



ARDENT RESOURCES LIMITED

(PROPOSED TO BE RENAMED "IOT GROUP LIMITED")

ACN 140 475 921

PROSPECTUS



Ardent Resources Ltd

The IOT Group

DECEMBER 2015
V.10

ARDENT RESOURCES LTD



(Proposed to be renamed "IOT Group Limited")

ACN 140 475 921

PROSPECTUS

For an offer of 1,562,500 Shares at an issue price of \$0.032 per Share to raise \$50,000 before costs.

Oversubscriptions for up to a further 29,687,500 Shares at an issue price of \$0.032 per Share to raise up to a further \$950,000 before costs may be accepted.

The Offer is conditional upon Shareholders passing certain resolutions at the General Meeting to be held on 15 January 2016, including a change in nature and scale of activities, approval to proceed with the Consolidation, the issue of the Placement Shares and the issue of the Shares offered by this Prospectus (see Section 4.4).

IMPORTANT INFORMATION

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.

The Shares offered under this Prospectus should be considered a highly speculative investment. This is an important document that should be read in its entirety. If you are in any doubt as to the course you should follow you should consult your professional advisers without delay.

The IOT Group

EVERYTHING IS CONNECTED

Intervision

ENTERTAINING THE WORLD



ROAM

IMAGINE TOMORROW

ARDENT RESOURCES LTD

IMPORTANT INFORMATION

This Prospectus is dated 24 December 2015 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

The Company will apply for Official Quotation of the Shares offered under this Prospectus (other than the Restricted Securities) within 7 days after the date of this Prospectus.

No person or entity is authorised to give any 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 or the Directors in connection with this Prospectus.

This Prospectus does not constitute an offer of Shares in any place in which, or to any person to whom, it would be unlawful to do so. No action has been taken to register the Offer or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and any person into whose possession this Prospectus comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. Failure to comply with these restrictions may violate securities laws.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

Conditional Offer - Change in nature and scale of activities and re-compliance with Chapters 1 and 2 of the ASX Listing Rules and Consolidation

Ardent Resources Ltd (**Ardent**) has entered into an Share Purchase Agreement with the shareholders in OK IOT Group Pty Ltd (**IOT Vendors**) to acquire all of the issued shares in OK IOT Group Pty Ltd (**IOT**) in exchange for the issue of 257,900,964 Shares (on a post Consolidation basis) (**Consideration Shares**) at a deemed issue price of \$0.028 per Consideration Share.

The Share Purchase Agreement also contains an earn-out arrangement under which further Shares (**Earnout Shares**) could be issued to the IOT Vendors, namely:

- a maximum of 166,666,667 Shares (on a post Consolidation basis) contingent upon the satisfaction of net profit after tax requirements in FY2016 and FY2017; and
- 69,241,893 Shares (on a post Consolidation basis) to those IOT Vendors whose shareholdings include IOT Shares which were not issued in IOT's June 2015 capital raising (Non-Investor IOT Shares) contingent upon IOT reporting revenue of at least \$5 million in FY2016,

IOT's Optionholders will receive 60,210,342 options in Ardent (on a post-Consolidation basis) (**Replacement Options**) in exchange for the cancellation of the options to acquire IOT Shares currently on issue (**IOT Options**) at Completion. The Replacement Options will expire on 30 June 2019 and have an exercise price of 7.0 cents each.

Further details of the Share Purchase Agreement are set out in Section 9.18.

Ardent's acquisition of the IOT Shares will result in a significant change in the nature and scale of the Company's activities which

requires approval of its Shareholders under Chapter 11 of the ASX Listing Rules. The Company has convened a General Meeting to be held on 15 January 2016 to seek Shareholder approval for, amongst other approvals, the acquisition of the IOT Shares, the change in the nature and scale of the Company's activities and the Consolidation of its Shares. Further details of the Shareholder approvals are set out in Section 4.4. The Offer under this Prospectus is conditional on receipt of such Shareholder approvals.

The Company proposes to consolidate all of its fully paid ordinary shares on issue through the conversion of every 2 shares held into 1 share (**Consolidation**). Unless stated otherwise, all references to Shares of the Company as set out in this Prospectus are on the basis that the Consolidation has occurred.

The Company's securities will be suspended from trading on ASX from the date of the General Meeting and will not be reinstated until satisfaction of the conditions to the Offer and ASX approving the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to satisfy the conditions to the Offer and meet the requirements of ASX for re-quotation on the ASX. In the event that Shareholders do not approve the resolutions put to the General Meeting or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offer and will repay all application monies received.

Defined Terms

A number of terms and abbreviations used in this Prospectus have defined meanings, which appear in the Glossary in Section 12.

All references to time are to Australian Eastern Daylight Savings time (AEDST).

Currency

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated. The Offer may involve a currency exchange risk. Information in relation to the risks associated with exchange rates is set out in Section 5.

Note to Applicants

This Prospectus provides information for investors who wish to invest in Ardent. The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation and particular needs of investors.

It is important that you read this Prospectus in its entirety before deciding to invest in the Company and in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of Ardent and the rights and liabilities attaching to the Shares.

Risk factors

Before deciding whether to apply for Shares pursuant to this Prospectus, you should consider the risk factors that could affect the performance of the Company, and carefully consider these factors in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional guidance from your broker, solicitor, professional adviser or accountant before deciding whether to invest. Any investment in the Company should be considered highly speculative. For further information in relation to the risk factors

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IMPORTANT INFORMATION

of the Company please refer to the summary in the Investment Overview (section 2) and section 5 of this Prospectus. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

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

Exposure Period

In accordance with Chapter 6D of the *Corporations Act*, this Prospectus is subject to an Exposure Period of seven (7) days from the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC for a further period of seven (7) days. The purpose of this Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the *Corporations Act*. Application received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on Applications received during the Exposure Period and all Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

Electronic Prospectus

This Prospectus will also be issued as an electronic prospectus. A copy of this Prospectus can be downloaded from the Company's website at www.ardentresources.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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.

Selling Restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. Distribution of this Prospectus outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Applications can only be made by completing the Application Form in full, in accordance with instructions contained on the reverse of the Application Form.

In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933 (US Securities Act) or the securities laws of any state of the United

States and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. Person unless the Shares are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act and the provisions of any applicable United States state securities laws are available.

Overseas Applicants are referred to Section 4.18 of this Prospectus.

Applicants from Hong Kong are referred to Section 4.19 of this Prospectus.

Forwarding-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 the Directors and Company.

The Company cannot and does 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.

Photographs and Diagrams

Photographs and diagrams used in this Prospectus are for illustration purposes only and should not be interpreted to mean that any person shown in them endorses the Prospectus or its contents unless stated otherwise. Similarly, any assets depicted in the photographs, such as transportation, vehicles, equipment, buildings or other property are not necessarily assets that are owned or used by the Company and have been included for presentation and illustrative purposes unless stated otherwise. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the Prospectus Date.

Privacy

For information in relation to the Company's Privacy Statement please refer to Section 4.17.

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IMPORTANT INFORMATION

IMPORTANT DATES¹

Lodgement of this Prospectus with ASIC	24 December 2015
Opening Date of the Offer	15 January 2016
Suspension of the Company's securities from trading on the ASX (at the opening of trade)	15 January 2016
General Meeting to approve the Acquisition and matters detailed in Section 4.4 of this Prospectus ²	15 January 2016
Closing Date of the Offer	28 January 2016
Completion of the Acquisition of OK IOT Group Pty Ltd and issue of Shares under this Prospectus and the Placement	28 January 2016
Despatch of holding statements (including for Shares under the Offer)	28 January 2016
Anticipated date the suspension of trading is lifted and the Company's securities commence trading again on ASX	2 February 2016

¹ These dates are indicative only and may change. Unless indicated, all times are Australian Eastern Daylight Saving Time (AEDST). The Offer will open on the Opening Date and will remain open until 5.00pm (AEDST) on the Closing Date subject to the right of the Company to vary the dates and times of the Offer, including, to either close the Offer at an earlier time and date or to extend the closing time and date or accept late applications either generally or in particular cases, without prior notice. Applicants are encouraged to submit their Applications as soon as possible after the Offer opens.

² The Consolidation will occur after the General Meeting in accordance with the ASX-prescribed timetable.

THE OFFER

All figures are on a post Consolidation (2:1) basis	Minimum Subscription	Maximum Subscription
Total number of existing Shares	80,632,219	80,632,219
Number of Consideration Shares to be issued to IOT Vendors as consideration for the acquisition of all the issued shares in OK IOT Group Pty Ltd ¹	257,900,964	257,900,964
Number of Shares to be issued under IOT Vendor Placement ²	21,071,429	21,071,429
Number of Shares to be issued under the Placement ³	156,250,000	156,250,000
Number of Shares offered under this Prospectus (Offer Shares)	1,562,500	31,250,000
Total number of Shares on issue at completion of the Acquisition, and Capital Raising	517,417,112	547,104,612
Gross proceeds of the Offer (before costs)	\$50,000	\$1,000,000
Issue price per Offer Share	3.2 cents	3.2 cents
Indicative market capitalisation of the Company (at issue price for Offer Shares)	16,557,348	17,507,348
Options		
Number of Replacement Options to be issued to IOT Optionholders as consideration for the cancellation of all the options on issue in OK IOT Group Pty Ltd ⁴	60,210,342	60,210,342

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¹The IOT Vendors will be issued further Shares (Tranche Two Earnout Shares and Tranche Three Earnout Shares) if OK IOT Group Pty Ltd achieves certain net profit after tax milestones in FY2016 and FY2017. Refer to Section 10.5 for further details.

IOT Vendors holding Non-Investor IOT Shares will be issued further Shares (Tranche One Earnout Shares) if OK IOT Group Pty Ltd reports revenue in excess of \$5 million in FY2016. Refer to Section 10.5 for further details.

² IOT Vendor Placement: certain IOT Vendors have agreed to subscribe for 21,071,429 Shares at an issue price of \$0.028 (2.8 cents) per Share to raise \$590,000 (IOT Vendor Placement). Refer to Section 10.7 for further details. The Shares to be issued under the Post Completion Placement are not included in this table.

³The issue price of the Placement Shares is \$0.032 (3.2 cents) per Share. Refer to Section 10.6 for further details regarding the Placement.

⁴Refer to Section 10.4 for further details regarding the Replacement Options.



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CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board of Directors, we are pleased to invite you to invest in Ardent Resources Ltd (to be renamed "IOT Group Limited") "(Ardent or the Company), which proposes to acquire all of the issued shares in OK IOT Group Pty Ltd (IOT).

Wearable Technology is a global trend, and is recording substantial growth rates. Apple's new Smartwatch has increased attention in the Wearables sector. The wearable technology market is worth USD \$22.7 billion, and is expected to rise to USD \$173.3 billion by 2020.

'Internet of Things' Wearables is at the forefront of this trend, which include products such as SIM enabled Phone Watches, Phablets (Phone-Tablets), memory pens, trade specific laser integrated Phone Watches, readers, sport & health monitors and much more.

IOT is already creating and selling new smart-products that exploit current and future market trends. The initial focus of the business is on promoting and selling IOT's existing line of products, which include a range of smart-watches with a unique selling point based on functionality, popularity and price.

This offering is coupled with an IPTV service that is already generating revenue and has a solid customer base that tunnels content onto the smart-devices and provides strong cash flow. To date, this segment of the business has been provided with minimal marketing, however we see strong growth prospects and significant profit potential. These two existing elements of the business work in unison with the third section of IOT, focused on product development.



OK VIPER Smart Watch
Image © IOT Group

IOT's product development division consists of a team of creative individuals that aim to produce market-leading innovative products that focus on the consumer. IOT plans to develop a broad range of products that are not only functional in their own right but will also interconnect with devices via the mobile cloud – the next generation of cloud technology.

Cloud technology is no longer an emerging technology, rather it is becoming a fundamental piece of infrastructure. The future of technology however lies in combining the cloud and the consumer experience – this is where the Internet of Things has emerged from, and will become the next platform for change and development - and IOT is at the forefront.

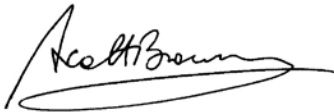
Functionality remains central to the development of all IOT's products, and the focus is on tackling clearly addressable needs and wants in order to create products that will become indispensable as well as desirable. IOT's products revolve around a central idea: being connected through all manner of smart-devices via the cloud.

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CHAIRMAN'S LETTER

We believe this is a unique opportunity to invest in an outstanding company in the 'Internet Of Things' space, with significant growth potential. Once again, on behalf of the Directors, we look forward to welcoming you as a shareholder of the Company and to sharing an exciting future.

Yours faithfully,



Scott Brown
Current Chairman



Richard Woods
Proposed Chairman

ARDENT RESOURCES LTD

INVESTMENT OVERVIEW

2.0 INVESTMENT OVERVIEW

2.1 Important Notice

This information is a selective overview only. Investors should read the Prospectus in full before deciding whether to invest in Shares. In particular investors should consider the risk factors that could affect the financial and operating performance of the Company described in Section 5.

Question	Answer	Section
Who is the Issuer of this Prospectus?	Ardent Resources Limited ACN 140 475 921 (ASX:AWO) (Company), to be renamed IOT Group Limited (ASX:IOT)	
Who is AWO and what are its key assets?	The Company is an Australian public company, incorporated on 10 November 2009 and listed on the ASX on 25 January 2011. The Company main assets are cash and the Croydon Goldfield in Queensland (EPM 18448) (Mining Title).	
Who is IOT?	OK IOT Group Pty Ltd is an Australian incorporated proprietary company headquartered in Sydney (IOT). IOT is an emerging business at the forefront of the rapidly growing "Internet of Things" industry, which encompasses internet-connected devices such as watches, homes, TVs, cars clothing and IPTV. IOT has developed and rolled out, and continues to develop and rollout, its own innovative proprietary technology.	Section 3
Who are the people behind IOT?	IOT was founded by technology entrepreneur Simon Kantor (Proposed Director and CEO). Details of the Proposed Directors are provided in section 9.	Section 7
What is the Acquisition?	On 22 September 2015, the Company announced that it had entered into a conditional agreement to acquire 100% of the issued capital of IOT from the shareholders of IOT (IOT Vendors). On 18 November 2015, the Company and the IOT Vendors entered into a Share Purchase Agreement (SPA). A summary of the key terms of the Acquisition and the SPA can be found in section 9.18. Completion of the Acquisition is subject to certain conditions (summarised in section 4.2). One of those conditions is the approval of Shareholders of the Company at the General Meeting of Shareholder to be held on 15 January 2016. If Shareholders do not approve all of the relevant resolutions, the Company will be unable to complete the Acquisition.	Section 9.18
What are the conditions of the Acquisition?	The Acquisition is conditional on, amongst other things, the following events occurring: <ul style="list-style-type: none"> Shareholders approving: the change in the nature and scale of the Company's activities in accordance with ASX Listing Rule 11.1.2 (LR Resolution); the consolidation of its existing issued shares on a 1 for 2 basis (Consolidation Resolution); and the Acquisition Resolutions; and ASX approving the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules and receiving approval for the re-quotations of shares on the ASX. <p>If any of the Conditions are not satisfied then the Company will not proceed with the Acquisition and the Company will repay all Application Monies received.</p>	Section 4

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<p>What will be the Company's strategy following the Acquisition?</p>	<p>Completion of the Acquisition will result in a significant change to the nature and scale of the Company's activities and the Company proposes to dispose of its interests in the exploration asset.</p> <p>Following reinstatement to quotation of the Company's shares on ASX, the Company's focus will be to develop IOT's proprietary technology and participate in the rapidly-expanding market for internet of things technology.</p> <p>The Company's objectives in this regard will be to:</p> <ul style="list-style-type: none"> • pursue IOT's sales and marketing strategy which is focused on increasing the penetration of its products with existing customers and pursuing new customers; • completing development of technology currently in IOT's development program and distributing those to existing and new customers; • creating and growing brand awareness of IOT's technology and establishing IOT as a leader in the emerging internet of things industry; and • establishing and then expanding the distribution relationships of IOT to markets abroad (such as Japan and North America) 	<p>Section 3</p>
<p>How does IOT generate its revenue?</p>	<p>IOT generates its revenue by procuring the manufacturing and sales of its IoT technology products, including internet protocol television subscriptions.</p>	<p>Section 3</p>
<p>What is IOT's value proposition</p>	<p>The aggregation of the various IOT businesses brings to IOT a key range of skills in (1) market identification, manufacturing, distribution and sales; (2) technical innovation, systems and process controls; and (3) a growing platform for a digital delivery strategy, CRM base and cross-selling synergies. Details of IOT's value proposition can be found in section 5.6.</p>	<p>Section 3.7</p>
<p>What are the key risks for IOT and the Company?</p>	<p><i>Reinstatement of Shares to trading on ASX</i></p> <p>As part of the change in the nature and scale of Ardent's activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. It is anticipated that the Shares will be suspended on the date of the Meeting. In the event that all Transaction Resolutions are approved at the Meeting, it is anticipated that the Company's securities will remain suspended until Completion and re-compliance with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently remain suspended from quotation.</p> <p><i>Conditions of the Acquisition</i></p> <p>The Acquisition is subject to the fulfilment of certain conditions. If the conditions precedent summarised in Section 4.6 are not met, the Acquisition will not be completed.</p> <p><i>Liquidity risk</i></p> <p>Upon reinstatement of the Shares to quotation on ASX, a significant portion of the Shares on issue will be subject to escrow restrictions imposed by the voluntary escrow agreements and the Listing Rules. This will impact liquidity in the Shares as a large portion of the issued capital may not be able to be traded freely for a period of up to 24 months.</p> <p><i>Limited trading history and ability to manage growth</i></p> <p>IOT is an early stage business with a limited trading history. Since its incorporation in May 2015, IOT's activities have primarily encompassed the development of "Internet of Things" consumer products (Products) which has resulted in IOT incurring losses. Given IOT's limited trading history, it is difficult to evaluate IOT's business or its prospects and no assurance can be given that IOT will be able to implement its business plan and ultimately become commercially viable.</p> <p>Since incorporation, IOT's business has expanded rapidly as it has acquired the business assets of Outdoor Konnect, Roam Systems and Intervision (an IPTV business). It also recently acquired The Supply Centre Pty Ltd. Consequently, IOT's operating results and financial condition could be adversely affected if it is unable to appropriately manage this recent expansion and the increased scale of the business together with the planned commercialisation of various Products.</p> <p><i>Competition</i></p> <p>IOT operates within the "Internet of Things" and the IPTV industries. Both of these industries are highly competitive, with companies offering a variety of competitive products and services.</p>	<p>Section 5</p>

Competition in the “Internet of Things” market is expected to intensify in the future as new and existing competitors introduce new or enhanced products that are potentially more competitive than IOT’s products. The “Internet of Things” market has a multitude of participants, including many large, broad-based consumer electronics companies that compete in IOT’s market including Apple, Google, LG, Microsoft, and Samsung.

Many of IOT’s competitors and potential competitors have significant competitive advantages, including longer operating histories, ability to leverage sales efforts and marketing expenditures across a broader portfolio of products, larger and broader customer bases, more established relationships with a larger number of suppliers and contract manufacturers, greater brand recognition, and greater financial, research and development, marketing, distribution, and other resources. IOT’s competitors and potential competitors may also be able to develop products that are equal or superior to those of IOT, achieve greater market acceptance of their products and increase sales by utilising different distribution channels. If IOT is not able to compete effectively against these current or potential competitors, its prospects, operating results and financial condition could be adversely affected.

Ability to successfully develop and introduce Internet of Things products

IOT’s success depends on its ability to anticipate and satisfy consumer preferences in a timely manner. All of IOT’s Products are subject to changing consumer preferences that cannot be predicted. Consumers may decide not to purchase IOT’s Products as their preferences could shift to different types of “Internet of Things” devices or away from these types of products altogether. Accordingly, if IOT fails to anticipate and satisfy consumer preferences in a timely manner, its business may be adversely affected.

The market for “Internet of Things” is relatively new and it is uncertain whether “Internet of Things” devices will sustain high levels of demand and achieve wide market acceptance. IOT’s success will depend to a substantial extent on the willingness of consumers to widely adopt these devices. In part, adoption of IOT’s Products will depend on the increasing prevalence of “Internet of Things” devices and the profile of the market as a whole. Furthermore, some consumers may be unwilling to use “Internet of Things” devices because they have concerns regarding data privacy and security. If consumers do not perceive the benefits of “Internet of Things” devices or choose not to adopt them, the market may develop more slowly than expected which would adversely affect IOT’s operating results.

The development of IOT’s Products involves complexity and cost, and IOT currently has several Products in development at the same time. IOT could experience delays in completing the development and introduction of its Products. Problems in the design or quality of IOT’s Products may also have an adverse effect on IOT’s business, financial condition, and operating results. If Product introductions are delayed or not successful, IOT may not be able to achieve an acceptable return, if any, on its research and development efforts, and IOT’s business may be adversely affected.

In addition, IOT may confront challenges acquiring timely supplies of Products to satisfy orders from distributors/retailers (see “Reliance on single contract manufacturer” below). If IOT fails to accurately forecast customer demand for its Products, it may experience excess inventory levels or a shortage of Products available for sale.

Ability to develop retail and online sales channels

To date, one retailer (via IOT’s distribution agreement with Brightstar) has accounted for close to 100% of revenue from the Viper Smartwatch (currently IOT’s only commercially available Product). The loss of this retailer, or the reduction in business with this retailer, would have a significant adverse impact on IOT’s revenue and operating results. Moreover, under IOT’s agreement with Brightstar, Products can be returned to IOT (for instance, if they are unsold) and IOT may be required to refund any payments made to it for orders of such returned Products.

