Limited is acting as Lead Manager to the Public Offer. The Company estimates it will pay Patersons a total of \$287,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities Limited has not received any funds from the Company for any services.

Steinepreis Paganin has acted as the solicitors to Company in relation to the Offers. The Company expects that it will pay Steinepreis Paganin \$75,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$75,000 fees (excluding GST and disbursements) from the Company for legal services provided to the Company.

## 17.10. CONSENTS

Each of the parties referred to in this Section 17.10:

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

Grant Thornton has given its written consent to being named as Investigating Accountant and auditor in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 13 of this Prospectus in the form and context in which the information and report is included. Grant Thornton has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Watermark Patent and Trade Mark Attorneys has given its written consent to being named as Intellectual Property Solicitors in this Prospectus and to the inclusion of the Intellectual Property Report in Section 14 of this Prospectus in the form and context in which the information and report is included. Watermark Patent and Trade Mark Attorneys has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has given its written consent to being named as Lead Manager to the Public Offer in this Prospectus, in the form and context in which it is named. Patersons Securities Limited has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

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

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

The Proposed Directors have each given their written consent to being named as the proposed directors of the Company and to all other information relevant to them in this Prospectus. The Proposed Directors have not withdrawn their consents prior to the lodgement of this Prospectus with the ASIC.

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## 17.11. CASH EXPENSES OF THE OFFER

The total cash expenses of the Offers (excluding GST) are estimated to be approximately \$588,087 under the Offers and are expected to be applied towards the items set out in the table below:

Item of Expenditure	\$5,000,000 (under Public Offer) (\$)
ASIC fees	2,320
ASX fees	67,017
Lead Manager fees <sup>1</sup>	287,500
Legal fees	75,000
Investigating Accountant's Fees	10,000
Intellectual Property Lawyer's Fees	1,880
Printing, Distribution and Roadshow expenses	19,370
Promoters Advisory Fee <sup>2</sup>	125,000
<b>TOTAL</b>	<b>588,087</b>

### Notes

1. Lead Manager fees may vary depending on fees paid to external brokers in accordance with the Lead Manager Mandate. Refer to Section 16.4 for further details.
2. Success fee payable to promoters and advisers. Further details relating to the promoters and advisers fees (including those amounts to be satisfied by the issue of Shares) are included in Section 16.3.

## 17.12. CONTINUOUS DISCLOSURE OBLIGATIONS

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

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

## 17.13. ELECTRONIC PROSPECTUS

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

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

## 17.14. GOVERNING LAW

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

## 18. AUTHORISATION

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

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

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**Matthew Driscoll**

Chairman

For and on behalf of

KILLARA RESOURCES LIMITED

## 19. GLOSSARY

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

**\$** means an Australian dollar.

**Acquisition** means the acquisition of **buyMyplace** in accordance with the Share Sale Agreement.

**AEDT** means Australian Eastern Daylight Time as observed in Melbourne, Victoria.

**Annual General Meeting** means the annual general meeting of Shareholders held on 30 November 2015 at which all resolutions put to Shareholders were approved.

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

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

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

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

**BMP Offer** means the offer of the Consideration Shares to the Vendors as set out in Section 7.2.

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

**BMP Shareholders** means the Major Shareholders and the Minority Shareholders.

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

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

**BuyMyplace** or **buyMyplace** means BuyMyHome Pty Ltd (ACN 126 563 746) trading as 'buyMyplace'.

**Company** or **Killara** means Killara Resources Limited (ACN 132 204 561).

**Condition** has the meaning given to that term in Section 2.4.

**Consideration Shares** means up to 25,000,000 Shares to be issued to the Vendors, as part of the consideration for the acquisition by the Company of 100% of the shares in **buyMyplace**.

**Constitution** means the constitution of the Company.

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

**Deferred Consideration Shares** means up to 15,000,000 Shares to be issued to the Vendors, as part of the consideration for the Acquisition, upon achievement of the relevant Milestones set out in Section 17.4.

**Directors** mean the directors of the Company at the date of this Prospectus.

**EBITDA** means earnings before interest tax depreciation and amortisation.

**Employee Offer** means the offer of up to 13,650,000 Employee Options and up to 13,650,000 Employee Performance Rights.

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

**Employee Option Scheme** means the Company's proposed employee option scheme with the terms and conditions summarised in Section 17.6.

**Employee Options** means the Options to be issued to employees, including Directors and Proposed Directors, pursuant to the Employee Offer, and on the terms and conditions set out in Section 17.5.

**Employee Performance Rights** means the performance rights to be issued to employees, including Directors and Proposed Directors, pursuant to the Employee Offer on the terms and conditions set out in Section 17.4.

**Major Shareholders** means Cameron Rutherford Fisher and Vanessa Fisher as trustees for Centurian Superannuation Fund, Changing Places Real Estate Consultants Pty Ltd, Butterss Consulting Pty Ltd as trustee for P & R Butterss Family Trust and Sweeney 138 Enterprises Pty Ltd as trustee for the Sweeney Family Trust.

**Milestone** means any one of Milestone A, Milestone B or Milestone C.

**Milestone A** has the meaning given to the term in Section 17.4.

**Milestone B** has the meaning given to the term in Section 17.4.

**Milestone C** has the meaning given to the term in Section 17.4.

**Minority Shareholders** means all of the shareholders of **buyMyplace** other than the Major Shareholders.

**Offers** mean the Public Offer, the BMP Offer and the Employee 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.

**Option holder** means a holder of an Option.

**Performance Rights Plan** means the Company's performance rights plan with the terms and conditions summarised in Section 17.7.