Following Completion, the Company intends to commercialise IOT’s Products by focusing on sales and marketing. IOT depends and will depend upon effective sales channels to reach the consumers who are the ultimate purchasers of its Products. IOT currently sells through distributors who, in turn, sell to retailers (currently one retailer) and its online stores. IOT is and will be dependent on retailers to provide adequate and attractive space for its Products in their stores. If the retailers stocking IOT’s Products do not adequately display them, choose to promote competitors’ products, IOT’s sales could decrease.

Take up of IOT’s Products will involve education of consumers and retailers and marketing programs to raise the profile of IOT and its Products and technologies. There is no guarantee that IOT’s sales and marketing strategies will be successful. Even if IOT successfully

commercialises its Products, there is risk that it may not generate sufficient revenue to cover its operating costs.

Reliance on single contract manufacturer

IOT currently relies on a single contract manufacturer in China. This reliance on a sole contract manufacturer increases manufacturing risk since IOT does not currently have any alternative or replacement manufacturers. In the event of an interruption at IOT's sole contract manufacturer, it may not be able to develop alternate or secondary sources without incurring material additional costs and substantial delays.

Intellectual property risks

IOT's success will depend, in part, on its ability to operate without infringing on the intellectual property rights of third parties (including copyright, patent, designs, confidentiality, trademark, trade secrecy laws and other intellectual property rights).

The "Internet of Things" market is characterised by the existence of a large number of patents and trade secrets and also by litigation based on allegations of infringement or other violations of intellectual property rights. Claims of intellectual property infringement against IOT (or its suppliers) might require IOT to redesign its Products or enter into costly settlement or license agreements, pay costly damages or face injunctions prohibiting the sale of Products.

IOT's Intervision IPTV business distributes content to subscribers via its IPTV platform. Some content which is currently distributed is under licence or is freely available content that does not require any licence. Some is unlicensed and IOT is currently exploring licensing requirements for its various offerings of IPTV channels so that it does not infringe intellectual property rights of third parties. If IOT cannot or does not license the requisite intellectual property on reasonable terms or at all, or cannot or does not substitute similar intellectual property from another source, its revenue and operating results from the Intervision IPTV business could be adversely impacted.

If IOT receives any intellectual property claims from third parties, they could be time consuming, costly and divert management's attention and resources. The occurrence of such events may have an adverse effect on IOT's business, financial condition and operating results.

In addition, IOT's success will depend, in part, on its ability to operate without having third parties circumvent its intellectual property rights (primarily copyright). IOT currently has no patents or registered designs and IOT may not be able to obtain patent protection over any or all of its technology in the future. If any patents are granted in the future, they may not provide IOT with any competitive advantages, or may be challenged by third parties. There can also be no assurance that the measures taken by IOT have been, or will be, adequate to protect its intellectual property.

External technology risk

The ongoing development of software used by IOT, which is used in conjunction with off-the-shelf software to enable the functionality of IOT's Products, is critical to the operation of the products based on that technology. Such software may be subject to external factors, such as deprecation of operating systems, libraries, components, third party interfaces, drivers, patches, compatibility, version conflict or obsolescence or other related issues. In addition, the software will require updating and maintenance. These external factors may also affect the ability of IOT to effectively upgrade and maintain its software. Furthermore, licensing and commercial conditions imposed by third party software companies may be unsustainable or impractical for IOT, causing a need to rely on other solutions or develop these in-house. Such issues may affect the ability of IOT to successfully provide its Products.

Reliance on key personnel

The development of IOT's business has been largely due to the talent, effort and experience of its management team, including the founder and CEO, Simon Kantor. In light of the complexity of its technologies, IOT is also dependent on the continued service of its existing hardware/software development and technical staff. Despite IOT's best efforts to attract and retain key personnel, there is no assurance that IOT will be able to retain the services of such staff. IOT expects to grow its development and technical team, with a view to mitigating key man risk. IOT's ability or inability to attract and retain key personnel could have a material effect upon its business, results of operations and financial condition.

Product faults and potential exposure to consumer claims and refunds

Software products frequently contain undetected defects or bugs when first introduced or when new versions or enhancements are released. IOT has on occasions found defects and bugs in

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	<p>its Products and new defects or bugs may be detected in its existing or future Products. If that occurs, IOT may experience consumer complaints and potential product recalls, be required to refund customers and suffer negativity publicity. Accordingly, its revenue may be adversely affected.</p> <p>IOT may also be subject to complaints, refunds and claims if consumers experience any conditions (e.g. skin irritations from smartwatch bands) or injuries while using its Products (e.g. the flying selfie drone).</p> <p>IOT may lack adequate insurance coverage for potential consumer claims and refunds. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its profitability will be adversely affected.</p> <p>Factoring facility</p> <p>On 1 October 2015, IOT entered into a Trade Receivable Facility Agreement (or factoring facility) with Minerva Capital Partners Pty Ltd. The Trade Receivable Facility Agreement is secured over IOT's accounts receivable and cash. The discount rate on accounts receivable under the Trade Receivable Facility Agreement is approximately 18% per annum.</p> <p>Expansion into offshore markets</p> <p>IOT has recently announced non-exclusive agency agreements in the United States and Japan and is likely to enter into additional markets in the future. There are significant costs and risks inherent in conducting business in international markets, including:</p> <ul style="list-style-type: none"> • establishing and maintaining effective controls over agents and distributors and the associated increased costs; • variations in margins; • compliance with foreign laws and regulations; and • currency exchange rate fluctuations. <p>Currency risk</p> <p>IOT's manufacturing costs are primarily denominated in United States dollars (US\$), whereas development, management and administration costs are to date primarily based in Australian dollars (A\$).</p> <p>For Australian sales, IOT buys manufactured product on a US\$ FOB basis ex-Hong Kong and resells to distributors or retailers in Australia on an A\$ basis. Therefore, IOT carries translation exposure on the full US\$ CIF price. IOT manages this exposure by adjusting, where necessary, the on-sell price in Australia for periodic orders, to preserve an acceptable profit margin in A\$ terms.</p> <p>For international sales, the appointed distributor in the relevant country acquires stock on a US\$ FOB basis ex-Hong Kong, plus a margin payable to IOT expressed as a percentage of the US\$ FOB price. The distributor then sets the selling price in local currencies, including mark-ups for the distributor and the retailer. For international sales, IOT only has a US\$/A\$ translation risk on the margin paid to IOT by the international distributor.</p> <p>Future capital requirements</p> <p>Further funding may be required by IOT to support its ongoing activities and operations, including the need to develop new Products, improve existing Products, enhance its operating infrastructure and to acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds.</p> <p>There can be no assurance that such funding will be available on satisfactory terms (or at all) at the relevant time. Any inability to obtain additional funding (or inability to obtain funding on reasonable terms) will adversely affect the financial condition and financial performance of the Company.</p> <p>Potential acquisitions risk</p> <p>As part of its business strategy, IOT may make acquisitions of, or significant investments in, complementary companies or prospects. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.</p>	
<p>How does the Company expect to</p>	<p>The Company has received commitments of \$5,000,000 from wholesale and sophisticated investors, following a positive response to the investor roadshow conducted in late October and early November 2015. The current intention is to use the Company's funds in</p>	<p>Section 4.8</p>

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fund its operations?	the manner set out in Section 4.8.	
The acquisition of IOT	<p>On 18 November 2015, the Company and the IOT Vendors entered into the SPA. Under the terms of the SPA, the Company has agreed to:</p> <ul style="list-style-type: none"> • issue 257,900,964 Shares (on a post-Consolidation basis) to the IOT Vendors in consideration for the acquisition of 100% of the IOT Shares on issue (Consideration Shares); • issue the following Shares if the requisite financial hurdles are satisfied: • a maximum of 166,666,667 Shares (on a post-Consolidation basis) to the IOT Vendors contingent upon the satisfaction of net profit after tax requirements in FY2016 and FY2017; and • 69,241,893 Shares (on a post-Consolidation basis) to IOT Vendors whose shareholdings include IOT Shares which were not issued in IOT's June 2015 capital raising (Non-Investor IOT Shares) contingent upon IOT reporting revenue of at least \$5 million in FY2016, (together the Earnout Shares). 	Section 9.18
Options	<p>The Acquisition is conditional on, among other things, the Company being satisfied that all options to acquire IOT Shares currently on issue (IOT Options) will be cancelled at Completion in consideration for the Company issuing 60,210,342 options in the Company (on a post-Consolidation basis) at an exercise price of \$0.07 and expiring on 30 June 2019 (Replacement Options).</p>	Section 9.19
Escrow	<p>The Consideration Shares will be subject to voluntary escrow, with key management personnel escrowed for 24 months following ASX re-listing. Other (non-management) IOT shareholders will be subject to a 6-month voluntary escrow following ASX re-listing.</p>	Section 9.20
Share Sale and Purchase Deed (SPA)	<p>A summary of the material terms of the SPA is set out below.</p> <p>By an Agreement dated 18 November 2015 between all the share and option holders of IOT (Sellers) and IOT and the Company, the Sellers agree to sell to the Company all their shares and options in IOT for the Consideration Shares, the Replacement Options, to waive their pre-emptive rights, and to be given the right to be allotted:</p> <ul style="list-style-type: none"> • up to 55,555,556 Earnout Shares in the Company (on a post-Consolidation basis) for the financial year ended 30 June 2016 which are to be allotted upon the attainment of net after tax profit of over \$1.0 million; • 69,241,893 Earnout Shares (on a post-Consolidation basis) for the financial year ended 30 June 2016 which are to be allotted upon the attainment of over \$5.0 million in revenue (to IOT Vendors whose shareholdings include Non-Investor IOT Shares in proportion to such Non-Investor IOT Shares); and • up to 111,111,111 Earnout Shares (on a post-Consolidation basis) for the financial year ended 30 June 2017 which are to be allotted upon the attainment of net after tax profit of over \$1.5 million. <p>Completion of the SPA is subject to the Company complying with certain conditions precedent prior to 30 March 2016 (or such later date as the parties agree) being:</p> <ul style="list-style-type: none"> • Approval of the shareholders of the Company to the sale and acquisition in general meeting (see below for further details). • Each IOT option holder executing an option exchange deed for Replacement Options. • Completion by the Company of a capital raising for up to \$5,000,000. • ASX granting approval to the continued listing of Company and the listing of all the shares to be issued on Completion under the SPA. 	Section 9.18
Acquisition Resolutions	<p>Each of the Listing Rules Resolution, the Consolidation Resolution and the Acquisition Resolutions (together, the Transaction Resolutions) are conditional upon the approval by the Company's Shareholders of each of the other Transaction Resolutions. If any of the Transaction Resolutions are not approved by Shareholders, all of the Resolutions (with the exception of Resolutions 1 and 2) will fail and Completion will not occur.</p> <p>A summary of the Acquisition Resolutions is as follows:</p> <ul style="list-style-type: none"> • the issue at Completion of: 	Section 4.4

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	<ul style="list-style-type: none"> ○ the Consideration Shares; and ○ the Replacement Options to holders of IOT Options; <ul style="list-style-type: none"> ● the issue of up to 166,666,667 Earnout Shares if FY2016 and FY2017 net profit after tax requirements are satisfied and 69,241,893 Earnout Shares if FY2017 revenue requirements are satisfied as additional consideration for the acquisition of 100% of the IOT Shares on issue; ● the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules and, to achieve this, must successfully undertake a capital raising by issuing Shares at an issue price of \$0.032 to raise at least \$5,000,000. ● the change of the Company's name to "IOT Group Limited" at Completion. 	
Other terms	<p>The Company paid to IOT a refundable deposit of \$250,000 on signing of the SPA to secure completion of the SPA.</p> <p>The Consideration Shares shall be voluntarily escrowed for periods of between six months and two years following completion as provided in the SPA.</p> <p>Pursuant to the SPA both parties are to maintain their respective businesses up to Completion and to provide assistance and co-operation to each other to comply with the conditions precedent and the terms of the SPA.</p> <p>The SPA otherwise contains all the usual terms and conditions of a share sale and purchase agreement in such circumstances and is terminable if Completion does not take place by the due date for Completion, for failure to comply with a condition precedent in the absence of waiver or for breach of a material term of the SPA.</p>	Section 9.18
Board Changes	<p>The SPA provides for IOT to appoint three directors to the Company upon Completion and for the Company to retain one director thereafter.</p> <p>Following Completion, the Company will seek changes to its Board of Directors, with all existing Directors other than Mr Scott Brown, stepping down from their positions as Directors. The outgoing Directors will be replaced on the Board by Mr Richard Woods as Chairman and a Non-Executive Director, Mr Simon Kantor as Executive Director and Chief Executive Officer, Mr Ian Duffell as Executive Director – Business Strategy (Proposed Directors). Further details regarding the Proposed Directors are set out in Section 9. Mr Scott Brown will remain as a Non Executive Director (but will step down as Chairman).</p>	Section 7



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INDUSTRY & IOT COMPANY OVERVIEW

3.0 INDUSTRY AND IOT COMPANY OVERVIEW

3.1 IOT

OK IOT Group Pty Limited (“IOT”) was established on 4th May 2015. IOT is a producer of innovative wearable devices and Internet of Things consumer technology products based in Sydney. IOT is developing a portfolio of products including the smart watches, internet doorbell, selfie drone, and IPTV subscription television service through Intervision.

IOT’s first device to market was an affordable \$99 smartwatch called the Viper watch, which is available at Coles supermarkets. The Viper watch was launched nationally in September 2015 after a successful sales trial in May 2015.

IOT also owns an innovative IPTV platform, Intervision, which provides customers with smart TV boxes and subscription based streaming services from around the globe. Intervision offers a variety of content - hundreds of TV channels and thousands of videos on demand - to niche market consumers. Intervision currently has over 2,000 subscribers.

3.2 Industry Overview

Following Completion of the Acquisition the Company intends to participate in segments of the “Internet of Things” sector.

What is the “Internet of Things”?

The Internet of Things is the network of physical objects or “things” embedded with electronics, software, sensors, and network connectivity, which enables these objects to collect and exchange data. The Internet of Things allows objects to be sensed and controlled remotely across existing network infrastructure, creating opportunities for more direct integration between the physical world and computer-based systems, and resulting in improved efficiency, accuracy and economic benefit. Each thing is uniquely identifiable through its embedded computing system but is able to interoperate within the existing Internet infrastructure.

Simply put this is a concept of basically connecting any device with an on and off switch to the Internet (and/or each other). This includes everything from mobile phones, coffee makers, washing machines, headphones, lamps, wearable devices and almost anything you can think of.

Typically, the Internet of Things is expected to offer advanced connectivity of devices, systems, and services that goes beyond machine-to-machine communications (M2M) and covers a variety of protocols, domains, and applications. The interconnection of these embedded devices (including smart objects), is expected to usher in automation in nearly all fields.

“Things,” in the Internet of Things sense, can refer to a wide variety of devices such as heart monitoring implants, biochip transponders on farm animals, electric clams in coastal waters, automobiles with built-in sensors, or field operation devices that assist firefighters in search and rescue operations. These devices collect useful data with the help of various existing technologies and then autonomously flow the data between other devices.

Besides the plethora of new application areas for Internet connected automation to expand into, Internet of Things is also expected to generate large amounts of data from diverse locations that is aggregated very quickly, thereby increasing the need to better index, store and process such data.

Thus defined, the Internet of Things space covers a very broad field, with a vast number of current and potential participants globally. The development and growth of the Internet of Things sector is expected to provide substantial economic benefits over time.

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The transformational drive of the Internet of Things sector is being driven by what Gartner, Inc. refers to as a “Nexus of Forces”, being cloud computing, mobile communications via internet, social networks, and information / “big data” analytics capacity. These forces, combined with open development systems and reducing costs and miniaturization of hardware, has positioned the Internet of Things sector as the next “wave” in the ICT (information and communication technology) field, following fixed line internet, and mobile.

Connected things, such as automated teller machines and airline check-in machines, already exist. But, new and novel devices, and many ordinary objects, are also being reinvented with digital sensing, computing and communications capabilities. This functionality provides both new and previously passive objects with a “digital voice”, and the ability to create and deliver an information stream reflecting their status and that of their surrounding environment. Such developments radically change the value proposition, creating new services and usage scenarios and driving new business models.

Forecast growth

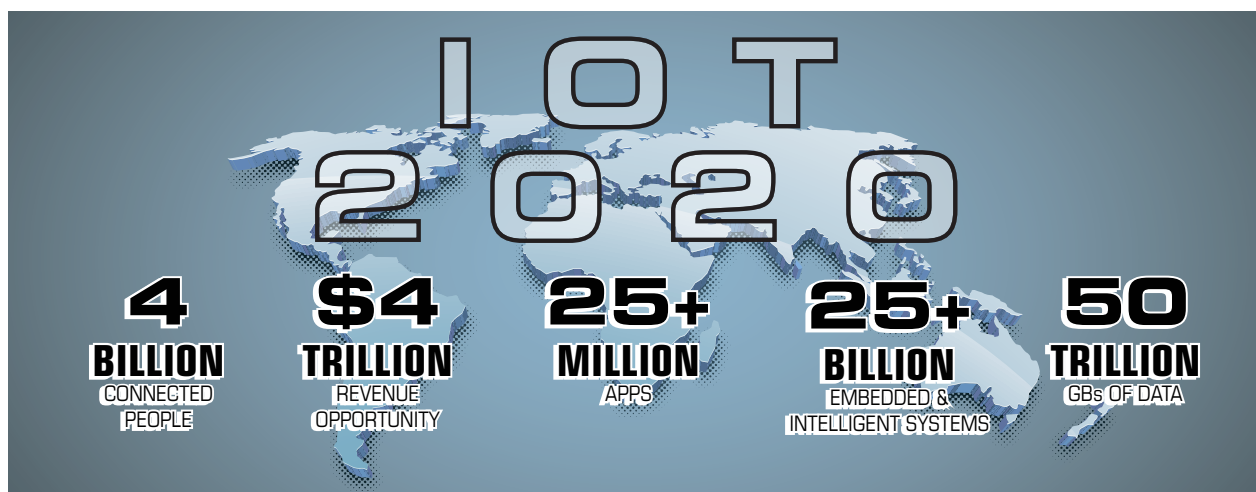
Gartner forecasts that the number of Internet of Things units installed will grow from c.3 billion in 2013, to c.25 billion in 2020, as below:

The Internet of Things – Millions of Units Installed Base by Category

Category	2013	2014	2015	2020	CAGR* 2013-20
Automotive	96	189.6	372.3	3,511.1	82.19% pa
Consumer	1,842.1	2,244.5	2,874.9	13,172.5	38.80% pa
Generic Business	395.2	479.4	623.9	5,158.6	53.44% pa
Vertical Business	698.7	836.5	1,009.4	3,164.4	28.63% pa
Total	3,032.0	3,750.0	4,880.6	25,006.6	

SOURCE: Gartner, Inc, November 2014.

* compound annual growth rate



Source: Mario Morales/ Analyst IDC, Map © freepik.com Graphic © PMS Design

INDUSTRY & IOT COMPANY OVERVIEW

Enablers

Acknowledging the growth in smart devices as above, five types of enablers are needed for maximum Internet of Things impact:

(a) **Software and Hardware technology**

- (i) Low power, inexpensive sensors and computers
- (ii) Ubiquitous connectivity / low cost mesh connectivity
- (iii) Additional capacity and bandwidth in the cloud
- (iv) Confidence in security across the entire Internet of Things ecosystem

(b) **Interoperability**

- (i) Standardisation in the technology stack and ability to integrate across technology vendors
- (ii) Standard protocols for sharing between Internet of Things systems
- (iii) Standard access to external data sources

(c) **Intellectual Property, Security, Privacy**

- (i) Establishing trust with consumers for sharing data
- (ii) Collaboration across companies and industry verticals
- (iii) Horizontal data aggregators
- (iv) Data commerce platforms

(d) **Business Organization and Culture**

- (i) Industry Structure, e.g. organized labour cooperation, third party servicing
- (ii) Hardware focused companies developing core competency in software
- (iii) Companies committing to up-front investment based on clear business cases

(e) **Supporting Public Policy**

- (i) Regulation for autonomous control of vehicles and other machinery
- (ii) Government and taxpayer subsidy of health care Internet of Things
- (iii) Agreements for fair practices for data sharing and use.

SOURCE: McKinsey Global Institute analysis, June 2015

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Potential Economic Benefit of Internet of Things in 2025

Setting	Low Estimate	High Estimate	Major Applications
Human	170	1,590	Devices (wearables and ingestibles) to monitor and maintain human health and wellness; disease management; increased fitness; higher productivity
Home	200	350	Energy management, safety and security, chore automation, usage-based design of appliances, presales analytics
Retail Environments	410	1,160	Automated checkout, layout optimization, smart CRM, in-store real time personalized promotions, inventory shrinkage prevention, improved staff allocation, improved employee productivity
Offices	70	150	Organizational redesign and worker monitoring, augmented reality for training, energy monitoring, building security
Factories	1,210	3,700	Places with repetitive work routines, including hospitals and farms - operations optimization, robots, predictive maintenance, inventory optimization, health and safety, agricultural yield improvement, livestock monitoring, medical counterfeit drug reduction, improved medical devices
Worksites	160	930	Mining, Oil & Gas, Construction - operations optimization, equipment maintenance, health and safety, human productivity, usage based design, Internet of Things-enabled R&D
Vehicles	210	740	Cars, aircraft, ships, trains, defence - Improved safety and security, condition based maintenance, reduced insurance
Cities	930	1,660	Public safety and health, air and water quality monitoring, crime monitoring and prevention, adaptive traffic management, autonomous vehicles, bus and train schedule management, resource management, electrical distribution and substation automation, water and gas leak identification, smart solid waste management
Outside	560	850	Outdoor uses including railroads - logistics routing, autonomous cars and trucks, navigation, operations optimization, collision avoidance, navigation enhancements
Size in 2025	3,900	11,100	US\$ billion per year, adjusted to 2015 dollars

Source: McKinsey Global Institute, "The Internet of Things: Mapping the Value Beyond the Hype", June 2015.

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3.3 IOT's Near Term Target Segments

The key business areas of the Internet of Things universe in which IOT intends to participate initially are:

- Intelligent devices and systems;
- Connectivity;
- Platforms (device, service and app enablement);
- Data Analytics / social business; and
- Applications.

And, more specifically by sector:

- Wearables;
- Home Automation;
- IPTV;
- Specific innovative consumer devices; and
- Specific device-agnostic control systems.



OK STEEL SERIES Smart Watch
Image © IOT Group

3.4 Wearables

Unit shipments of smart wearables are forecast by IDC to grow from 19.6m units in 2014 to 126.1m units in 2019, a CAGR of 36.38% pa over the period. In 2014, wristwear (smartwatches and activity trackers) accounted for 90.4% of smart wearable shipments (forecast to drop to 80.4% share in 2019, with increased share of smart clothing, in particular).

In the wristwear segment, leading vendors of smartwatches are Apple, Samsung and LG. In the activity tracker/GPS segment, leading vendors are FitBit, Jawbone and Garmin.

3.5 Home Automation

According to BI Intelligence, estimates, connected-home device shipments will grow at a compound annual rate of 67% over the 5 years to 2019, and hit 1.8 billion units shipped in 2019. Connected-home devices include all smart appliances (washers, dryers, refrigerators, etc.), safety and security systems (internet-connected sensors, monitors, cameras, and alarm systems), and energy equipment like smart thermostats and smart lighting.

The connected-home category will make up about 25% of shipments within the broader Internet of Things category in 2015, and then share will increase gradually to roughly 27% in 2019 based on BII forecasts, as growth in other Internet of Things categories picks up.

Home energy equipment, and safety and security systems, including devices like connected thermostats and smoke detectors, will become popular first, leading the way to broader consumer adoption.

In the Home Automation segment, there are a variety of participant vendors, including appliance makers, lighting, heating, air-conditioning, utilities, home entertainment providers, electrical contractors, security contractors, health care professionals – essentially all products and services available in the home which have capacity for Internet of Things connection and networking.

3.6 IOT's Business Model

IOT is an emerging innovation and technology delivery business at the forefront of the rapidly growing Internet of Things industry, a producer of innovative wearable devices and Internet of Things consumer technology products and a distributor of IPTV to subscribers via its IPTV delivery platform.

IOT is derived from the amalgamation in early 2015 of three separate operating businesses – Outdoor Konnect (OK), ROAM Systems (ROAM), and Intervision - providing the company a platform for future growth, both organically and through the aggregation of synergistic businesses operating in the Internet of Things environment.

IOT is both an innovator and an imitator in that it seeks to develop / adapt technology for “trend” markets that are in the early stages of development. In its core strategy, IOT seeks to take existing technology and add functionality and improvements to make more useful, novel, and market niche specific products. IOT then seeks to make those derived products available at affordable prices through its distribution systems.

IOT's Manufacture and Distribution Strategy

IOT currently undertakes design, prototyping and specification work in-house in Australia, and outsources component aggregation, assembly and logistics, currently to China-based partners. Product is usually available FOB Hong Kong. The production process can be summarised as follows:

Concept

Concept formation; concept design; concept specification; concept evaluation; market evaluation, research focus groups as required; final concept design; leading to functional specification.

Development

Once functional specification complete, then undertake development specification. Build experiment list; user case list; test reference material; engineering specification; and component breakdown (Bill of Materials).

Embark on component sourcing, using established representative relationships in China, Vietnam, Philippines, Malaysia, and Indonesia, to deliver a variety of options; and undertake evaluation of functionality, pricing and quality.

Once budget agreed, order and evaluate samples, and aggregate all components. At this point, testing and certification / compliance of components will be undertaken (offshore).

Prototyping

Aggregate components and contemporaneously, design, specify and build necessary software / interfaces. Build bench prototype, essentially a rough unfinished model that will simulate the final product. Thereafter, undertake necessary testing – functional, user, compliance, health and risk testing etc. Once acceptable, then have production prototype (including software etc).

Pre-Production

Investment in production tooling as required.

Production

On placement of orders, payment of approx 30% of production cost is required, in addition to any production tooling required for the product. This basically covers the cost of the raw materials /

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component aggregation. For larger orders, progress payments may be required.

Quality Assurance

Regular inspections / assessments are undertaken by IOT staff at the factory.

Completion and Logistics

On completion, product is shipped (FOB Hong Kong) from assembly factory to client. IOT pays balance of contract price (approx. 70%), which includes logistics charges. All labelling, consignment notes, packaging etc. undertaken by the assembler so IOT can essentially drop ship direct from China. Same applies to online fulfilment.

IOT currently maintains three levels of redundancy and alternative manufacturing / component supply sources. IOT will continue to diversify its manufacturing sources to mitigate supplier and country risk issues.

Existing Products and Pipeline Summary

IOT's first device to market was an affordable \$99 smartwatch available at Coles supermarkets across Australia, launched nationally in September 2015 after a successful sales trial in May 2015. Over 6,000 units have been shipped (exceeding the forecast of 2,500 units in 2015).

Products currently in development by IOT include a 3G GPS safety smartwatch developed for children, a smartwatch designed for tradespeople on the job, an automated flying camera system dubbed a "selfie drone", an internet doorbell that allows users to answer their doors remotely by smart device with voice/video communication, and a connected home automation suite allowing control of an entire home by smart device (as well as save on energy and utilities). IOT plans to release these products in 2016 and will also seek to establish an "IOT Innovation Hub" which will be a segregated group of technology developers tasked with fast-tracking the research, development and commercialisation of a number of proprietary technology initiatives owned by IOT under the ROAM business.

3.7 Value Proposition

IOT's value proposition is summarised by the following aims:

- o To not necessarily invent new technologies, but rather adopt, adapt and enhance what already exists, and deliver affordable, targeted products suitable for efficient, established delivery channels;
- o To acutely observe 'trends' along with an analysis of customer 'need and desire' and develop devices or services to match;
- o To give the customer current technology with competitive functionality at an affordable price;
- o To be early to market with adapted products by being innovative, agile and flexible, with the ability to respond quickly to the changing market dynamic;
- o To capitalise on streamlined systems and processes, and infrastructure architecture to deliver 'concept to customer' within 3-4 months;
- o To identify high-value consumer needs or desires, by undertaking extensive market research to ensure we are ahead of the curve in innovation, design and functionality; and
- o To be a market leader, in specific segments, in the development, manufacture and distribution of affordable consumer electronic devices.

The aggregation of the OK, ROAM and Intervision businesses, therefore, brings to IOT a key range of

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skills in (1) market identification, manufacturing, distribution and sales; (2) technical innovation, systems and process controls; and (3) a growing platform for a digital delivery strategy, CRM base and cross-selling synergies.

3.8 Strategies To Minimise Business Innovation Risk

Business innovation risk is minimized by employing the following strategies:

- o Very targeted approach to specific vertical markets, identified by trend;
- o Portfolio approach to product suite, recognizing that some markets will be “hump” (high growth, followed by fall off) and some will “plateau”(growth to consistent volume);
- o Seasoned experienced executives, with a mix of on-board sales and technical expertise;
- o Minimizing investment & risk in product development;
- o Streamlined advanced business processes and infrastructure enabling concept to shelves within 3-4 months;
- o Low product development cost (no large investment in proprietary IP);
- o Manufacture to orders - low level of trading stock on hand;
- o Low overheads; and
- o Combination of traditional distribution and digital / online strategy.

3.9 Key Business Within IOT

With respect to the three key businesses within IOT:

Outdoor Konnect

The Outdoor Konnect (OK) business focuses on sales and distribution of affordable wearable devices and accessories. OK provides IOT with a ‘ready for market’, initial suite of products positioning IOT as a niche player in the rapidly expanding ‘wristwear’ product market, coupled with positioning the IOT brand as an active player in the broader Internet of Things environment.

The market test for “Viper” sold out in days at selected Coles stores and Viper remains available in-store at all Coles stores across Australia with over 6,000 units shipped.

Research by GfK notes that price is the key determinant in smartwatch selection, followed by functionality, activity tracker and accuracy. The OK products are specifically targeted to a price-conscious market segment.

ROAM Systems

The ROAM business provides a complementary (but with added functionality) suite of smart watch products in the ‘wearables’ SSPDce to that of the Outdoor Konnect business. Additionally, and importantly, ROAM has a history in mobility computing and engineering, providing the technical expertise, skills and software development know-how to ‘re-engineer’ and design ‘trending’ consumer products in both the wearables segment and the broader Internet of Things ecosystem.

ROAM has over twenty (20) ‘wearable’ products at various stages of design and development including

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but not limited to: smart glasses, smart bands, smart rings, heads-up displays, and smart clothing. ROAM is also producing the “selfie drone”, the KidSmart GPS safety watch, and a “ruggedized” waterproof smartwatch.

ROAM has designed and is also progressing the development of a number of innovative products aimed to streamline process automation, repetitive tasks and user interaction. ROAM has developed a suite of devices and device packages for DIY smart home automation.

Intervision ENTERTAINING THE WORLD

IPTV (Internet Protocol television) is a system through which television services are delivered using the Internet or Local Area Network, instead of being delivered through traditional terrestrial, satellite signal, and cable television formats. The service can be delivered to a smart device (computer, tablet, or smart TV), or to non-smart TVs via a set-top box (STB).

Intervision currently provides customers with smart STBs and a subscription based streaming platform for content from around the world. For IOT, Intervision is both an important cash flow business, and strategic opportunity. The IPTV sector is growing rapidly with significant user uptake (e.g. Netflix, Stan. Presto), eroding market share from free-to-air and Pay TV operators (who also offer streaming services via, for example Iview (ABC) and Foxtel Go).

Intervision’s strategy focuses on identifying and servicing specific niches – for example, delivering channels normally available on a free-to-air basis in Greece, to Greek speaking subscribers in Australia; Arabic language channels to Arabic-speaking subscribers in Australia etc. Intervision offers a variety of content through its platform – hundreds of TV channels and thousands of Videos on Demand to niche market consumers at affordable prices while continuously updating and adding content sources and providers.

Intervision is enhancing its current software to take advantage of the growing IPTV trends and allow for faster and higher quality streaming as well as creating a subscription based platform for content providers. Notably because IPTV uses standard networking protocols, the costs are lower for both operators and users. The IPTV service also provides the delivery channel for advertising, and potentially Intervision’s own content, in due course.

From a strategic point of view, the STB provides an important “gateway” into the home, and continued development of the functionality of the STB into a central hub for interconnectivity provides the opportunity for a variety of home automation, security, energy management, e-health and other device/ internet-linked services. This fundamentally places the Intervision STB as the central hub of a “connected home” in the Home Automation segment.

For IOT, the Intervision platform, with the STB as the central hub, provides the opportunity for customers to access a variety of services, from IPTV to a variety of home automation and



Intervision
ENTERTAINING THE WORLD
FAST PERFORMANCE
HIGH DEFINITION VIDEO STREAMING



Images courtesy of © Photos5.com/ © IOT Group

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INDUSTRY & IOT COMPANY OVERVIEW

interconnectivity services (agnostics as to device ecosystem – e.g. iOS (Apple), Android, Windows etc.), as well as becoming an important sales channel for such services via advertising and an evolving CRM / data analytics capability.

3.10 Intellectual Property

IOT has, in respect of its product pipeline, various trade secrets, know how, and confidential information. IOT also has copyright in respect of various materials in relation to its product pipeline, and may seek patent and design protection on various items in due course. IOT also owns various domain names, licenses, logos and business names.

3.11 Sales And Marketing

Research by GfK points to the clear emergence of “omni-channel” marketing and distribution as the key direction of retail in Australia - that is a hybrid mix of traditional retail and online strategies. GfK’s four key trends are (1) the relevance of traditional bricks and mortar retailing, in its current form, will continue decreasing; (2) loyalty will be scarce, unless shoppers feel involved; (3) mobile devices will become the ‘workhorses’ of shopping, including mobile payments; and (4) digital security issues could be overlooked if it comes with a tailored benefit.

Traditional distribution channels are a key part of IOT’s distribution channel strategy. Importantly, IOT has access to the distribution services of Brightstar Corporation. Brightstar, majority owned by Softbank of Japan, distributes mobile phones and other devices, serving more than 200 carriers, 40,000+ retailers, and 15,000+ enterprise customers in more than 100 countries. It provides specialised global wireless distribution and services, serving mobile device manufacturers, wireless operators and retailers. Brightstar offers customized solutions including: value-added device and accessories distribution, supply chain solutions, handset protection and insurance, buyback and trade-in solutions and omni-channel retail solutions, and mobile digital solutions within the wireless telecommunications industry.

IOT’s initial distribution channel focus is on currently available channels for immediate products, including the Viper Smartwatch, and forthcoming KidSmart watch and Selfie Drone. These principally involve:

- Continued distribution into Coles stores;
- Distribution into other retail chains, especially JB Hi Fi, Harvey Norman, Dick Smith; and
- Online sales.

IOT has multi-layered online stores for current products. Both the ROAM and OK brands are sold online through one store while Intervision products and services are sold through another. Both stores have a common brand identity, providing the customer with continuity and are “IOT Companies”. IOT also maintains a single user database with complete analytics and CRM for both stores. The online sales channels will be further developed in the near term as part of a broader digital strategy to supplement traditional distribution channels and enhance consumer awareness in an efficient and cost effective manner. Fulfilment of current on-line sales is automated – shipping from the Chinese factory warehouse, via DHL, to customer, with regular tracking and reporting.

Concurrently, IOT will continue development and rollout of its digital strategy, and continue development of international distribution channels for all products. IOT’s developmental focus will be on designing effective hybrid traditional/digital marketing mix strategies for each product to support both domestic and international sales. This will include a focus on disintermediation of the sales value chain, to increase product profitability for IOT.

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The branding strategy around the ROAM and OK brands has been developed to facilitate a dual market position for IOT. This mitigates traditional retail conflicts allowing the company to capitalise on both the premium (ROAM brand) outlets and affordable (OK brand) retail chains.

Additionally, IOT is building out distribution arrangements outside Australia with suitable business partners, including in Japan and the United States (for which non-exclusive sales and distribution agreements have been executed) and in Indonesia, West Africa, New Zealand, Nepal, Bangladesh and Pakistan (for which agreements are currently being negotiated).

On 19 October 2015, IOT executed a term sheet with Ueyama & Associates as the non-exclusive agent for sales and distribution of IOT's range of products in Japan.

On 26 October 2015, IOT executed an agreement with Paul Tobin of Terrapin Ventures, based in California, United States, to act as the non-exclusive agent for sales and distribution of IOT's range of products throughout the United States. The agreement will allow IOT to achieve the following:

- Immediately develop distributors and retailers within the United States
- Actively seek future mergers and acquisitions opportunities
- Actively seek relationships with United States venture capital firms
- Establish a physical presence for expansion into the United States market

The IOT Group

EVERYTHING IS CONNECTED



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ARDENT RESOURCES LTD

INDUSTRY & IOT COMPANY OVERVIEW

Consumer
Technology
Products



The IOT Group
EVERYTHING IS CONNECTED



ROAM
IMAGINE TOMORROW



Wearables

Future
Technology
Now!



Intervision
ENTERTAINING THE WORLD



OK
OUTDOOR KONNECT



Connected
Home
Technology

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OFFER DETAILS

4.0 OFFER DETAILS

4.1 The Offer

This Prospectus invites investors to apply for a total of 1,562,500 Shares at an issue price of \$0.032 (3.2 cents) per Share to raise at least \$50,000 (before expenses of the Offer). The Company may accept oversubscriptions of up to a further 29,687,500 Shares at an issue price of \$0.032 (3.2 cents) per Share to raise up to a further \$950,000.

The maximum amount which may be raised under this Prospectus is therefore \$1,000,000.

The Shares offered pursuant to the Offer under this Prospectus will rank equally in all respects with the Shares already on issue. Further details of the rights attaching to Shares are set out in Section 10.2.

4.2 Minimum Subscription

The Minimum Subscription for the Offer is 1,562,500 Shares at an issue price of \$0.032 (3.2 cents) per Share to raise at least \$50,000 before expenses of the Offer. The Company will not issue any Shares unless the Minimum Subscription is raised.

If the Minimum Subscription is not raised within 4 months after the date of this Prospectus (or such later date permitted by ASIC), all Applications will be dealt with in accordance with section 724 of the Corporations Act.

Such action may include repayment of Application Monies (without interest) or the issue of a supplementary or replacement prospectus.

4.3 Underwriting

The Offer is not underwritten.

4.4 Change In Nature And Scale Of Activities

At the General Meeting of Shareholders to be held on 15 January 2016, Shareholders will be asked to vote on the following resolutions:

1. the ratification of a prior Share issue under ASX Listing Rules 7.1 and 7.1A;
2. the consolidation of the number of Shares on issue through the conversion of every 2 Shares held into 1 Share;
3. to change the nature and scale of the Company's activities;
4. the issue of the Consideration Shares to the IOT Vendors to acquire all of the IOT Shares;
5. the issue of the Consideration Shares to an entity associated with Mr Dang Lan Nguyen, a Director of the Company, to acquire all of its IOT Shares;
6. the issue of the Replacement Options to the IOT Optionholders in consideration for cancellation of the IOT Options;
7. the issue of Earnout Shares (on a post Consolidation basis) to the IOT Vendors;
8. the issue of Earnout Shares (on a post Consolidation basis) to entities associated with Mr Dang Lan Nguyen (Director) and Mr Simon Kantor (Proposed Director), Mr Ian Duffell (Proposed Director) and Mr Richard Woods (Proposed Director);

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9. the issue of 156,250,000 Shares (on a post Consolidation basis) to raise capital under the Placement;
10. the issue of 31,250,000 Shares (on a post Consolidation basis) to raise capital pursuant to the Offer; and
11. to change the name of the Company to "IOT Group Limited".

Completion of the Offer is conditional on the above resolutions described in points 2 to 10 above being approved by Shareholders.

4.5 Re-Compliance With Chapters 1 And 2 Of The ASX Listing Rules

The Company's shares will be suspended from quotation on the ASX from the date of the General Meeting to approve the transactions associated with the change to the nature and scale of the Company's activities. The Company's Shares will not be reinstated to Official Quotation until the ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Recompliance with these Chapters involves, amongst other things, the following:

- issuing a prospectus;
- meeting the spread requirements, that is either:
 - o at least 400 holders each with a parcel of the ordinary shares with a value of at least \$2,000 (excluding restricted securities); or
 - o at least 350 holders with a parcel of ordinary shares with a value of at least \$2,000 (excluding restricted securities), and persons who are not related parties must hold at least 25% of total number of issued ordinary shares; or
 - o at least 300 holders with a parcel of ordinary shares with a value of at least \$2,000 (excluding restricted securities), and persons who are not related parties must hold at least 50% of the total number of issued ordinary shares.
- meeting ASX's profit test or assets test; and
- having the entity's quoted securities issued or sold for at least 20 cents in cash (or receiving a waiver from ASX in relation to this requirement). Ardent applied for waivers to the ASX on 18 November 2015:
 - o issue the Consideration Shares at 2.8 cents per Share;
 - o issue the Placement Shares at 3.2 cents per Share;
 - o issue the Offer Shares at 3.2 cents per Share; and
 - o issue the Replacement Options with an exercise price of 7.0 cents per Replacement Option.

In the event that the Company does not receive conditional approval for re-quotation on the ASX, it will not proceed with the Acquisition, Placement or Offer and will repay all application monies received under the Offer.

Should this occur, then the change to the nature and scale of the Company's activities will not eventuate and the Company's Shares may remain suspended from quotation on the ASX.

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4.6 Indicative Timetable

An indicative timetable of events relating to the transaction is outlined below. The timetable is indicative only and is subject to change without notice. The Company reserves the right to extend the Closing Date or close the Offer early or vary any dates without notice.

Lodgement of this Prospectus with ASIC	23 December 2015
Opening Date of the Offer	15 January 2016
General Meeting to approve the Acquisition and matters detailed in Section 4.4 of this Prospectus ¹	15 January 2016
Closing Date of the Offer	28 January 2016
Completion of the Acquisition of OK IOT Pty Ltd and issue of Shares under this Prospectus and the Placement	28 January 2016
Despatch of holding statements (including for Shares under the Offer)	28 January 2016
Anticipated date the suspension of trading is lifted and the Company's securities commence trading again on ASX	2 February 2016

¹ The Consolidation will occur after the General Meeting in accordance with the ASX-prescribed timetable.

4.7 Purpose Of The Offer

The purpose of the Offer is to provide additional funds to enable the Company to:

- (a) meet the requirements of the ASX and re-comply with Chapters 1 and 2 of the ASX Listing Rules;
- (b) complete the Acquisition;
- (c) facilitate development of IOT's Internet of Things/wearable technologies business through advertising and marketing and research and development;
- (d) facilitate development of IOT's IPTV Platform (which may include licensing in due course);
- (e) provide financial flexibility to pursue potential acquisition and/or joint venture opportunities, as they may present themselves; and
- (f) provide sufficient general working capital.

The Company is aiming to apply the funds raised from the Offer in the manner detailed in Section 4.8 below.

On completion of the Offer, the Directors and Proposed Directors believe the Company will have sufficient funds to achieve these objectives.