**Public Offer** means the offer pursuant to this Prospectus of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000.

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

**Proposed Directors** means Mr Cameron Fisher and Mr Peter Butterss.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

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

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

**Settlement Date** means the date on which Settlement occurs.

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

**Share Sale Agreement** means the agreement to acquire all of the issued shares in **buyMyplace** on the terms and conditions set out in Section 16.1.

**Share Registry** means Boardroom Pty Limited.

**Shareholder** means a holder of Shares.

**Vendors** means the BMP Shareholders.

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# Public Offer Application Form

**This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus dated 21 December 2015 and contains information relevant to a decision to invest in the Shares of the Company and you should read the entire Prospectus carefully before applying for Shares.**

To meet the requirements of the Corporations Act 2001 (Cth), this Application Form must not be distributed to another person unless included in, or accompanied by the Prospectus dated 21 December 2015. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Prospectus. The Company will send you a free paper copy of the Prospectus if you have received an electronic prospectus and you ask for a paper copy.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

<b>A</b>	<b>Number of Shares you are applying for</b>		<b>x \$0.20 per Share =</b>	<b>B</b>	<b>Total amount payable</b>
	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>			\$	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>
	Minimum of 10,000 Shares to be applied for and thereafter in multiples of 2,500 Shares				

<b>C</b>	<b>Write the name(s) you wish to register the Securities in (see reverse for instructions)</b>
Applicant #1	
Name of Applicant #2 or <Account Designation>	
Name of Applicant #3 or <Account Designation>	

<b>D</b>	<b>Write your postal address here</b>
Number/Street	
<input type="text"/>	
<input type="text"/>	
Suburb/Town	
<input type="text"/>	
State	Postcode
<input type="text"/>	<input type="text"/>

[illegible]

<b>F</b>	<b>Enter your Tax File Number(s), ABN, or exemption category</b>
Applicant #1	Applicant #2
<input type="text"/>	<input type="text"/>
Applicant #3	
<input type="text"/>	

**Cheque payment details** – [?] PIN CHEQUE(S) HERE. Cheque to be made payable to “Killara Resources Limited – Subscription Account” and crossed Not Negotiable. Enter cheque details below.

Name of drawer of cheque	BSB no.	Account no.	Cheque no.	Cheque Amount A\$

H	Contact telephone number (daytime/work/mobile)	I	Email address

## Declaration

By submitting this Application Form with your Application Monies, I/we declare that I/we:

- ✓ have received a copy of, and read, the Prospectus in full;
- ✓ have received this Application Form in accordance with the Prospectus; and
- ✓ have completed the Application Form in accordance with the instructions on the form and in the Prospectus;
- ✓ declare that all details and statements made by me/us are complete and accurate;
- ✓ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- ✓ acknowledge my/our Application Form may not be withdrawn;
- ✓ apply for the number of Shares set out in this Application (or a lower number allocated in a manner allowed under the Prospectus);
- ✓ acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- ✓ authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated to me/us;
- ✓ am/are over 18 years of age;
- ✓ agree to be bound by the constitution of the Company;
- ✓ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital;
- ✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- ✓ represent, warrant and agree that I/we have not received this Prospectus outside Australia or New Zealand and am/are not acting on behalf of a person resident outside Australia or New Zealand.

## Guide to the Application Form

**YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.**

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

### Instructions

- A** If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than 10,000 Shares). Multiply by A\$0.20 to calculate the total Application Monies for Shares and enter the **A\$amount** at Item **B**.
- C** Write your **full name**. Initials are not acceptable for first names.
- D** Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E** If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**
- F** Enter your Australian **tax file number** (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G** Complete **cheque details** as requested. Make your cheque payable to "Killara Resources Limited – Subscription Account". Cross it and mark it 'Not negotiable'. Cheques must be in Australian currency, and must be drawn on a bank or financial institution in Australia.
- H** Enter your **contact details**, including name, phone number and e-mail address, so we may contact you regarding your Application Form or Application Monies.
- By providing an e-mail address you are electing to receive notices of meetings, annual reports and other communications from the Company electronically to the provided e-mail address.

### Correct Form of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

### Lodgment

Mail or deliver your completed Application Form with your cheque(s) or bank draft attached to one of the following addresses:

#### Mailing address:

Killara Resources Limited  
C/-Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

#### Delivery address:

Killara Resources Limited  
C/-Boardroom Pty Limited  
Level 12, 225 George Street  
SYDNEY NSW 2000

**The Offer closes at 5:00 p.m. (Sydney Time) on 29 January 2016, unless varied in accordance with the Corporations Act and ASX Listing Rules.**

It is not necessary to sign or otherwise execute the Application Form.

**If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and +61 2 9290 9631 outside Australia.**

### Privacy Statement

Killara Resources Limited advises that Chapter 2C of the Corporations Act requires information about its shareholders (including names, addresses and details of shares held) to be included in the Company's share register. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the Company. To obtain access to your personal information or more information on how the Company collects, stores, uses and disclosures your information please contact the Company at the address or telephone number shown in the Prospectus.