4.8 Use Of Funds

The Company intends to apply funds raised from the Offer and the Placement, together with existing cash reserves, following requotation on ASX as follows¹:

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	Minimum Subscription \$50,000	Maximum Subscription \$1,000,000
	(\$)	(\$)
Funds Available		
Existing cash reserves of Ardent ²	416,063	416,063
Existing cash reserves of IOT ³	48,190	48,190
Funds raised under Share Purchase Plan	519,985	519,985
Funds raised from the Placement	5,000,000	5,000,000
Funds raised from the IOT Vendor Placement	590,000	590,000
Funds raised from the Offer	50,000	1,000,000
TOTAL	6,624,238	7,574,238
Use of Funds		
Cash Expenses associated with the Offer	33,000	90,000
Cash Expenses associated with the IOT transaction, the Placement, the Share Purchase Plan and General Meeting	756,199	756,199
Advertising & Marketing	1,000,000	1,500,000
Research & Development for IOT's product	1,500,000	1,500,000
IPTV Platform and related costs	750,000	750,000
Working capital and corporate costs ⁵	2,585,039	2,978,039
	6,624,238	7,574,238

¹ Refer to the Investigating Accountant's Report set out in Section 6 for further details.

² This is the cash balance of Ardent as at 30 September 2015.

³ This is the cash balance of IOT as at 30 September 2015.

⁴ The costs of the Offer are set out in Section 10.12.

⁵ Working capital and corporate costs include payments toward adequately funding raw materials, work in progress, production, stock in transit, stock, and trade receivables, outstanding creditors, salaries and superannuation of employees and directors, consultants' fees, rent and outgoings, accounting fees, legal fees, ASX listing fees, auditing fees, insurance, share registry fees, travel expenses and all other items of a general administrative nature.

In the event the Company raises more than the Minimum Subscription of \$50,000 but less than the Maximum Subscription of \$1,000,000, the additional funds raised will be first applied towards expenses of the Offer, then increasing the advertising and marketing expenditure and any remaining funds will be applied to working capital.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities and market and general economic conditions.

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The Directors and the Proposed Directors are satisfied that upon completion of the Offer (and the Placement), the Company will have sufficient working capital to meet its stated objectives.

It is possible that future acquisitions or joint ventures that may be contemplated may exceed the current or projected financial resources of the Company and it is expected that these acquisitions would be funded by equity issues (subject to any required shareholder approvals).

4.9 Capital Structure

The table below summarises the capital structure of the Company¹ following:

- completion of the Acquisition, the Placement and the Offer with the Minimum Subscription;
- completion of the IOT Vendor Placement; and
- completion of the Earnout period assuming that all of the relevant financial hurdles have been achieved.

Minimum Subscription	Pre Consolidation Shares ⁽²⁾	Post Consolidation Shares	%
Balance at the date of this Notice⁽¹⁾	161,264,438	80,632,219	15.6%
To be issued pursuant to the Acquisition ⁽³⁾	515,801,928	257,900,964	49.8%
IOT Vendor Placement ⁽⁴⁾	42,142,858	21,071,429	4.1%
To be issued pursuant to the Placement ⁽⁴⁾	312,500,000	156,250,000	30.2%
To be issued pursuant to the Public Offer ⁽⁵⁾	3,125,000	1,562,500	0.3%
Total Shares on completion of the Acquisition and Capital Raising⁽⁶⁾	1,034,834,224	517,417,112	100.0%
Offer price for each Share cents		3.2	
Indicative market capitalisation		\$ 16,557,348	
Earn Out Shares			
Tranche One Earnout Shares: if FY2016 revenue exceeds \$5m ⁽⁷⁾		69,241,893	
Tranche Two Earnout Shares: if FY2016 NPAT exceeds \$1.0m ⁽⁷⁾		55,555,556	
Tranche Three Earnout Shares: if FY2016 NPAT exceeds \$1.5m ⁽⁷⁾		111,111,111	
Total Number of Earn Out Shares		235,908,560	
Options			
Options on issue at date of Prospectus		-	
Options on issue at date of Prospectus Replacement Options to be issued to IOT Optionholders exercisable at 7 cents each ⁽⁸⁾		60,210,342	
Broker Options exercisable at 4.26 cents each ⁽⁹⁾		5,000,000	
Total Number of Options		65,210,342	
Fully Diluted number of Shares on issue assuming all Options converted and Earn Out Shares milestones achieved⁽¹⁰⁾		813,536,014	

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OFFER DETAILS

¹ The rights attaching to the Shares are summarised in Section 10.2.

² Share Consolidation on the basis of one Share for every two Shares held.

³ The Consideration Shares are to be issued to the IOT Vendors pursuant to the SPA and on a post Consolidation basis. The Consideration Shares are subject to voluntary restriction agreements from their date of issue. See Section 9.18 for further details.

⁴ Assumes that certain IOT vendors will pay \$590,000 cash for 21,071,429 ordinary fully paid Shares. See Section 10.7 for further details.

⁵ Placement at \$0.032 each to raise \$5,000,000. Refer to Section 10.6 for further details.

⁶ Assumes that no other Shares (other than detailed in the table) have been issued and no Replacement Options have been exercised or that no earn out shares have been issued.

⁷ These Earnout Shares will, if issued, be issued as follows :

Minimum net profit after tax requirement	Minimum Revenue requirement	Number of Earn out Shares (post-Consolidation basis)
FY2016	\$1.0 million	55,555,556
FY2017	\$1.5 million	111,111,111
FY2016	\$5.0 million	69,241,893

See Section 10.5 for further details.

⁸ The Replacement Options are to be issued to the IOT Optionholders pursuant to the Option Exchange Deeds. The Replacement Options have an exercise price of \$0.07 (7.0 cents) and can be exercised until to 30 June 2019. See Section 10.4 for further details.

⁹ The Broker options will be exercisable at 4.26 cents each. The options will expire 18 months from the date of readmission.

¹⁰ Assumes that the Tranche One Earnout Shares, Tranche Two Earnout Shares and Tranche Three Earnout Shares are issued following satisfaction of the relevant financial requirements. Assumes that no other Shares (other than detailed in the table) have been issued and all Options have been exercised when the issue of all of the Earnout Shares is completed.

The table below summarises the capital structure of the Company¹ following:

- completion of the Acquisition, the Placement and the Offer with the Maximum Subscription;
- completion of the IOT Vendor Placement; and
- completion of the Earnout period assuming that all of the relevant financial hurdles have been achieved.

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Maximum Subscription	Pre Consolidation Shares	Post Consolidation Shares	%
Balance at the date of this Notice ⁽¹⁾	161,264,438	80,632,219	14.7%
To be issued pursuant to the Acquisition ⁽²⁾	515,801,928	257,900,964	47.1%
IOT Vendor Placement ⁽³⁾	42,142,858	21,071,429	3.9%
To be issued pursuant to the Placement ⁽⁴⁾	312,500,000	156,250,000	28.6%
To be issued pursuant to the Public Offer ⁽⁵⁾	62,500,000	31,250,000	5.7%
Total Shares on completion of the Acquisition and Capital Raising ⁽⁶⁾	1,094,209,224	547,104,612	100%
Offer price for each Share cents		3.2	
Indicative market capitalisation		\$ 17,507,348	
Earn Out Shares			
Tranche One Earnout Shares: if FY2016 revenue exceeds \$5m ⁽⁷⁾		69,241,893	
Tranche Two Earnout Shares: if FY2016 NPAT exceeds \$1.0m ⁽⁷⁾		55,555,556	
Tranche Three Earnout Shares: if FY2016 NPAT exceeds \$1.5m ⁽⁷⁾		111,111,111	
Total Number of Earn Out Shares		235,908,560	
Options			
Options on issue at date of Prospectus			
Options on issue at date of Prospectus Replacement Options to be issued to IOT Optionholdersexercisable at 7 cents each ⁽⁸⁾		60,210,342	
Broker Options exercisable at 4.26 cents each ⁽⁹⁾		5,000,000	
Total Number of Options		65,210,342	
Fully Diluted number of Shares on issue assuming all Options converted and Earn Out Shares milestones achieved ⁽¹⁰⁾		848,223,514	

¹ The rights attaching to the Shares are summarised in Section 10.2.

² Share Consolidation on the basis of one Share for every two Shares held.

³ The Consideration Shares are to be issued to the IOT Vendors pursuant to the SPA and on a post Consolidation basis. The Consideration Shares are subject to voluntary restriction agreements from their date of issue. See Section 9.18 for further details.

⁴ Assumes that certain IOT vendors will pay \$590,000 cash for 21,071,429 ordinary fully paid Shares. See Section 10.7 for further details.

⁵ Placement at \$0.032 each to raise \$5,000,000. Refer to Section 10.6 for further details.

⁶ Assumes that no other Shares (other than detailed in the table) have been issued and no

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Replacement Options have been exercised or that no earn out shares have been issued.

⁷ These Earnout Shares will, if issued, be issued as follows :

	Minimum net profit after tax requirement	Minimum Revenue requirement	Number of Earn out Shares (post-Consolidation basis)
FY2016	\$1.0 million		55,555,556
FY2017	\$1.5 million		111,111,111
FY2016		\$5.0 million	69,241,893

See Section 10.5 for further details.

⁸ The Replacement Options are to be issued to the IOT Optionholders pursuant to the Option Exchange Deeds. The Replacement Options have an exercise price of \$0.07 (7.0 cents) and can be exercised until to 30 June 2019. See Section 10.4 for further details.

⁹ The Broker options will be exercisable at 4.26 cents each. The options will expiry 18 months from the date of readmission.

¹⁰ Assumes that the Tranche One Earnout Shares, Tranche Two Earnout Shares and Tranche Three Earnout Shares are issued following satisfaction of the relevant financial requirements. Assumes that no other Shares (other than detailed in the table) have been issued and all Options have been exercised when the issue of all of the Earnout Shares is completed.

The Company currently has 161,264,438 Shares on issue (on a pre Consolidation basis). These Shares are proposed to be consolidated on a one (1) for two (2) basis such that there will be approximately 80,632,219 on issue post the Consolidation. If all of the Resolutions the subject of the Notice of Meeting are approved and assuming that investors subscribe for the Maximum Subscription under the Offer, the Company proposes to issue 445,400,964 Shares (on a post Consolidation basis). The issue of these Shares will dilute existing Shareholders from 100% ownership in the Company to approximately 15.3% ownership.

Once the IOT Vendor Placement is completed (and provided no other Shares (other than detailed in the above table) are issued and none of the Replacement Options are exercised), the interests of existing Shareholders in the Company will be further diluted from approximately 15.3% to approximately 14.7%.

If all the conditions for the issue of each of the three tranches of Earnout Shares are also satisfied (and provided no other Shares (other than detailed in the above table) are issued and none of the Replacement Options are exercised), the interests of existing Shareholders in the Company will be further diluted from approximately 14.7% to approximately 10.3%.

4.10 Substantial Shareholders

There are three Shareholders holding 5.0% or more of the Shares on issue as at the date of this Prospectus as set out in the table below:

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Shareholder	Shares	%
Greenwell Investment Limited	21,764,610	13.5%
Connect Capital Pty Ltd / Scott Brown	18,205,851	11.3%
John Slade	14,028,333	8.7%

The table below sets out those Shareholders holding 5.0% or more of the Shares on issue following:

- completion of the Acquisition, Offer (assuming Maximum Subscription and assuming that no existing substantial Shareholder or IOT Vendor acquires additional Shares pursuant to the Offer), Placement and the placement to certain IOT Vendors; and
- completion of the Acquisition, Offer (assuming Maximum Subscription and assuming that no existing substantial Shareholder or IOT Vendor acquires additional Shares pursuant to the Offer), Placement, the placement to certain IOT Vendors and the Earnout period (assuming that the financial requirements for the issue of all three tranches of Earnout Shares have been satisfied and all of the Earnout Shares have been issued).

<i>On completion of Acquisition, Offer, Placement and placement to certain IOT Vendors</i>			<i>On completion of Acquisition, Offer, Placement, placement to certain IOT Vendors and Earnout period ¹</i>		
Shareholder	Shares	%	Shareholder	Shares	%
IOT Ventures Pty Limited	50,771,139	9.3%	IOT Ventures Pty Limited	99,020,871	12.6%
			Fontelina Pty Ltd	46,574,495	5.9%
			Gold Resources Ltd	43,550,815	5.6%
			Foster Stockbroking Nominees Pty Ltd <Number 1 Account>	43,550,815	5.6%
			Kantor Enterprises Pty Ltd / Simon Kantor	41,838,538	5.3%

¹ Also assumes that no other Shares are issued (other than the Consideration Shares, Offer Shares, Placement Shares, Shares under the placement to certain IOT vendors and Earnout Shares) and that no Replacement Options are exercised.

The Company will announce to the ASX details of its top 20 Shareholders (following completion of the Offer) prior to the Shares re-commencing trading on ASX.

4.11 How To Apply For Shares

You should carefully read this Prospectus and instructions accompanying the Application Form before subscribing for Shares. If you wish to participate in the Offer, you should complete the Application Form.

Applications for Shares can only be made by completing the Application Form attached to this Prospectus and must be for a minimum of 62,500 Shares (\$2,000) and thereafter in multiples of 6,250 Shares (\$200). Payment for the Shares must be made in full at the issue price of \$0.032 (3.2 cents) per Share.

All applications must be completed in accordance with the detailed instructions on how they are to be completed. Your Application Form must

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- be accompanied by a cheque for the full amount of your Application; or
- include the details of your electronic funds transfer (EFT) receipt number.

Cheques are to be drawn in Australian dollars and made payable to “Ardent Resources Ltd – Subscription Account” and crossed “Not Negotiable”. Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn.

No brokerage or stamp duty is payable by Applicants. The amount payable on application will not vary during the period of the Public Offer and no further amount is payable on or after allotment in respect of the Shares.

Completed Application Forms and accompanying cheques must be received by the Closing Date at:

Ardent Resources Ltd

Level 3

32 Walker Street

North Sydney NSW 2060

All Application Monies received with duly completed Application Forms will be paid into the Subscription Account.

An original, completed and lodged Application Form together with a cheque for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in each Application Form. The Application Form does not need to be signed to be valid.

The Company reserves the right to reject any Application or to allocate fewer Shares than the number applied for by any investor.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, the Company may still accept the Application. The Company’s decision as to whether to accept the Application or how to construe, amend or complete it shall be final, but no Applicant will be treated as having offered to purchase more Shares than indicated by the amount of the cheque for the Application Monies.

4.12 When To Apply For Shares

Applications may be lodged at any time after the issue of this Prospectus. However, as set out in the Prospectus, applications received during the ASIC Exposure Period will not be processed until after the expiry of that period.

The Offer will remain open until 5:00pm (AEDST) on 28 January 2016, unless the Company elects to close the Public Offer earlier or extend the Offer, in each case without prior notice.

Early lodgement of your Application is recommended as the Offer may be closed early.

4.13 Allotment And Scale Back

The Directors will determine the allottees of all the Shares in their discretion. The Directors reserve the right to allot Shares in full for any application or to allot any lesser number or to decline any application.

Subject to the Minimum Subscription to the Offer being reached and the Company being satisfied that it will meet the requirements of Chapters 1 and 2 of the ASX Listing Rules, Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all

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application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies.

Where no allocation is made to a particular Applicant or the number of Shares allocated is less than the number applied for by an Applicant, surplus Application Monies will be returned to that Applicant within 30 days of the Closing Date. No interest will be paid on refunded Application Monies.

Successful Applicants will be notified in writing of the number of Shares allocated to them as soon as possible following the allocation being made after the Closing Date. It is the responsibility of Applicants to confirm the number of Shares allocated to them prior to trading in Shares. Applicants who sell Shares before they receive notice of the number of Shares allocated to them do so at their own risk.

No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

4.14 ASX Listing And Quotation Of Shares

The Company's Shares will be suspended from trading on ASX from the time of the General Meeting and will not be reinstated to Official Quotation until the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules.

Within 7 days after the date of this Prospectus, the Company will apply for Official Quotation of the Shares offered under this Prospectus other than the Restricted Securities.

If approval for Quotation of the Shares issued pursuant to the Offer other than the Restricted Securities is not granted within 3 months after the date of this Prospectus, or any longer period permitted by the Corporations Act, the Company will not allot or issue any Shares under the Offer, and will repay all application monies without interest as soon as practicable within the time prescribed under the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

4.15 Trading On ASX

It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk.

The Company and the Share Registry disclaim all liability whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding whether on the basis of confirmation of allocation provided by them, by the Lead Manager, a broker or otherwise.

4.16 Clearing House Electronic Sub-Register System (CHES) And Issuer Sponsored Holdings

The Company participates in the Clearing House Electronic Subregister System (CHES). CHES is operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASX Settlement Operating Rules. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Under CHES the Company will not issue certificates to investors. Instead, Shareholders will receive a statement of their holding in the Company. If an investor is broker sponsored, ASX Settlement Pty Limited will send a CHES statement. Statements are sent by post and set out the number of Shares issued to the Shareholder under this Prospectus and advise of their Holder Identification Number or

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Securityholder Reference Number. Subsequently, where a holding changes in the course of a calendar month that Shareholder will be issued with a statement that sets out the changes in their holding. That statement is despatched in the week following the relevant month end.

4.17 Privacy Disclosure Statement

If you complete an application for Shares, you will be providing personal information to the Company (directly or via the Company's Share Registry). The Company, and the Company's Share Register on its behalf, may collect, hold and use that information as provided on an Application Form (Information) for the purposes of processing the Application Form and, should the Application be successful, to administer the Applicant's security holding in the Company (Purposes).

Your personal information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- The Company's Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You can access, correct and update the personal information that we hold about you. Please contact the Company's Share Registry if you wish to do so at the relevant contact numbers set out in the Prospectus.

Collection, maintenance, and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the SCH Business Rules.

You should note that if you do not provide the information required on the Application Form, the Company and the Company's Share Registry may not be able to accept or process your Application.

4.18 Applicants Outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to issue this Prospectus or make the Offer. 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 Shares or the Offer or otherwise permit a public

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offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed to enable them to apply for and be allotted Shares. If you are outside Australia it is your responsibility to obtain all necessary approvals for the allotment and issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

4.19 Hong Kong Investors

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

The Shares have not been offered or sold and will not be offered or sold in Hong Kong by means of any document other than: (i) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (SFO) and any rules made under that ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (CO) or which do not constitute an offer to the public within the meaning of that ordinance.

This document is only distributed in Hong Kong to professional investors as defined in the SFO and any rules made under that ordinance. This document has not been, and will not be, registered as a prospectus under the CO.

Further no person shall issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are, or are intended to be, disposed of only to persons outside Hong Kong or only to “professional Investors” as defined in the SFO and any rules made under that ordinance. This document and the information contained in it may not be used other than by the person to whom it is addressed and may not be reproduced in any form or transferred to any person in Hong Kong. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

4.20 Commission

The Company will pay an aggregate fee to the Lead Manager of 6.0% (excluding GST) of the total amount raised under this Prospectus. This amount includes any commissions and fees paid to licensed securities dealers or Australian Financial Services Licensee in respect of valid Applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services Licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services Licensee.

4.21 Costs Of The Public Offer

The total estimated costs in connection with the Offer, including Lead Manager and broker commissions and fees, legal, accounting, listing and administrative fees as well as printing and other expenses are currently estimated to be approximately \$33,000 (excluding GST) for the Minimum Subscription and \$90,000 (excluding GST) for the Maximum Subscription. These costs of the Offer are detailed in Section 10.12.

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4.22 Dividend Policy

It is anticipated that significant expenditure will be incurred as IOT rolls out its suite of Internet of Things products and services (both in Australia and internationally) and its IPTV services and invests in the development of existing and new Internet of Things products and services. These activities are expected to dominate at least the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

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

4.23 Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company in light of uncertainty as to timing and outcome of the Company's growth strategies.

Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

4.24 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. Matters not yet known to the Company or not currently considered material to the Company may impact on these forward-looking statements.

The Company cannot and does 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.

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

4.25 Enquiries In Relation To The Offer

This Prospectus provides information for potential Investors in the Company and should be read in its entirety.

Investors with questions in relation to completing the Application Form or who require additional copies of this Prospectus should contact the Company on +61 2 8958 2226 or via email:

admin@ardentresources.com.au, or their stockbroker, lawyer, accountant or other professional advisor.

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If after reading this Prospectus, you have any questions about any aspect of the investment in the Company, please contact your stockbroker, lawyer, accountant or other professional advisor.



Connected Home
Manage and Protect Your Home
Direct from your Smartphone,
Smartwatch or Tablet

ROAM
IMAGINE TOMORROW

Images © Downloadpsd.com/ watch image © IOT Group

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5.0 RISK FACTORS

There are specific risks which relate directly to the Company's business including its operations upon completion of the Acquisition. In addition, there are other general risks, many of which are partially or completely outside of the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed. This section does not purport to list every risk that the Company or IOT may have exposure to now or in the future and should be considered in conjunction with other information disclosed in this Prospectus. Additional risks and uncertainties of which the Company is unaware, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on the Company and IOT. Investors should satisfy themselves that they have a sufficient understanding of the risks contained in this section and give due regard to their own investment objectives and financial circumstances. Investors should read this Prospectus in its entirety and should seek professional advice from their accountant, stockbroker, lawyer or other professional advisor before deciding whether to apply for Shares.

5.1 Risks Specific To An Investment In The Company

Reinstatement Of Shares To Trading On ASX

As part of the change in the nature and scale of Ardent's activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. It is anticipated that the Shares will be suspended on the date of the Meeting. In the event that all Transaction Resolutions are approved at the Meeting, it is anticipated that the Company's securities will remain suspended until Completion and re-compliance with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently remain suspended from quotation.

Conditions Of The Acquisition

The Acquisition is subject to the fulfilment of certain conditions. If the conditions precedent summarised in Section 4.6 are not met, the Acquisition will not be completed.

Liquidity Risk

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

5.2 Risks Specific To An Investment In The Company Upon Completion Of The Acquisition

Limited Trading History And Ability To Manage Growth

IOT is an early stage business with a limited trading history. Since its incorporation in May 2015, IOT's activities have primarily encompassed the development of "Internet of Things" consumer products (Products) which has resulted in IOT incurring losses. Given IOT's limited trading history, it is difficult to evaluate IOT's business or its prospects and no assurance can be given that IOT will be able to implement its business plan and ultimately become commercially viable.

Since incorporation, IOT's business has expanded rapidly as it has acquired the business assets of

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Outdoor Konnect, Roam Systems and Intervision (an IPTV business). It also recently acquired The Supply Centre Pty Ltd. Consequently, IOT's operating results and financial condition could be adversely affected if it is unable to appropriately manage this recent expansion and the increased scale of the business together with the planned commercialisation of various Products.

Competition

IOT operates within the "Internet of Things" and the IPTV industries. Both of these industries are highly competitive, with companies offering a variety of competitive products and services.

Competition in the "Internet of Things" market is expected to intensify in the future as new and existing competitors introduce new or enhanced products that are potentially more competitive than IOT's products. The "Internet of Things" market has a multitude of participants, including many large, broad-based consumer electronics companies that compete in IOT's market including Apple, Google, LG, Microsoft, and Samsung.

Many of IOT's competitors and potential competitors have significant competitive advantages, including longer operating histories, ability to leverage sales efforts and marketing expenditures across a broader portfolio of products, larger and broader customer bases, more established relationships with a larger number of suppliers and contract manufacturers, greater brand recognition, and greater financial, research and development, marketing, distribution, and other resources. IOT's competitors and potential competitors may also be able to develop products that are equal or superior to those of IOT, achieve greater market acceptance of their products and increase sales by utilising different distribution channels. If IOT is not able to compete effectively against these current or potential competitors, its prospects, operating results and financial condition could be adversely affected.

Ability To Successfully Develop And Introduce Internet Of Things Products

IOT's success depends on its ability to anticipate and satisfy consumer preferences in a timely manner. All of IOT's Products are subject to changing consumer preferences that cannot be predicted. Consumers may decide not to purchase IOT's Products as their preferences could shift to different types of "Internet of Things" devices or away from these types of products altogether. Accordingly, if IOT fails to anticipate and satisfy consumer preferences in a timely manner, its business may be adversely affected.

The market for "Internet of Things" is relatively new and it is uncertain whether "Internet of Things" devices will sustain high levels of demand and achieve wide market acceptance. IOT's success will depend to a substantial extent on the willingness of consumers to widely adopt these devices. In part, adoption of IOT's Products will depend on the increasing prevalence of "Internet of Things" devices and the profile of the market as a whole. Furthermore, some consumers may be unwilling to use "Internet of Things" devices because they have concerns regarding data privacy and security. If consumers do not perceive the benefits of "Internet of Things" devices or choose not to adopt them, the market may develop more slowly than expected which would adversely affect IOT's operating results.

The development of IOT's Products involves complexity and cost, and IOT currently has several Products in development at the same time. IOT could experience delays in completing the development and introduction of its Products. Problems in the design or quality of IOT's Products may also have an adverse effect on IOT's business, financial condition, and operating results. If Product introductions are delayed or not successful, IOT may not be able to achieve an acceptable return, if any, on its research and development efforts, and IOT's business may be adversely affected.

In addition, IOT may confront challenges acquiring timely supplies of Products to satisfy orders from distributors/retailers (see "Reliance on single contract manufacturer" below). If IOT fails to accurately forecast customer demand for its Products, it may experience excess inventory levels or a shortage of

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products available for sale.

Ability To Develop Retail And Online Sales Channels

To date, one retailer (via IOT's distribution agreement with Brightstar) has accounted for close to 100% of revenue from the Viper Smartwatch (currently IOT's only commercially available Product). The loss of this retailer, or the reduction in business with this retailer, would have a significant adverse impact on IOT's revenue and operating results. Moreover, under IOT's agreement with Brightstar, Products can be returned to IOT (for instance, if they are unsold) and IOT may be required to refund any payments made to it for orders of such returned Products.

Following Completion, the Company intends to commercialise IOT's Products by focusing on sales and marketing. IOT depends and will depend upon effective sales channels to reach the consumers who are the ultimate purchasers of its Products. IOT currently sells through distributors who, in turn, sell to retailers (currently one retailer) and its online stores. IOT is and will be dependent on retailers to provide adequate and attractive space for its Products in their stores. If the retailers stocking IOT's Products do not adequately display them, choose to promote competitors' products, IOT's sales could decrease.

Take up of IOT's Products will involve education of consumers and retailers and marketing programs to raise the profile of IOT and its Products and technologies. There is no guarantee that IOT's sales and marketing strategies will be successful. Even if IOT successfully commercialises its Products, there is risk that it may not generate sufficient revenue to cover its operating costs.

Reliance On Single Contract Manufacturer

IOT currently relies on a single contract manufacturer in China. This reliance on a sole contract manufacturer increases manufacturing risk since IOT does not currently have any alternative or replacement manufacturers. In the event of an interruption at IOT's sole contract manufacturer, it may not be able to develop alternate or secondary sources without incurring material additional costs and substantial delays.

Intellectual Property Risks

IOT's success will depend, in part, on its ability to operate without infringing on the intellectual property rights of third parties (including copyright, patent, designs, confidentiality, trademark, trade secrecy laws and other intellectual property rights).

The "Internet of Things" market is characterised by the existence of a large number of patents and trade secrets and also by litigation based on allegations of infringement or other violations of intellectual property rights. Claims of intellectual property infringement against IOT (or its suppliers) might require IOT to redesign its Products or enter into costly settlement or license agreements, pay costly damages or face injunctions prohibiting the sale of Products.

IOT's Intervision IPTV business distributes content to subscribers via its IPTV platform. Some content which is currently distributed is under licence or is freely available content that does not require any licence). Some is unlicensed and IOT is currently exploring licensing requirements for its various offerings of IPTV channels so that it does not infringe intellectual property rights of third parties. If IOT cannot or does not license the requisite intellectual property on reasonable terms or at all, or cannot or does not substitute similar intellectual property from another source, its revenue and operating results from the Intervision IPTV business could be adversely impacted.

If IOT receives any intellectual property claims from third parties, they could be time consuming, costly and divert management's attention and resources. The occurrence of such events may have an adverse effect on IOT's business, financial condition and operating results.

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In addition, IOT's success will depend, in part, on its ability to operate without having third parties circumvent its intellectual property rights (primarily copyright). IOT currently has no patents or registered designs and IOT may not be able to obtain patent protection over any or all of its technology in the future. If any patents are granted in the future, they may not provide IOT with any competitive advantages, or may be challenged by third parties. There can also be no assurance that the measures taken by IOT have been, or will be, adequate to protect its intellectual property.

External Technology Risk

The ongoing development of software used by IOT, which is used in conjunction with off-the-shelf software to enable the functionality of IOT's Products, is critical to the operation of the products based on that technology. Such software may be subject to external factors, such as depreciation of operating systems, libraries, components, third party interfaces, drivers, patches, compatibility, version conflict or obsolescence or other related issues. In addition, the software will require updating and maintenance. These external factors may also affect the ability of IOT to effectively upgrade and maintain its software. Furthermore, licensing and commercial conditions imposed by third party software companies may be unsustainable or impractical for IOT, causing a need to rely on other solutions or develop these in-house. Such issues may affect the ability of IOT to successfully provide its Products.

Reliance On Key Personnel

The development of IOT's business has been largely due to the talent, effort and experience of its management team, including the founder and CEO, Simon Kantor. In light of the complexity of its technologies, IOT is also dependent on the continued service of its existing hardware/software development and technical staff. Despite IOT's best efforts to attract and retain key personnel, there is no assurance that IOT will be able to retain the services of such staff. IOT expects to grow its development and technical team, with a view to mitigating key man risk. IOT's ability or inability to attract and retain key personnel could have a material effect upon its business, results of operations and financial condition.

Product Faults And Potential Exposure To Consumer Claims And Refunds

Software products frequently contain undetected defects or bugs when first introduced or when new versions or enhancements are released. IOT has on occasions found defects and bugs in its Products and new defects or bugs may be detected in its existing or future Products. If that occurs, IOT may experience consumer complaints and potential product recalls, be required to refund customers and suffer negativity publicity. Accordingly, its revenue may be adversely affected.

IOT may also be subject to complaints, refunds and claims if consumers experience any conditions (e.g. skin irritations from smartwatch bands) or injuries while using its Products (e.g. the flying selfie drone).

IOT may lack adequate insurance coverage for potential consumer claims and refunds. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its profitability will be adversely affected.

Factoring Facility

On 1 October 2015, IOT entered into a Trade Receivable Facility Agreement (or factoring facility) with Minerva Capital Partners Pty Ltd. The Trade Receivable Facility Agreement is secured over IOT's accounts receivable and cash. The discount rate on accounts receivable under the Trade Receivable Facility Agreement is approximately 18% per annum.

Expansion Into Offshore Markets

IOT has recently announced non-exclusive agency agreements in the United States and Japan and

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is likely to enter into additional markets in the future. There are significant costs and risks inherent in conducting business in international markets, including:

- establishing and maintaining effective controls over agents and distributors and the associated increased costs;
- variations in margins;
- compliance with foreign laws and regulations; and
- currency exchange rate fluctuations.

Currency Risk

IOT's manufacturing costs are primarily denominated in United States dollars (US\$), whereas development, management and administration costs are to date primarily based in Australian dollars (A\$).

For Australian sales, IOT buys manufactured product on a US\$ FOB basis ex-Hong Kong and resells to distributors or retailers in Australia on an A\$ basis. Therefore, IOT carries translation exposure on the full US\$ CIF price. IOT manages this exposure by adjusting, where necessary, the on-sell price in Australia for periodic orders, to preserve an acceptable profit margin in A\$ terms.

For international sales, the appointed distributor in the relevant country acquires stock on a US\$ FOB basis ex-Hong Kong, plus a margin payable to IOT expressed as a percentage of the US\$ FOB price. The distributor then sets the selling price in local currencies, including mark-ups for the distributor and the retailer. For international sales, IOT only has a US\$/A\$ translation risk on the margin paid to IOT by the international distributor.

5.3 General Risks Of An Investment In IOT

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:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- 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 related stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

General Economic And Political Risks

The future viability of the Company is also dependent on a number of other factors affecting the performance of all industries including, but not limited to, the following:

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- general economic conditions in jurisdictions in which the Company operates;
- changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- natural disasters, social upheaval or war in jurisdictions in which the Company operates.

Future Capital Requirements

Further funding may be required by IOT to support its ongoing activities and operations, including the need to develop new Products, improve existing Products, enhance its operating infrastructure and to acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds.

There can be no assurance that such funding will be available on satisfactory terms (or at all) at the relevant time. Any inability to obtain additional funding (or inability to obtain funding on reasonable terms) will adversely affect the financial condition and financial performance of the Company.

Potential Acquisitions Risk

As part of its business strategy, IOT may make acquisitions of, or significant investments in, complementary companies or prospects. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

5.4 Highly Speculative Investment

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



The new generation of Tech consumers driven by social media

Image courtesy © photos5.com/ Social Media Graphic by freepik.com

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INVESTIGATING ACCOUNTANT'S REPORT



A D Danieli Audit Pty Ltd

Authorised Audit Company
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23 December 2015

The Directors
Ardent Resources Limited
Level 3
32 Walker Street
NORTH SYDNEY NSW 2060

To the Directors,

Ardent Resources Limited (Ardent AWO) Investigating Accountant's Report

Introduction

We have prepared this Investigating Accountant's Report on certain historical and pro-forma financial information of Ardent Resources Limited (hereafter referred to as "Ardent") for inclusion in a Prospectus document dated on or about 23 December 2015 ("this Prospectus") in connection with:

- Ardent AWO's proposed re-listing on to the Australian Securities Exchange ("ASX"); and
- The offer of 1,562,500 post consolidated ordinary shares in Ardent at an issue price of \$0.032 per share to raise \$50,000 before capital raising costs. With an oversubscription up to 29,687,500 post consolidated ordinary shares in Ardent at an issue price of \$0.032 per share to raise up to a further \$950,000 before costs.

The future prospects of Ardent, other than the preparation of a pro-forma Statement of Financial Position of Ardent, assuming completion of the proposed transactions, are not addressed in this report. This report also does not address the rights attaching to the shares to be issued pursuant to this Prospectus, nor the risks associated with the investment, nor forms the basis of an independent expert's opinion with respect to a valuation of Ardent or a valuation of the share issue price.

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Background information

Ardent is an ASX listed company. On 22 September 2015 Ardent announced that it had executed a conditional agreement to acquire 100% of the issued capital of OK IOT Group Pty Limited. The acquisition requires approval of shareholders at a General Meeting. In consideration for the acquisition, Ardent will issue to shareholders of OK IOT Group Pty Limited 257,900,964 post consolidated ordinary shares at a value of \$0.032 per share and 60,210,342 post consolidation replacement options. In addition, the following earnout shares are to be issued:

Tranche One Earnout Shares: if FY2016 revenue exceeds \$5M	69,241,893
Tranche Two Earnout Shares: if FY2016 NPAT exceeds \$1.0M	55,555,556
Tranche Three Earnout Shares: if FY2016 NPAT exceeds \$1.5M	111,111,111
Total	235,908,560

Financial information

We have prepared our Investigating Accountant's Report covering the historical and pro-forma financial information described below.

Historical financial information

The historical financial information of Ardent and OK IOT Pty Limited, as set out in Section 6.1 of the Prospectus, comprises the:

- The audited Statements of Financial Performance of Ardent for the years ended 31 December 2013, 31 December 2014 and revised Statements of Financial Performance of the Company for the period ended 30 June 2015 (Historical Financial Information); and
- The audited Statements of Financial Performance of OK IOT Group Pty Ltd from the date of incorporation to 30 September 2015 (Historical Financial Information); and
- The audited Statements of Financial Position of the Company as at 31 December 2013, 31 December 2014, and 30 June 2015 (Historical Financial Information); and
- The audited statements of Financial Position of OK IOT Group Pty Ltd as at 30 September 2015
- The notes to the Financial Information

Together the above is referred to as the "Historical Financial Information".

The Historical Financial Information has been extracted from the reviewed financial statements of Ardent for period ended 30 June 2015, the audited financial statements of Ardent for the years ended 31 December 2013 & 31 December 2014.

The financial statements of Ardent for the years ended 31 December 2013 and 31 December 2014 were audited by Gould Ralph Assurance in accordance with Australian Auditing Standards. The audit opinions issued to the members relating to those financial statements were unqualified.

The directors of Ardent are responsible for the preparation and presentation of the Historical Financial Information.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001 ("Corporations Act").

Pro-forma historical financial information

The pro-forma historical financial information, as set out in Section 6.1 of the Prospectus, comprises the pro-forma, unaudited:

- Statement of Financial Position of Ardent as at 30 September 2015 prepared on the basis that the pro forma adjustments had occurred on that date;
- The Pro Forma adjustments set out in Sections 6.6, 6.7 and 6.8; and
- notes thereto.

Together the above is referred to as the “Pro-Forma Historical Financial Information”.

The Pro-Forma Historical Financial Information has been derived from the Historical Financial Information for the period ended 30 June 2015 after adjusting for the pro-forma transactions and/or adjustments described in Section 6.6, 6.7 and 6.8 of the Prospectus.

The directors of Ardent are responsible for the preparation and presentation of the Pro-Forma Historical Financial Information, including the determination of the pro-forma transactions and/or adjustments. The Pro-Forma Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Scope

Review of Historical Financial Information

We have reviewed the Historical Financial Information in order to report whether anything has come to our attention which causes us to believe that the Historical Financial Information, as set out in Section 6.1 onwards of the Prospectus, is not prepared or presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and accounting policies adopted by Ardent disclosed in Section 6.1 onwards of the Prospectus.

Our review has been conducted in accordance with Australian Auditing Standards applicable for review engagements ASRE 2405 “Review of Historical Financial Information Other than a Financial Report”. We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- review of the extraction of the Historical Financial information from the audited financial statements of Ardent for the years ended 31 December 2013, 31 December 2014 and reviewed financial statements for the period ended 30 June 2015;
- analytical procedures on the Historical Financial Information;
- a review of work papers, accounting records and other documents;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Ardent disclosed in Section 6.1 onwards of the Prospectus; and
- enquiry of directors, management and others.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and accordingly and we do not express an audit opinion.

Review of Pro-Forma Financial Information

We have reviewed the Pro-Forma Financial Information in order to report whether anything has come to our attention which causes us to believe that the Pro-Forma Financial Information, as set out in Section 6 of the Prospectus, is not prepared and presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, accounting policies adopted by Ardent disclosed in Section 6 of the Prospectus and the basis of preparation described in Section 6.1 onwards of the Prospectus.

Our review has been conducted in accordance with Australian Auditing Standards applicable for review engagements ASRE 2405 “Review of Historical Financial Information Other than a Financial Report”. We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- review of the extraction of the Historical Financial Information from the reviewed financial statements of Ardent for the year ended 30 June 2015;
- a review of the pro-forma transactions and/or adjustments made to the financial information subsequent to 30 June 2015;
- a review of work papers, accounting records and other documents;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Ardent disclosed in Section 6.1 onwards of the Prospectus; and
- enquiry of directors, management and others.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review statements

Review statement on the Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the historical financial information, as set out in Section 6 of the Prospectus, is not prepared or presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and accounting policies adopted by Ardent disclosed in Section 6.1 onwards of the Prospectus.

Review statement on the Pro-Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Pro-Forma Financial Information, as set out in Section 6.1 onwards of the Prospectus, is not prepared and presented fairly on the basis of the pro-forma transactions and/or adjustments described in Section 6 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, accounting policies adopted by Ardent disclosed in Section 6.1 onwards of the Prospectus and the basis of preparation described in Section 6.1 onwards of the Prospectus.

Subsequent Events

Apart from the matters dealt with in this report, and having regard to the scope of this report, to the best of our knowledge and belief no material items, transactions or events outside of the ordinary business of Ardent have come to our attention which would require comment on, or adjustment to, the information referred to in our report or that would cause the information to be misleading or deceptive.

Independence

A D Danieli Audit Pty Ltd does not have any interest in the outcome of this issue, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Responsibility

A D Danieli Audit Pty Ltd has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, A D Danieli Audit Pty Ltd makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Yours faithfully

A D Danieli Audit Pty Ltd



Sam Danieli
Director

Liability is limited by a scheme approved under Professional Standards Legislation

6.1 Basis of Preparation

The section contains Historical Financial Information and Pro Forma Financial Information (collectively the 'Financial Information') for the company as at 31 December 2013, 31 December 2014 and 30 June 2015.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and Interpretations and the accounting policies adopted by Ardent Resources Ltd as detailed in Section 6.5.

The Pro Forma Financial Information has been derived from the Historical Financial Information and assumes the pro forma adjustments as set out in Sections 6.6 and 6.7 ('Pro Forma Adjustments') including the acquisition of OK IOT Group Pty Ltd as if those adjustments had occurred as at 30 September 2015.

The Financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations.

The Financial Information comprises:

- The audited statements of financial performance of Ardent Resources Ltd for the years ended 31 December 2013, 31 December 2014 and reviewed statements of financial performance of the Company for the period ended 30 June 2015 (Historical Financial Information); and
- The audited statements of financial performance of OK IOT Group Pty Ltd from the date of incorporation to 30 September 2015 (Historical Financial Information); and
- The audited statements of financial position of the Company as at 31 December 2013, 31 December 2014 and 30 June 2015 (Historical Financial Information); and
- The audited statements of financial position of OK IOT Group Pty Ltd as at 30 September 2015.
- The Pro Forma Statement of Financial Position of Ardent Resources Ltd as at 30 September 2015 prepared on the basis that the pro forma adjustments had occurred on that date; and
- The Pro Forma adjustments set out in Sections 6.6, 6.7 and 6.8
- The notes to the Financial Information.

The Pro Forma Statement of Financial Position in Section 6.4 has been presented based on a \$5,000,000 placement and an additional capital raising up to \$1,000,000 described further in this Prospectus.

The proposed acquisition of OK IOT Group Pty Ltd (the legal subsidiary) by Ardent Resources (the legal parent) is deemed to be a reverse acquisition, since the substance of the transaction is such that the existing shareholders of OK IOT Group Pty Ltd will obtain control of Ardent Resources.

AASB 3 Business Combinations (AASB 3) sets out the accounting principles to be followed in a reverse acquisition transaction. However, the Directors have concluded that Ardent Resources does not meet the definition of a business as prescribed in AASB 3 and, as such, it has been deemed that, although the Acquisition is a reverse acquisition, it cannot be accounted for in accordance with the guidance set out in AASB 3. This does not mean that the Acquisition is not treated as a reverse acquisition. Rather it is only the method of accounting for the reverse acquisition that differs.

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Therefore, consistent with the accepted practice for transactions similar in nature to the Acquisition, the Company has accounted for the Acquisition in the consolidated financial statements of the legal acquirer (Ardent Resources) as a continuation of the financial statements of the legal acquire (OK IOT Group Pty Ltd), together with a share based payment measured in accordance with AASB 2 Share Based Payments (AASB 2), which represents a deemed issue of shares by the legal acquire (OK IOT Group Pty Ltd), equivalent to the current shareholder's interests in Ardent Resources post the Acquisition. The excess of the assessed value of the share based payment over the pro forma net assets of Ardent Resources as at 30 June 2015 has been capitalised as goodwill.

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6.2 SUMMARY OF ARDENT RESOURCES LIMITED HISTORICAL FINANCIAL INFORMATION

The following table provides a summary of the historical statements of comprehensive income for Ardent Resources for the years ended 31 December 2013 and 31 December 2014 as well as for the period ended 30 June 2015. The statement of comprehensive income should be read in conjunction with all other information contained in this Prospectus.

	Ardent Reviewed Period Ended 30 Jun 2015 \$	Ardent Audited Year Ended 31 Dec 2014 \$	Ardent Audited Year Ended 31 Dec 2013 \$
Revenue from Ordinary Activities	4,626	17,603	30,866
Less Expenses:			
Professional Fees	10,544	54,518	74,384
Computer and related operating expenses	-	6,011	10,898
Consultants	-	2,171	-
Depreciation	1,825	7,868	16,945
Directors' fees	90,000	42,569	-
Exploration and evaluation costs	13,949	14,987	67,849
Insurance	11,182	26,105	28,905
Impairment of assets	5,456	949,580	-
Legal fees	-	17,615	4,370
Rent and parking	12,354	26,010	82,108
Salaries and other employment costs	-	423	-
Share registry costs and ASX fees	11,206	30,259	40,258
Other expenses from ordinary activities	14,804	6,447	8,283
Total Expenses	<u>171,320</u>	<u>1,184,563</u>	<u>334,000</u>
Loss from continuing operations before income tax	(166,694)	(1,166,960)	(303,134)
Income tax expense	-	-	-
Loss from continuing operations after income tax	<u>(166,694)</u>	<u>(1,166,960)</u>	<u>(303,134)</u>
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	<u>(166,694)</u>	<u>(1,166,960)</u>	<u>(303,134)</u>
Earnings per share			
Basic – cents per share	(0.17)	(1.25)	(0.33)
Diluted – cents per share	(0.17)	(1.25)	(0.33)

The historical statements of comprehensive income have been derived from the audited and reviewed financial statements of Ardent Resources for the year ended 31 December 2013, 31 December 2014 and for the period ended 30 June 2015.

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The following table provides a summary of the historical statements of financial position for Ardent Resources as at 31 December 2013, 31 December 2014 and 30 June 2015. The statement of financial position should be read in conjunction with all other information contained in this Prospectus.

	Ardent Reviewed as at 30 Jun 2015 \$	Ardent Audited as at 31 Dec 2014 \$	Ardent Audited as at 31 Dec 2013 \$
CURRENT ASSETS			
Cash and cash equivalents	416,063	450,733	731,771
Trade and other receivables	58,230	44,536	4,291
Other assets	-	17,539	17,940
TOTAL CURRENT ASSETS	<u>474,293</u>	<u>512,808</u>	<u>754,002</u>
NON-CURRENT ASSETS			
Exploration and evaluation assets	-	-	909,812
Other assets	10,000	20,000	30,000
Property, plant and equipment	731	2,556	10,424
TOTAL NON-CURRENT ASSETS	<u>10,731</u>	<u>22,556</u>	<u>950,236</u>
TOTAL ASSETS	<u>485,024</u>	<u>535,364</u>	<u>1,704,238</u>
CURRENT LIABILITIES			
Trade and other payables	80,188	53,834	98,317
TOTAL CURRENT LIABILITIES	<u>80,188</u>	<u>53,834</u>	<u>98,317</u>
TOTAL LIABILITIES	<u>80,188</u>	<u>53,834</u>	<u>98,317</u>
NET ASSETS	<u>404,836</u>	<u>481,530</u>	<u>1,605,921</u>
EQUITY			
Contributed equity	6,003,858	5,913,858	5,871,289
Share option reserve	684,545	684,545	684,545
Accumulated losses	(6,283,567)	(6,116,873)	(4,949,913)
TOTAL EQUITY	<u>404,836</u>	<u>481,530</u>	<u>1,605,921</u>

The historical statements of financial position have been derived from the audited and reviewed financial statements of Ardent Resources for the year ended 31 December 2013, 31 December 2015 and for the period ended 30 June 2015.

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6.3 SUMMARY OF OK IOT GROUP PTY LTD HISTORICAL FINANCIAL INFORMATION

The following table provides a summary of the historical consolidated income statement of OK IOT Group Pty Ltd and controlled entities from date of incorporation to 30 September 2015. The income statement should be read in conjunction with all other information contained in this Prospectus.

	OK IOT Audited period ended 30 Sept 2015 \$
Sales revenue	282,350
Less: Cost of sales	(205,309)
Gross profit	<u>77,041</u>
Less expenses:	
Consulting	85,842
Depreciation & Amortisation	37,115
Legal expenses	20,388
Marketing	89,920
R&D expenses	21,992
Rent	26,709
Repairs and maintenance	20,952
Salaries and other employment costs	139,523
Other operating expenses	43,460
Loss for the period	<u>408,860</u>

This historical consolidated income statement has been derived from the audited financials of OK IOT Group Pty Ltd from date of incorporation to 30 September 2015.

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The following table provides a summary of the historical consolidated statement of financial position for OK IOT Group Pty Ltd as at 30 September 2015. The income statement should be read in conjunction with all other information contained in this Prospectus.

	OK IOT Audited as at 30 Sept 2015 \$
CURRENT ASSETS	
Cash and cash equivalents	48,190
Trade and other receivables	240,705
Inventory	34,544
TOTAL CURRENT ASSETS	<u>323,439</u>
NON-CURRENT ASSETS	
Intangible assets	1,303,242
Property, plant and equipment	179,435
TOTAL NON-CURRENT ASSETS	<u>1,482,677</u>
TOTAL ASSETS	<u>1,806,116</u>
CURRENT LIABILITIES	
Trade and other payables	512,223
TOTAL CURRENT LIABILITIES	<u>512,223</u>
TOTAL LIABILITIES	<u>512,223</u>
NET ASSETS	<u>1,293,893</u>
EQUITY	
Contributed equity	1,602,657
Share option reserve	100,096
Accumulated losses	(408,860)
TOTAL EQUITY	<u>1,293,893</u>

This historical consolidated statement of financial position has been derived from the audited financials of OK IOT Group Pty Ltd for the period 1 July 2015 to 30 September 2015.

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6.4.1 HISTORICAL AND PRO FORMA STATEMENT OF FINANCIAL POSITION (MINIMUM)

	Notes	OK IOT Audited as at 30 Sept 2015 \$	Ardent Reviewed as at 30 Jun 2015 \$	Pro Forma Adjustment and Consolidation Entries \$	Minimum Capital Raising \$	Balance after capital raising \$
CURRENT ASSETS						
Cash and cash equivalents	2	48,190	416,063	1,469,791	4,557,000	6,491,044
Trade and other receivables	3	240,705	58,230	(118,736)	-	180,199
Inventory	4	34,544	-	-	-	34,544
TOTAL CURRENT ASSETS		<u>323,439</u>	<u>474,293</u>	<u>1,351,055</u>	<u>4,557,000</u>	<u>6,705,787</u>
NON-CURRENT ASSETS						
Intangible assets	5	1,303,242	-	1,358,307	-	2,661,549
Other assets		-	10,000	-	-	10,000
Property, plant and equipment	6	179,435	731	-	-	180,166
TOTAL NON-CURRENT ASSETS		<u>1,482,677</u>	<u>10,731</u>	<u>1,358,307</u>	<u>-</u>	<u>2,851,715</u>
TOTAL ASSETS		<u>1,806,116</u>	<u>485,024</u>	<u>2,709,362</u>	<u>4,557,000</u>	<u>9,557,502</u>
CURRENT LIABILITIES						
Trade and other payables	7	512,223	80,188	7,697	-	600,108
TOTAL CURRENT LIABILITIES		<u>512,223</u>	<u>80,188</u>	<u>7,697</u>	<u>-</u>	<u>600,108</u>
TOTAL LIABILITIES		<u>512,223</u>	<u>80,188</u>	<u>7,697</u>	<u>-</u>	<u>600,108</u>
NET ASSETS		<u>1,293,893</u>	<u>404,836</u>	<u>2,701,665</u>	<u>4,557,000</u>	<u>8,957,394</u>
EQUITY						
Issued Capital	8	1,602,657	6,003,858	(2,747,349)	4,622,000	9,481,166
Share option reserve	9	100,096	684,545	(684,553)	-	100,088
Accumulated losses	10	(408,860)	(6,283,567)	6,133,567	(65,000)	(623,860)
TOTAL EQUITY		<u>1,293,893</u>	<u>404,836</u>	<u>2,701,665</u>	<u>4,557,000</u>	<u>8,957,394</u>

This statement should be read in conjunction with the accompanying notes.

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6.4.2 HISTORICAL AND PRO FORMA STATEMENT OF FINANCIAL POSITION (MAXIMUM)

	Notes	OK IOT Audited as at 30 Sept 2015 \$	Ardent Reviewed as at 30 Jun 2015 \$	Pro Forma Adjustment and Consolidation Entries \$	Maximum Capital Raising \$	Balance after capital raising \$
CURRENT ASSETS						
Cash and cash equivalents	2	48,190	416,063	1,469,791	5,450,000	7,384,044
Trade and other receivables	3	240,705	58,230	(118,736)	-	180,199
Inventory	4	34,544	-	-	-	34,544
TOTAL CURRENT ASSETS		<u>323,439</u>	<u>474,293</u>	<u>1,351,055</u>	<u>5,450,000</u>	<u>7,598,787</u>
NON-CURRENT ASSETS						
Intangible assets	5	1,303,242	-	1,358,307	-	2,661,549
Other assets		-	10,000	-	-	10,000
Property, plant and equipment	6	179,435	731	-	-	180,166
TOTAL NON-CURRENT ASSETS		<u>1,482,677</u>	<u>10,731</u>	<u>1,358,307</u>	<u>-</u>	<u>2,851,715</u>
TOTAL ASSETS		<u>1,806,116</u>	<u>485,024</u>	<u>2,709,362</u>	<u>5,450,000</u>	<u>10,450,502</u>
CURRENT LIABILITIES						
Trade and other payables	7	512,223	80,188	7,697	-	600,108
TOTAL CURRENT LIABILITIES		<u>512,223</u>	<u>80,188</u>	<u>7,697</u>	<u>-</u>	<u>600,108</u>
TOTAL LIABILITIES		<u>512,223</u>	<u>80,188</u>	<u>7,697</u>	<u>-</u>	<u>600,108</u>
NET ASSETS		<u>1,293,893</u>	<u>404,836</u>	<u>2,701,665</u>	<u>5,450,000</u>	<u>9,850,394</u>
EQUITY						
Issued Capital	8	1,602,657	6,003,858	(2,747,349)	5,515,000	10,374,166
Share option reserve	9	100,096	684,545	(684,553)	-	100,088
Accumulated losses	10	(408,860)	(6,283,567)	6,133,567	(65,000)	(623,860)
TOTAL EQUITY		<u>1,293,893</u>	<u>404,836</u>	<u>2,701,665</u>	<u>5,450,000</u>	<u>9,850,394</u>

This statement should be read in conjunction with the accompanying notes.

6.5 Summary of Significant Accounting Policies

The significant accounting policies that have been adopted in the preparation of the Financial Information are:

Reporting Framework

The Financial Information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements specified by all Australian Accounting Standards and Interpretations and the Corporations Act 2001.

The Financial Information has been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value, as explained in the accounting policies below.

The Financial Information is presented in Australian dollars, unless otherwise noted.

Going Concern

The financial Information has been prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company is currently in transition from being a company with a principal activity of exploration and evaluation of gold and base metal projects to an Internet of things business. As a result, the consolidated entity has focussed on completion of the transaction to acquire OK IOT Group Pty Ltd as announced to the ASX on 22 September 2015.

On 22 September 2015, the company announced it had entered a conditional agreement to acquire 100% of OK IOT Group Pty Ltd. As part of the transaction, PAC Partners Pty Ltd were appointed lead manager to raise \$5 million to fund the development of OK IOT's product suite and pursue various business development opportunities.

Finalisation of the acquisition of OK IOT Group Pty Ltd is subject to the satisfaction of various conditions precedent, including, the company obtaining all necessary regulatory and shareholder approvals under the ASX Listing Rules, Corporations Act 2001 (Cth) (Corporations Act) or any other law to allow completion of the transaction.

The director's are satisfied that the going concern basis of preparation is appropriate and accordingly, the Financial Information has been prepared on the going concern basis. The independent auditor's report on the financial report as at and for the period ended 30 September 2015 of the Company regarding the ability of the Company and the consolidated entity to continue as a going concern.

Basis of Consolidation

The Financial Information incorporates the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the trustee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its return.

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

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When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings.

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted at the reporting date.

Deferred tax is accounted for using the statement of financial position method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

'Amortised cost' is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the 'effective interest method'.

The 'effective interest method' is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expenses item in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised costs. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Payables

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are generally settled between 7 days and 30 days terms.

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 Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a net basis.

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Interest income

Interest revenue is recognised using the effective interest rate method taking into account rates applicable to the financial assets.

Foreign currency transactions and balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in the statement of comprehensive income as they arise.

Issued Capital

Ordinary shares are classified as equity.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Incremental costs directly attributable to the issue of new shares or options are shown in the equity as a deduction net of tax, from the proceeds.

Property, plant and equipment

Computer equipment and furniture and fittings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Items of office equipment have limited lives and are depreciated on a straight line basis over their estimated useful lives.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed to the statement of comprehensive income.

Computer equipment is depreciated at the rate of 33% per annum.

Furniture and fittings are depreciated at the rate of 5% per annum.

De-recognition and disposal

An item of computer equipment, or furniture and fittings, is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in statement of comprehensive income in the year the asset is de-recognised.

Impairment

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the

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increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.6 Summary of Subsequent Events

The pro forma historical statement of financial position as at 30 September 2015 has been prepared by adjusting the reviewed statement of financial position as at 30 September 2015 to reflect the financial effects of the following subsequent events which have occurred in the period since 30 September 2015 and the date of this Report.

6.6.1 Holding Deposit Payable to OK IOT Group Pty Ltd

On 22 September 2015, the Company announced that it had entered a conditional agreement to acquire 100% of OK IOT Group Pty Ltd. On completion of mutual due diligence, Ardent will pay a holding deposit of \$250,000 to a representative of the shareholders of OK IOT Group Pty Ltd after due diligence if it proceeds with the transaction.

The Pro Forma Adjustments for payment of the holding deposit:

- Outflow of funds from Ardent Resources of \$250,000 to OK IOT Group Pty Ltd; and
 - Inflow of funds to OK IOT Group Pty Ltd of \$250,000 from Ardent Resources Ltd.
- The net impact of this adjustment to the consolidated cash and cash equivalents balance is nil.

6.6.2 – Ardent Share Placement that occurred in July

On 27 July 2015, Ardent Resources Limited raised \$235,000 in capital through a share placement. The costs of raising this capital amounted to \$14,100.

The Pro Forma Adjustments for the share placement is:

- Increase in Cash at Bank \$220,900
- Increase in Issued Capital \$220,900
- 23,500,000 shares were issued
- After share consolidation, the amount of shares issued will be reduced to 11,750,000 shares

6.6.3 – Ardent Share Purchase Plan that occurred in October

On 28 September 2015, Ardent Resources Limited raised \$519,985 under a share purchase plan that was only offered to eligible shareholders. The costs of the share purchase plan amounted to \$31,199.

The Pro Forma Adjustments for the share purchase plan is:

- Increase in Cash at Bank \$488,786
- Increase in Issued Capital \$488,786
- 32,499,063 shares were issued
- After share consolidation, the amount of shares issued will be reduced to 16,249,532 shares

6.7 Summary of Pro Forma Adjustments

The Pro Forma Financial Information has been derived from the Historical Financial Information as at 30 June 2015 for Ardent Resources Ltd and 30 September 2015 for OK IOT Group Pty Ltd adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to those balance dates:

6.7.1 Merger and Consolidation of IOT Group

On 22 September 2015, Ardent Resources entered into a conditional agreement to acquire 100% of the issued capital of OK IOT Group Pty Ltd.

As detailed in note 10 of Section 2.10, the transaction is considered a reverse acquisition. The following notes detail the pro forma effect of the transaction along with other subsequent events of OK IOT Pty Ltd.

6.7.2 Acquisition of OK IOT Group Pty Ltd

On 22 September 2015, Ardent Resources entered into a conditional agreement to acquire 100% of the issued capital of OK IOT Group Pty Ltd. The consideration for acquiring OK IOT Group Pty Ltd is to issue 515,801,928 shares, 60,210,342 options and the issue of a maximum of 235,908,560 earn out shares in Ardent Resources Limited.

800,000 options will be converted to 400,000 OK IOT Group Pty Ltd shares with the remaining 1,200,000 options in OK IOT Group Pty Ltd sold to Ardent in exchange for 60,210,342 options with an exercise price of \$0.07 and expire on 30 June 2019.

The Pro Forma Adjustments for the acquisition of:

- Reduction in Issued Capital \$4,422,043
- Reduction in accumulated losses to remove Ardent Resource's losses of \$6,283,567
- Reduction in Share Option Reserve \$684,545
- 515,801,928 shares are to be issued
- After share consolidation, the amount of shares issued will be reduced to 257,900,964 shares

As part of the acquisition of OK IOT Group Pty Ltd, the following transactions have occurred and are part of the pro forma adjustments.

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6.7.2.1 – The Acquisition of Supply Centre

On 22 October 2015, OK IOT Group Pty Ltd acquired Supply Centre for \$225,000 through a share based payment.

Assets and Liabilities acquired:

Cash at Bank	\$170,105
Trade and Other Receivables	\$97,480
Trade and Other Payables	<u>(\$178,913)</u>
Net Assets	\$88,672
Consideration Paid	\$225,000
Goodwill	<u>\$181,328</u>

During consolidation the trade and other receivables and trade and other payables related to OK IOT Group Pty Ltd are eliminated.

The Pro Forma Adjustments for the acquisition of Supply Centre is:

- Increase in Cash at Bank \$170,105
- Decrease in Trade and other Receivables \$118,736
- Increase in Intangible Assets \$181,328
- Increase in Trade and other Payables \$7,697
- Increase in Issued Capital \$225,000

6.7.2.2 – The acquisition of OK Watches

On 22 October 2015, OK IOT Group Pty Ltd acquired OK Watches for \$50,000. \$5,000 was paid in cash with the remaining \$45,000 to be paid in cash in the future.

6.7.2.3 – Payment to Richard Woods

On 10 November 2015, Richard Woods was paid \$150,000 in shares to act as Director and Chairman of OK IOT Group Pty Ltd.

The Pro Forma Adjustment for the payment to Richard Woods is:

- Increase in Issued Capital \$150,000
- Increase in Accumulated Losses \$150,000

6.7.3 – The acquisition of Ellas TV Pty Ltd

As part of the acquisition of the business operations and assets of Ellas TV Pty Ltd a liability of \$270,000 was incurred. This will be paid upon completion of the acquisition of OK IOT Group Pty Ltd.

6.8 Capital Raising

The Pro Forma Financial Information has been derived from the Historical Financial Information as at 30 June 2015 for Ardent Resources Ltd and 30 September 2015 for OK IOT Group Pty Ltd adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to those balance dates:

6.8.1 Issue to certain IOT vendors

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Ardent Resources intends to issue shares to certain IOT vendors at price of 1.4 cents each to raise \$590,000.

The Pro Forma Adjustments in relation to the issue and costs of capital raising are:

- Increase in Cash at Bank \$590,000
- Increase in Issued Capital \$590,000
- 42,142,857 shares at an issue price of 1.4 cents per share
- After share consolidation the amount of shares issued will be reduced to 21,071,429 shares

6.8.2 Capital Raising from Share Placement

Ardent Resources intends to undertake a Capital Raising from a share placement at 1.6 cents per share to raise \$5 million in capital. Included in the share placement are capital raising costs which are the estimated costs associated with the share placement.

The Pro Forma Adjustments in relation to the share placement and costs of capital raising are:

- 312,500,000 shares at an issue price of 1.6 cents per share
- After share consolidation the amount of shares issued will be reduced to 156,250,000 shares
- Capital raising costs totalling \$425,000
- Other capital raising costs of \$65,000 to be expensed
- Increase in Issued Capital \$4,575,000
- Increase in Cash at Bank \$4,575,000

6.8.3 Capital Raising from Prospectus

Ardent Resources Ltd intends to undertake a Capital Raising from a Prospectus at 1.6 cents per share to raise a minimum of \$50,000 and a maximum of \$1 million in capital. Details of the capital raising are noted in Section 4.7 of the Explanatory Memorandum.

Included in the Prospectus are capital raising costs which are the estimated costs associated with the capital raising.

The Pro Forma Adjustments in relation to the minimum Capital Raising and costs of capital raising are:

- 3,125,000 shares at an issue price of 1.6 cents per share
- Capital raising costs totalling \$3,000
- After share consolidation the amount of shares issued will be reduced to 1,562,500
- Increase in Issued Capital \$47,000
- Increase in Cash at Bank \$47,000

The Pro Forma Adjustments in relation to the maximum Capital Raising and costs of capital raising are:

- 62,500,000 shares at an issue price of 1.6 cents per share
- Capital raising costs totalling \$60,000
- After share consolidation the amount of shares issued will be reduced to 31,250,000
- Increase in Issued Capital \$940,000
- Increase in Cash at Bank \$940,000

Capital Raising costs and share based payments have been offset against share capital.

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6.9 Share Consolidation

Ardent Resources Ltd intends to consolidate every 2 shares issued to 1 share issued. This will have no financial effect on Ardent Resources Ltd but will decrease the number of shares issued from:

	Minimum Capital Raising	Maximum Capital Raising
Pre Consolidation	1,034,834,223	1,094,209,223
Post Consolidation	517,417,112	547,104,612

The share consolidation will occur after all the events in section 6.7 and 6.8 have occurred.

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6.10 Notes to the Statement of Financial Position

	Pro Forma after Maximum Capital Raising \$	Pro Forma after Minimum Capital Raising \$	IOT Group 30 Sep 2015 Audited \$
NOTE 2 CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents	48,190	48,190	48,190
Subsequent Events			
Holding Deposit	-	-	-
Pro Forma Adjustments			
Consolidation of AWO	416,063	416,063	-
Placement In July	235,000	235,000	-
Less: Cost of Placement	(14,100)	(14,100)	-
Share Purchase Plan in August	519,985	519,985	-
Less: Cost of Share Purchase Plan	(31,199)	(31,199)	-
Issue to IOT Vendors	590,000	590,000	-
Acquisition of The Supply Centre Pty Ltd	170,105	170,105	-
Capital Raising - Share Placement	5,000,000	5,000,000	-
Less: Cost of Capital Raising	(425,000)	(425,000)	-
Less: Payment of Liability	(65,000)	(65,000)	-
Capital Raising - Prospectus	1,000,000	50,000	-
Less: Cost of Capital Raising	(60,000)	(3,000)	-
	<u>7,384,044</u>	<u>6,491,044</u>	<u>48,190</u>
NOTE 3 TRADE AND OTHER RECEIVABLES			
Trade and Other Payables	240,705	240,705	240,705
Pro Forma Adjustments			
Consolidation of AWO	58,230	58,230	-
Acquisition of The Supply Centre Pty Ltd	97,480	97,480	-
Consolidation of The Supply Centre Pty Ltd	(216,216)	(216,216)	-
	<u>180,199</u>	<u>180,199</u>	<u>240,705</u>
NOTE 4 INVENTORY			
Inventory	<u>34,544</u>	<u>34,544</u>	<u>34,544</u>

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	Pro Forma after Maximum Capital Raising \$	Pro Forma after Minimum Capital Raising \$	IOT Group 30 Sep 2015 Audited \$
NOTE 5 Intangibles			
5.1 Goodwill			
Goodwill	548,971	548,971	548,971
Accumulated Amortisation	(9,955)	(9,955)	(9,955)
	<u>539,016</u>	<u>539,016</u>	<u>539,016</u>
Pro Forma Adjustments			
Consolidation of AWO	1,176,979	1,176,979	-
Acquisition of The Supply Centre Pty Ltd	181,328	181,328	-
Total Goodwill	<u>1,897,323</u>	<u>1,897,323</u>	<u>539,016</u>
5.2 Intellectual Property			
Intellectual Property	780,821	780,821	780,821
Accumulated Amortisation	(16,595)	(16,595)	(16,595)
Total Intellectual Property	<u>764,226</u>	<u>764,226</u>	<u>764,226</u>
Total Goodwill and Intellectual Property	<u><u>2,661,549</u></u>	<u><u>2,661,549</u></u>	<u><u>1,303,242</u></u>
NOTE 6 PROPERTY, PLANT AND EQUIPMENT			
Property, Plant and Equipment	190,000	190,000	190,000
Accumulated Depreciation	(10,565)	(10,565)	(10,565)
	<u>179,435</u>	<u>179,435</u>	<u>179,435</u>
Pro Forma Adjustments			
Consolidation of AWO	731	731	-
	<u>180,166</u>	<u>180,166</u>	<u>179,435</u>
NOTE 7 TRADE AND OTHER PAYABLES			
Trade and Other Payables	512,223	512,223	512,223
Pro Forma Adjustments			
Consolidation of AWO	80,188	80,188	-
Acquisition of The Supply Centre Pty Ltd	223,913	223,913	-
Consolidation of The Supply Centre Pty Ltd	(216,216)	(216,216)	-
	<u>600,108</u>	<u>600,108</u>	<u>512,223</u>

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	Pro Forma after Maximum Capital Raising	Pro Forma after Minimum Capital Raising	IOT Group 30 Sep 2015 Audited
	\$	\$	\$
NOTE 8 ISSUED CAPITAL			
Issued Capital	1,999,190	1,999,190	1,999,190
Pro Forma Adjustments			
Consolidation of AWO	6,003,858	6,003,858	-
Less: Reverse Takeover Accounting for AWO	(4,436,143)	(4,436,143)	-
Acquisition of The Supply Centre Pty Ltd	225,000	225,000	-
Appointment of Richard Woods	150,000	150,000	-
July Share Placement	235,000	235,000	-
October Share Purchase Plan	519,985	519,985	-
Less: Costs of share issue plan	(31,199)	(31,199)	-
Capital Raising - Share Placement	5,000,000	5,000,000	-
Capital Raising - Public Offer	1,000,000	50,000	-
Issue to IOT Vendors	590,000	590,000	-
Exercise of Options	8	8	-
Share Issue Costs	(881,533)	(824,533)	(396,533)
	10,374,166	9,481,166	1,602,657
	Pro Forma after Maximum Capital Raising	Pro Forma after Minimum Capital Raising	AWO 30 June 2015 Audited
	#	#	#
Number of Shares			
Issued Capital	105,265,375	105,265,375	105,265,375
Pro Forma Adjustments			
July Share Placement	23,500,000	23,500,000	
October Share Purchase Plan	32,499,063	32,499,063	-
Acquisition of OK IOT Group Pty Ltd	515,801,928	515,801,928	-
Capital Raising - Share Placement	312,500,000	312,500,000	-
Capital Raising - Public Offer	62,500,000	3,125,000	-
Issue for cash to certain IOT vendors	42,142,857	42,142,857	-
Share Consolidation (2:1)	(547,104,611)	(517,417,111)	-
	547,104,612	517,417,112	105,265,375

Earn Out shares will be issued as part of the Acquisition of OK IOT Group and the value will be taken up periodically depending on the likelihood of the shares being issued. Please refer to Section 9 for the terms and conditions associated with the Earn Out Shares noted above.

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	Pro Forma after Maximum Capital Raising \$	Pro Forma after Minimum Capital Raising \$	IOT Group 30 Sep 2015 Audited \$
NOTE 9 SHARE OPTION RESERVE			
Share Option Reserve	100,096	100,096	100,096
Pro Forma Adjustments			
Consolidation of AWO	684,545	684,545	-
Removal of AWO Options	(684,545)	(684,545)	-
Exercise of Options	(8)	(8)	-
	<u>100,088</u>	<u>100,088</u>	<u>100,096</u>
NOTE 10 ACCUMULATED LOSSES			
Accumulated Losses	(408,860)	(408,860)	(408,860)
Pro Forma Adjustments			
Consolidation of AWO	6,283,567	6,283,567	-
Removal of AWO Losses	(6,283,567)	(6,283,567)	-
Other Capital Raising Expenses	(215,000)	(215,000)	-
	<u>(623,860)</u>	<u>(623,860)</u>	<u>(408,860)</u>

The proposed acquisition of OK IOT Group Pty Ltd (the legal subsidiary) by Ardent Resources Ltd (the legal parent) is deemed to be a reverse acquisition as the substance of the transaction is such that the existing shareholders of OK IOT Group Pty Ltd will obtain control of Ardent Resources Ltd. However, Ardent Resources Ltd is not considered to meet the definition of a business under AASB 3 Business Combinations (AASB 3) and, as such, it has been concluded that, although a reverse acquisition, the Acquisition cannot be accounted for in accordance with the guidance set out in AASB 3. Therefore, the reverse acquisition has been accounted consistent with the accepted practice for transactions similar in nature to the Acquisition. We have accounted for the acquisition in the consolidated financial statements of the legal acquirer (Ardent Resources Ltd) as a continuation of the financial statements of the legal acquire (OK IOT Group Pty Ltd), together with a share based payment measured in accordance with AASB 2 Share Based Payments (AASB 2), which represents a deemed issue of shares by the legal acquire (OK IOT Group Pty Ltd), equivalent to current shareholders interest in Ardent Resources Ltd post the Acquisition. The excess of the assessed value of the share based payment over the net assets of the Company has been expensed to the income statement as a listing fee.

Ardent Resources will issue 515,801,928 shares (pre consolidation) to OK IOT Group Pty Ltd shareholders and the ownership of the combined entity will be as follows:

	Minimum Capital Raising	Maximum Capital Raising
Shareholders of OK IOT Group Pty Ltd	50%	47%
Existing Shareholders of Ardent	10%	10%
New shareholders from Capital Raising	40%	43%

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As the acquisition is deemed to be a reverse acquisition, the acquisition price of OK IOT Group is the value of shares in Ardent Resources Ltd at the time of Acquisition. 128,765,375 shares (pre consolidation) at \$0.014 results in a value of \$1,802,715 allocated as follows:

	IOT Group 30 Sep 2015 Audited
	\$
Cash and Cash Equivalents	636,963
Trade and other Receivables	58,230
Non Current Assets	10,731
Trade and other payables	(80,188)
Net assets of the company acquired on reverse acquisition	<hr/> 625,736
Assessed fair value of asset acquired:	1,802,715
Pro-forma goodwill recognised on reverse acquisition	<hr/> 1,176,979

6.11 Commitments for Expenditure

Acquisition of IOT Group

Ardent Resources has signed a binding terms sheet that subject to completion of conditions precedents the company will acquire 100% of IOT Group.

6.12 Related Parties

Transactions with related parties, directors and proposed Directors Interest are disclosed in the Explanatory Memorandum.

6.13 Contingent Liabilities

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

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COMPANY DIRECTORS

7.0 DIRECTORS

On completion of the Acquisition, it is proposed that Board will consist of Richard Woods, Simon Kantor, Ian Duffell and Scott Brown.

Two current Directors of the Company, Lan Nguyen and Tiong Chiong Ee will retire.

Simon Kantor, a director of IOT and a Proposed Director of the Company, will be also be appointed as Chief Executive Officer of the Company.

7.1 Current Directors

Scott Brown (Non Executive Director)

Qualifications: B Bus (University of Technology Sydney, Australia)

M Com (University of New South Wales, Australia)

Mr Scott Brown holds a Bachelor of Business and a Master of Commerce and is a member of the Institute of Chartered Accountants and the Petroleum Exploration Society of Australia (PESA).

Scott is the Managing Director and Chief Executive Officer, as well as co founder of Real Energy Corporation Limited. Prior to this, he was the Chief Financial Officer of Mosaic Oil NL (ASX: MOS), a listed petroleum production and exploration company with an extensive range of oil and gas production and exploration permits in Queensland, New Zealand and offshore WA.

During his time with Mosaic, he was involved in the acquisition of production properties and the growth of its business and profitability. He was instrumental in putting together a Scheme of Arrangement with AGL Energy Ltd to acquire Mosaic for consideration of \$142 Million.

Scott has an extensive background in finance and the management of public companies including guiding numerous companies through the listing process. Prior to Mosaic Oil NL, Scott was Finance Director of Objective Corporation Limited ('Objective'), an enterprise content management (ECM) software company that established itself as one of the leaders in the ECM market. Scott was instrumental in the ASX listing of Objective.

Scott was also formerly the Chief Financial Officer and Company Secretary with a number of public companies including Turnbull & Partners Limited, Allegiance Mining NL, FTR Holdings Limited and Garratt's Limited. Scott also worked at accounting firms, Ernst Young and KPMG.

Tiong Chiong Ee (Non-Executive Director)

Qualifications: B Arts (University of Melbourne, Australia)

B Com (University of Melbourne, Australia)

Mr Tiong is the Executive Director of RH Mining Resources Ltd ("RH Mining") since May 2010, and subsequently the Chief Executive Officer since September 2010. Prior to his appointment at RH Mining, he was the deputy general manager overseeing the mineral resources business of RH Group's China operations. From June 2004 to June 2007, he was the commercial director of a RH Group company in Japan and the Russian Federation managing sales, business development, mergers and acquisitions and fund raising for the timber group in North East Asia. He was an executive director of RH Petrogas Limited (a listed company in Singapore) from August 2009 to January 2013. He served as an executive member of the China National Petroleum Corporation Joint Management Committee of Fuyu 1 Block, the RH Group's first oil and gas project from February 2008 to September 2010. Tiong is a member of the remuneration committee.

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Dang Lan Nguyen (Non-Executive Director)

Qualifications: B.Sc. (Baku, Azerbaijan)

M.Sc. – Geology (University of New England, Australia)

Lan is a professional petroleum geologist and engineer with extensive technical & commercial background in oil & gas sector and the management of public companies over 20 years, including Mosaic Oil NL. Lan is credited with the discovery and development of many oil and gas fields in the Surat-Bowen Basins through his innovative introduction of various exploration, drilling and completion technologies to Australia. Lan is a co-founder and currently Non-Executive Chairman of Real Energy Corporation Limited. Lan is also a principal/director of Tanvinh Resources Pty Limited and Latradanick Holdings Pty Limited which provide consulting services to energy & resources companies in Australia & Asia-Pacific region.

Chan Min Son - Alternate Director to Tiong Chiong Ee

Qualifications: BEng (Hons) Civil Engineering (University of Birmingham, UK)

MBA (Universiti Putra Malaysia)

Mr. Chan is the Chief Financial Officer of RH Mining Resources Ltd (“RHM”). Mr. Chan has 15 years of experience in engineering, management, financing and investment. Prior to joining RHM, he was a Vice President in investment banking and merchant banking with Macquarie Group, where he was involved in the execution of M&A, debt financing, equity raising and investments. His prior experience also includes PA Consulting Group, where he was a management consultant in strategy, operations and organisation. Before joining PA Consulting Group, he was a design engineer practicing with a leading water & wastewater engineering group in Asia. Mr. Chan holds a BEng (First Class Honours) in Civil Engineering from the University of Birmingham, UK, and earned an MBA from the Universiti Putra Malaysia Graduate School of Management. He is a Fellow of the Financial Services Institute of Australasia (F Fin), a Member of the Institution of Engineers, Malaysia (MIEM), a Member of the Australian Institute of Mining & Metallurgy (MAusIMM) and a Member of the Society of Petroleum Engineers.

7.2 Proposed Directors

Richard Woods – Non Executive Chairman

After completing a Bachelor of Laws and a Bachelor of Commerce at the University of New South Wales, Richard Woods worked for 4 years as a solicitor at Allen Allen & Hemsley. He progressed to Associate Director at Bain & Company and then to Director at County Natwest where he worked in Mergers and Acquisitions and Equity Capital Markets.

Richard’s career has given him a broad exposure to International Business, Corporate Strategy and Equity and Debt Financing and he has participated as an investor, arranger and advisor in numerous management buyouts and start-up companies (he has personally invested in over 40) and has 25 years experience as a non Executive Director and more recently as a Chairman. He also holds a Graduate Diploma in Management from AGSM and Masters of International Business and Law at Sydney University.

Simon Kantor - Director and Chief Executive Officer

Simon has over 12 years experience in the high-tech industry. During his early career, Simon worked on projects, testing, correcting and developing optimisation solutions for major Australian corporations including Westpac Bank, Macquarie Bank, Commonwealth Bank, NSW Rail and the Department of

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COMPANY DIRECTORS

Community Services. Throughout his career, Simon pursued innovative and disruptive technology, which led him to attend Haifa University in Israel, where he completed his Bachelor of Computer Science while working at IML Tech Co.

During his time at IML, Simon worked with Google to develop Google Labs (now known as Google Apps) and Microsoft assisting in the deployment of their global network cloud platform (now known as Microsoft Azure). Simon brings to the IoT team a breath of experience and understanding of the drivers of the “Internet of Things” sector.

Ian Duffell – Executive Director - Business Strategy

Ian has extensive International experience in the consumer products, retail, entertainment and music industries. As Group Marketing Manager of Sony Corporation in the UK, he was at the forefront of launching key new innovations including the Walkman and Compact Disc.

These successes led to his appointment as Managing Director of HMV and the subsequent re-launch of the brand and substantial growth in market share and profitability. During this period, HMV opened the World’s largest music store in London and was the pre-eminent music chain in the UK.

His International career began in 1987 when he was appointed as CEO of Virgin Entertainment Group, heading up the company’s expansion into the Asia-Pacific region. In 1992 he relocated to the USA and established a highly profitable business with sales exceeding \$250 million from 20 Megastores including the landmark Times Square, New York store.

In 2001 he relocated back to Australia and joined Brazin Ltd as Managing Director, with a mandate to restructure the retail business portfolio and extend the music division into overseas markets. Following this success, he has been an investor and advisor to new ventures, capitalising on his broad International experience.

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ARDENT RESOURCES LTD

CORPORATE GOVERNANCE

8.0 CORPORATE GOVERNANCE

The Board of Directors is responsible for the overall Corporate Governance of the Company and oversight of management, and for protecting the rights and interests of the shareholders, by adopting systems of control and managed risk as the basis for administration.

The Board is committed to maintaining the highest standards of Corporate Governance possible within the framework of its current organisation and structure. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (the "Council"). The Company's practices are consistent with the Council's guidelines. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole. When the Company is not able to implement one of the Council's recommendations the Company applies the "if not, why not" explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Company will comply with those recommendations upon re-admission.

Principle 1 – Lay Solid Foundations For Management And Oversight

The Company has adopted Recommendation 1.1 to disclose the functions reserved to the Board and those delegated to senior executives to the board are the

8.1.1 The Board – Role And Responsibilities

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance and management oversight of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is within the knowledge of the Board, appropriate external advice is taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- the prudential control of the Company's finances and operations and the monitoring of the financial performance of the Company;
- the resourcing, reviewing and monitoring of executive management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;

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- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.
- the Board undertakes appropriate security checks before appointing a Director or allowing a Director to nominate for re-election as a Director of the Company and provides Shareholders with any relevant results of such checks.
- the Company has a written agreement with each Director and senior executive setting out the terms of their appointment.

8.1.2 Evaluation Of Performance Of Executives

The Company has adopted Recommendation 1.2 for evaluating the performance of senior executives.

That evaluation is by way of a report on such performance by the Chief Executive Officer to the Remuneration and Nomination Committee whenever senior executives are engaged.

The performance evaluation for the Chief Executive Officer will be conducted by the Chairman of the Board.

Principle 2 – Structure The Board To Add Value

8.2.1 Board Of Directors - Composition, Structure And Process

The Board has been formed so that its effective composition, size and commitment adequately discharges its responsibilities and duties given the Company's current size, scale and nature of its activities.

The Board is made up of four Directors. All Directors have experience as Directors in public listed companies.

Two of the Directors are independent. All Directors are required to bring to the Board their independent judgement, irrespective if they are independent or not.

8.2.2 Regular Assessment Of Independence

An Independent Director, in the view of the Company, is a Non-executive Director who:

- within the last three years has not been employed in an executive capacity by the Company;
- within the last three years has not been a principal of a
- material professional advisor or a material consultant to the Company, or an employee materially associated with a service provider;
- is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to,

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materially interfere with the Director's ability to act in the best interests of the Company; and

- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

8.2.3 Office Of Chairman And Chief Executive Officer

The office of Chair is held by an independent Director.

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

The Chief Executive Officer is responsible and accountable to the Board for the Company's management.

8.2.4 Remuneration And Nomination Committee

The Board has established a Remuneration and Nomination Committee and Charter. The Committee considers nominations for the appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the Corporations Act and ASX Listing Rules.

The Remuneration and Nomination Committee is appointed by the Board. It is Chaired by an independent Director. The Committee implements the functions listed below.

The responsibilities assumed by the Remuneration and Nomination Committee include:

- Board and senior executive functions;
- Board composition;
- number of Board members;
- criteria for nomination of Directors;
- selection and appointment of the Chairman;
- selection and appointment of the Secretary;
- determine the frequency of meetings of the Committee;
- seek professional advice when required;
- responsibilities of the Committee;
- oversight of Board and executive succession plans; and
- evaluate performance of Senior Executives.

8.2.5 Performance Review And Evaluation

The Company discloses its process for evaluating the performance of the Board, Committees and Independent Directors.

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It is the policy of the Board to ensure that the Directors and executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed by the Board. There is on-going monitoring by the Chairman and the Board of such knowledge, information and experience. The Chairman also speaks with each Director individually regarding their role as a Director.

8.2.6 Evaluation Process

Induction And Education

The Company has a policy of providing each new Director or officer with a copy of the following documents:

- Audit and Risk Committee Charter;
- Remuneration and Nomination Committee Charter;
- Code of Conduct;
- Continuous Disclosure Policy;
- Share Trading Policy; and
- Constitution.

Access To Information

Each Director has access to Board papers and all relevant documentation.

Skills, Knowledge And Experience

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board consists of a relevant blend of personal experience in the high technology industry, marketing, entertainment and leisure, accounting and finance, law, financial and investment markets, financial management and public company administration, and, Director-level business or corporate experience required by the Company.

Independent Directors

The Company considers that two of the current directors are Independent Directors. The names, qualifications, experience of each Director and period in office are as set out in Section 7, as well as whether the Board considers them to be Independent Directors. The Chairman is an independent Director.

Professional Advice

Board members, with the approval of the Chairman, may seek from time to time external professional advice.

Terms Of Appointment As A Director

The Constitution of the Company provides that a Director may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

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8.2.7 Nomination Committee

The members of the Nomination Committee, the number of times it meets and the attendance thereat will be set out in the Annual Report.

Principle 3 – Act Ethically And Responsibly

8.3.1 Code Of Conduct And Ethical Standards

The Company has established a formal code of conduct that guides compliance with all levels of legal and other obligations to stakeholders. The Code is focused on ensuring that all Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company. The code of conduct will be included on the Company's website.

The Code Of Conduct Outlines:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account legal obligations and reasonable expectations of stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Access To Company Information And Confidentiality

All Directors have the right of access to all relevant Company books and to the Company's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Company have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Share Dealings And Disclosures

The Company has adopted a policy relating to the trading of Company securities. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors are required to consult the Chairman and the Board respectively, prior to dealing in securities in the Company or other companies with which the Company has a relationship.

Share trading by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

Conflict Of Interest

To ensure that Directors are at all times acting in the best interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

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If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

8.3.2 Diversity

The Company has established a policy concerning diversity. The policy will be disclosed on the Company's website.

8.3.3 Disclosure Of Diversity Objectives

The Company will disclose in each Annual Report the measurable objectives for achieving gender diversity in accordance with the diversity policy and the current position in relation thereto.

8.3.4 Proportion Of Women Employees

The Company will disclose in each Annual Report the proportion of women employees in its organisation, senior executive positions and on the Board.

8.3.5 Publicly Available Information

The Company will make publicly available on the Company's website, the Share Trading Policy, and Continuous Disclosure Policy and Code of Conduct under the corporate governance section.

Principle 4 – Safeguard Integrity In Financial Reporting

8.4.1 Audit And Risk Committee

The Company has established an Audit and Risk Committee which has a corresponding charter. The objective of the Committee is to make recommendations to the Board regarding, the adequacy of the external audit, risk management and compliance procedures. The Committee evaluates from time to time the effectiveness of the financial statements prepared for the Board meetings and ensures that an independent judgement is exercised in relation thereto.

8.4.2 Membership of Audit and Risk Committee

Two independent Directors are members of the Audit & Risk Committee and the Audit & Risk Committee is not chaired by the Chairman of the Company.

8.4.3 Charter Of Audit And Risk Committee

The Audit & Risk Committee charter includes the following:

- duties and responsibilities of the Committee;
- meetings;
- complaints procedures;

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- composition of the Audit & Risk Committee;
- structure of the Audit & Risk Committee;
- number of meetings;
- membership requirements: and
- selection, appointment and rotation of the external auditor.

8.4.4 Members And Qualifications Of Audit And Risk Committee

The members and qualifications of the Audit & Risk Committee are as set out in the Annual Report together with the number of meetings each member attended.

8.4.5 Status Of Financial Statements

Before it approves the Company's Financial Statements for each period the Board receives from the Chief Executive Officer and the Chief Financial Officer a declaration that in their opinion the financial records of the Company have been properly maintained, comply with appropriate financial standards and give a true and fair view of the financial position and performance of the Company and the basis of its risk management and internal control systems and its effective operation.

8.4.6 Auditor Attendance At Meetings

The external auditor attends the AGM of the Company and is available to answer questions in relation to the audit thereat.

Principle 5 – Make Timely And Balanced Disclosure

8.5.1 Continuous Disclosure To The ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with shareholders.

Accordingly the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities; and
- the announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in the Company's securities.

8.5.2 Disclosure Policy

The Company has adopted a continuous disclosure policy which will be included on the Company's website.

Principle 6 – Respect The Rights Of Shareholders

8.6.1 Communications

The Company has not adopted recommendation 6.1 because it does not have a formal Shareholders' Communication Policy.

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Although the Company does not have a Shareholder Communication Policy the Company recognises its duty to ensure that its shareholders are informed of the details of the Company's Structure, its governance and all major developments affecting the Company's state of affairs. Information is communicated to shareholders and the market through:

- the Annual Report which is distributed to Shareholders as requested (usually with the Notice of Annual General Meeting); and is displayed on the Company's website
- the Annual General Meeting and other general meetings called to obtain Shareholder approvals as appropriate;
- the half-yearly Directors' and financial statements;
- quarterly activities and cash flow reports; and
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders or made available through the Company's website.

The Company will actively promote communication with Shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements will be made available on the Company's website and on the ASX website and Shareholders' questions may be directed to members of the Board.

Principle 7 - Recognise And Manage Risk

8.7.1 Risk Management

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control. At each of its monthly meetings the Board regularly reviews and monitors areas of significant business risk.

8.7.2 Risk Management Control

Because the Board has the oversight function of risk management and internal control system the risk management functions and oversight of material business risks are performed directly by the Board and not by management.

Internal Control And Risk Management

The primary vehicle for managing corporate risks is the Audit & Risk Committee appointed by the Board. The Committee reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

The Company ensures that appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

The internal audit function is carried out by the Audit & Risk Committee.

8.7.3 CEO And CFO Declarations

The Board has determined that the Chief Executive Officer and the Chief Financial Officer are the appropriate persons to make the CEO and CFO declarations in respect of each financial year ended, as required under section 295A of the Corporations Act and recommended by the ASX Corporate Governance Council. The Board also satisfies itself that the internal control system is operating effectively in all material respects.

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8.7.4 Internal Controls And Risk Management

- the Board conducts evaluations regarding internal control and risk management;
- the Board receives the assurance of compliance from the Chief Executive Officer and Chief Financial Officer
- the Company does not have a written policy on risks oversight management of business material risks because the number of people engaged in the Company's operations is insufficient to warrant production of a detailed policy document; and
- independent professional advice - subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Principle 8 – Remunerate Fairly And Responsibly

8.8.1 Remuneration And Nomination Committee

The Board has established a Remuneration & Nomination Committee which reports to the Board.

8.8.2 Remuneration & Nomination Committee Charter And Responsibilities

The Company has established a Remuneration and Nomination Committee charter. The role and responsibility of the Committee/Board is to review and make recommendations in respect of:

- executive remuneration policy;
- Executive Director and senior management remuneration;
- Non-executive Directors' Remuneration;
- performance measurement policies and procedures;
- Administration of the Company's Diversity policy;
- Board evaluation and performance of Directors; and
- Issue and allotment of options to Directors and Senior Executives.

Composition of the Remuneration & Nomination Committee

The Remuneration & Nomination Committee is structured so that is made up of:

- only Non-executive Directors;
- Independent Directors; and
- an independent Chairman, who is not chairman of the board.

8.8.3 Remuneration Policy

Directors remuneration is adopted by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. The Chief Executive Officer has entered into a Service Agreement for a term not exceeding three years. Consultants are engaged as required pursuant to service agreements. The Company ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Company. All salaries of

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Directors and statutory officers are disclosed in the Annual Report of the Company each year.

8.8.4 Salaries And Allowances

- The salary component of the Chief Executive Officer remuneration is made up of fixed remuneration;
- The salary component of Non-executive Directors is made up of fixed remuneration.
- An incentive Share Scheme is proposed as additional to the salary component of the Chief Executive Officer's remuneration.
- The Company will disclose the names of Directors on the Remuneration & Nomination Committee in its Annual Report as well as the number of times such Committee has met and attendance at such meetings;
- The Company does not provide any schemes for retirement; and
- The Company will make publicly available a summary of the Remuneration & Nomination Committee Charter on the Company's website.

Corporate Governance Compliance

The Company confirms that it complies with ASX Listing Rule 4.10.3 relating to Corporate Governance Reporting except where specifically otherwise mentioned in this Corporate Governance Statement.



A generation of consumers connected socially to technology
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MATERIAL CONTRACTS

9.0 MATERIAL CONTRACTS

The Directors consider that the following documents constitute significant or Material Contracts of the Company or are of such a nature that an investor may wish to have details of them when making an assessment of whether to apply for New Shares.

1. Constitution of Ardent Resources Limited
2. Business Sale Deed – Roam Systems Pty Ltd
3. Technology Assignment Deed – Simon Kantor
4. Intellectual Property Register OK IOT Group Pty Ltd
5. Business Sale Deed – The Supply Centre Pty Ltd
6. Share Purchase Deed – The Supply Centre Pty Ltd
7. Waynak Pty Ltd Others – Sale of Business Agreement
8. Distribution Agreement – PT Pasti Bali
9. Distribution Agreement – Brightstar Logistics
10. Service Agreement – Telebreeze Corporation
11. Sales Agency Agreement – The Product Group Pty Ltd
12. Letters of Appointment
 - Rony Dagher
 - Sean Neylon
 - Ian Duffell
 - Simon Kantor
13. OK IOT Group Pty Ltd – Trade Receivables Facility Agreements
14. Directors Deeds
 - Simon Kantor
 - Ian Duffell
15. OK IOT Group Directors' and Officers' Liability Policy
16. Gaoxin Electronics (HK) Limited – Manufacturing Agreement
17. IOT Shareholders and Option Holders Power of Attorney
18. Share Sale and Purchase Deed
19. IOT Option Holders Replacement Option Agreement
20. Share Restriction Agreements
21. Pac Partners Pty Ltd Lead Manager's Mandate
22. Terrapin Ventures Agreement
23. Licence Fees Deed and General Security Deed

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9.1 Constitution of Ardent Resources Limited

The Constitution of the Company (formerly Centius Mines Pty Limited) is effectively a contract between the Company and each member, the Company and each Director and Company Secretary, and between a member and each other member, pursuant to Section 140 of the Corporations Act. Investors who take up Shares under this Offer shall become bound by the Constitution of the Company and shall agree to observe and perform the provisions of the Constitution and any regulations or by-laws which may be made thereunder.

The significant aspects of the Constitution are as follows:

- (a) Article 87.1 of the Constitution provides that upon the Company being admitted to the Official List of the ASX, and for so long as the Company remains admitted to the Official List of the ASX, the provisions set out in Appendix 15A of the ASX Listing Rules shall apply, and notwithstanding any provision of the Constitution, the Constitution shall be read subject to the prevailing provisions of the Listing Rules;
- (b) The Company shall have no nominal capital;
- (c) The number of Directors of the Company shall be less than three and shall not be more than nine;
- (d) Directors shall, subject to the Constitution and the Corporations Act (and any other applicable law) be entitled to have a material personal interest or financial benefit in the Company;
- (e) Directors and any Associate can participate in an issue of Shares by the Company (subject to the Listing Rules);
- (f) Except as required by law or under the SCH Business Rules, no person shall be recognised by the Company as holding any Share non-beneficially, and the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any Share or unit of a Share or any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder (subject to any other provision of the Constitution or any applicable law or court order);
- (g) Subject to the Constitution, a holder of ordinary Shares in the Company shall be entitled to be present at any meeting and to vote in respect of those ordinary Shares and every Shareholder present shall be entitled on a show of hands, to one vote, or on a poll to one vote for each Share held by that Shareholder (except in the case of partly-paid Shares, which Shareholder shall be entitled to a fraction of a vote equivalent to the proportion which the amount paid up to bears to the total issue price).

9.2 Business Sale Deed – ROAM Systems Pty Ltd

On 6 May 2015 ROAM Systems Pty Ltd (ROAM) executed a memorandum of understanding with OK IOT Group Pty Ltd (IOT) evincing an intention to sell the ROAM business to OK on terms set out therein.

On 29 July 2015 ROAM as vendor sold to OK as purchaser the assets of the ROAM business comprising goodwill, plant and equipment and technology rights in consideration of 300,000 options in OK exercisable at \$2.00 each by 30 June 2019. The business sale deed otherwise contains the usual conditions, representations and warranties in such a sale agreement including a non-competition clause.

9.3 Technology Assignment Deed – Simon Kantor

On 29 July 2015 Simon Kantor (Kantor) as owner of the technology rights assigned such rights to IOT in consideration of 744,000 fully paid shares and 50,000 options in IOT exercisable at \$2.00 each by 30 June 2019 together with \$150,000. The Assignment Deed otherwise contains the usual conditions, representations and warranties in such an assignment Deed.

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9.4 Intellectual Property Register OK IOT Group Pty Ltd

The intellectual property register of OK IOT Group Pty Ltd contains a list of all Copyright ownerships, software and other licenses, trade marks, registered business names, trade secrets and knowhow.

9.5 Business Sale Deed – The Supply Centre Pty Ltd

On 14 September 2015 the Supply Centre Pty Ltd (Supply) executed a Business Sale Deed with OK IOT Group Pty Ltd (IOT) whereby Supply agreed to sell to IOT its business of developing, producing and supplying OK Smart Watches, OK Wearables and trademarks, websites and trading stock for the sum of \$50,000 (of which \$45,000 is payable by 15 November 2015). The agreement otherwise contains the usual conditions, warranties and representations in such agreements and Supply discloses therein that it does not have any intellectual property rights in the products referred to therein.

On 21 October 2015 IOT and Supply executed an Amending Deed for the balance of the consideration under this Deed to be paid via the issue of 45,000 IOT shares in lieu of cash.

9.6 Share Purchase Deed – The Supply Centre Pty Ltd

On 21 October 2015 OK IOT Group Pty Ltd (IOT) executed a share purchase Deed as purchaser with Amanda Anne Poole as vendor and beneficial owner of all the issued shares in the Supply Centre Pty Ltd (Supply) whereby IOT agreed to purchase all such issued shares for 225,000 ordinary fully paid ordinary shares in IOT. The Deed otherwise contains the usual conditions, warranties and representations in such Share Purchase Deeds.

9.7 Waynak Pty Ltd & Others – Sale of Business Agreement

On 29 July 2015 Waynak Pty Ltd Intervision Telecoms Pty Ltd and Rony Dagher (Vendors) executed a Deed whereby the Vendors sold the business of the Vendors to OK IOT Group Pty Ltd (IOT) including receivables, provision of digital content and supply of associated accessories, business names, trade names, trade marks, domain names, contracts, trading stock and plant and equipment for a payment of \$10,000. The Deed otherwise contains the usual conditions, warranties and representations contained in such a Deed.

9.8 Distribution Agreement – PT Pasti Bali

On 2 March 2015 Supply Centre Pty Ltd (Supply) executed a distribution agreement appointing PT Pasti Bali (Bali) as a distributor of OK IOT Watches and wearables exclusively in Indonesia for 5 years on terms and conditions usual in such agreements. Prices are to be determined by negotiation and termination is on three month's notice

9.9 Distribution Agreement – Brightstar Logistics

On 1 May 2015 Supply Centre Pty Ltd (Supply) executed a distribution agreement appointing Brightstar Logistics Pty Limited (Brightstar) as a non-exclusive distributor of OK IoT Watches and Wearables in Australia for three years on terms and conditions usual in such agreements. Prices are to be determined by purchase orders and termination is on one month's notice.

9.10 Service Agreement – Telebreeze Corporation

On 11 August 2015 OK IOT Group (IOT) as operator executed a service agreement with Telebreeze Corporation (Telebreeze) for the provision by Telebreeze to IOT customers and users the receiving, transcoding and delivery of television signals. The agreement licenses IOT to use the relevant software of Telebreeze for provision of the services on the usual terms and conditions. The term of the agreement is one year renewable from year to year and termination is on sixty days notice.

9.11 Sales Agency Agreement – The Product Group Pty Ltd

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On 2 November 2015 OK IOT Group Pty Ltd (IOT) executed a terms sheet with the Product Group Pty Ltd (PG) whereby IOT appointed PG a non-exclusive sales agent and distributor for IOT Products and Services in Australia and New Zealand for three years. Prices for products and sales targets are to be as subsequently agreed. Termination is by three months notice after three years or for failure to meet agreed sales targets.

9.12 Letters of Appointment

Rony Dagher

By an agreement made on 14 October 2015 OK IOT Group Pty Ltd (IOT) appointed Rony Dagher (Dagher) as General Manager – Intervision for 5 years at a commencing salary of \$10,000 per month until 31 January 2016 increasing to \$15,000 per month thereafter with further annual increments of 10%. The salary includes agreed superannuation. Reimbursement of proper expenses is also provided. Termination is on six months notice by either party with a non-competition provision of six months after termination.

The agreement otherwise contains the usual terms and conditions included in such consultancy agreements for full time consultants engaged in such businesses.

Sean Neylon

By an agreement made on 14 October 2015 OK IOT Group Pty Ltd (IOT) appointed Sean Neylon (Neylon) as Business Development Manager for 5 years at a commencing salary of \$10,000 per month until 31 January 2016 increasing to \$25,000 per month thereafter with further annual increments of 10%. The salary includes agreed superannuation. Reimbursement of proper expenses is also provided. Termination is on six months notice by either party with a non-competition provision of twelve months after termination.

The agreement otherwise contains the usual terms and conditions included in such consultancy agreements for full time consultants engaged in such businesses.

Ian Duffell

By an agreement made on 14 October 2015 OK IOT Group Pty Ltd (IOT) appointed Ian Duffell (Duffell) as Executive Director – Business Strategy for 5 years at a commencing salary of \$10,000 per month until 31 January 2016 increasing to \$25,000 per month thereafter with further annual increments of 10%. The salary includes agreed superannuation. Reimbursement of proper expenses is also provided. Termination is on six months notice by either party with a non-competition provision of six months after termination.

The agreement otherwise contains the usual terms and conditions included in such consultancy agreements for full time consultants engaged in such businesses.

Simon Kantor

By an agreement made on 14 October 2015 OK IOT Group Pty Ltd (IOT) appointed Simon Kantor (Kantor) as Chief Executive Officer for 5 years at a commencing salary of \$10,000 per month until 31 January 2016 increasing to \$25,000 per month thereafter with further annual increments of 10%. The salary includes agreed superannuation. Reimbursement of proper expenses is also provided. Termination is on six months notice by either party with a non-competition provision of twelve months after termination.

The agreement otherwise contains the usual terms and conditions included in such consultancy agreements for full time consultants engaged in such businesses.

9.13 OK IOT Group Pty Ltd – Trade Receivables Facility Agreements

On 1 October 2015 OK IOT Group Pty Ltd (IOT) and The Supply Centre Pty Ltd (Supply) executed an exclusive Trade Receivables Facility Agreement with Minerva Capital Partners Pty Ltd (Minerva) whereby

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Minerva agreed with IOT and Supply to purchase Approved Trade Receivables (Receivables) from IOT and Supply for face value less a discount equal to the Reserve Bank of Australia overnight money market interest rate plus 16% per annum daily compound. IOT and Supply each granted a general security over each Receivable and executed a standard conditions general security deed accordingly.

The agreement is for a period of five years and otherwise contains the usual terms and conditions representations and warranties of such agreements. On 4 November 2015 the Agreement was amended to add Intervision Direct Pty Ltd as a Vendor and included other minor amendments and mutual guarantees between the sellers.

9.14 Directors Deeds – Simon Kantor and Ian Duffell

On 16 July 2015 each of Simon Kantor and Ian Duffell executed a Director's Deed with OK IOT Group Pty Ltd (IOT) whereunder IOT agreed with each of them to provide access to Board Papers and Books and Records of IOT to each of them and each of them undertook to IOT to utilise such Board Papers for proper purposes, to preserve confidentiality and privilege in relation thereto and to return them to IOT upon request.

IOT agreed to indemnify each of them against liability (to the permitted extent) in proper performance of their duties as a Director of IOT and to insure in respect of such indemnity on the usual terms and conditions.

Each of the Directors covenanted to abide by IOT's share trading policy.

9.15 OK IOT Group Pty Ltd – Directors' And Officers' Liability Policy

OK IOT Group Pty Ltd is insured under a current (as at 25 September 2016) Directors' and Officers' Liability Policy of insurance with DUAL Australia Pty Ltd for indemnity for acts, errors and omissions of Directors and Officers and for personal injury and property damage under the terms and conditions usual in such policies of insurance.

9.16 Gaoxin Electronics (HK) Limited – Manufacturing Agreement

On 26 October 2015 OK IOT Group Pty Ltd (IOT) executed a manufacturing agreement with Gaoxin Electronics (HK) Co Limited ("Gaoxin") whereby IOT appointed Gaoxin as non-exclusive manufacturer of its products including planning, prototype construction and manufacture for a period of two years and thereafter terminable on six months notice. The agreement contains non-competition (for 12 months after termination) preservation and licensing of IOT intellectual property, confidentiality and insurance provisions.

A procedure for determining manufacturing costs, maintenance of agreed prices for one year and thereafter limited to 5% annual increase, unless by consent is included.

Warranties of manufacturing standards as to fitness merchantability and safety are provided in the agreement.

Prices include delivery by manufacturer and reimbursement to Gaoxin for planning and tooling costs.

Termination is for breach or on notice after two years.

Otherwise the agreement contains the terms and conditions usual in agreements of such nature.

9.17 OK IOT Group Pty Ltd Shareholders And Option Holders Power Of Attorney

Each OK IOT Group Pty Ltd shareholder and optionholder executed a Power of Attorney appointing an attorney to complete and execute the Share Sale and Purchaser Deed and the replacement option agreement and documentation arising therefrom on their behalf.

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9.18 Share Sale And Purchase Deed

On 18 November 2015 all the share and option holders in OK IOT Group Pty Ltd (Sellers) and OK IOT Group Pty Ltd (IOT) and Ardent Resources Ltd (Ardent) executed a Share Sale and Purchase Deed whereunder the sellers appointed sellers' representatives and did sell all their shares and options in IOT to Ardent and waive all their pre-emptive rights in respect thereof in consideration of the issue and allotment to each of them of shares and earn out shares in Ardent as set out in a Schedule to the Deed (see Section 6 of the Prospectus for details thereof). The completion of the Deed is subject to certain conditions precedent, namely:

- Dispatch of Ardent Notice of General Meeting and approval of the resolutions included therein by Ardent Shareholders
- Issue of this Prospectus
- Capital Raising of at least \$3 million
- Continued ASX listing of Ardent and regulatory approval thereof
- IOT Shareholders and regulatory approvals
- Execution of the Option Exchange Deed
- No regulatory prohibition to the transaction

Termination if the conditions precedent are not met by 30 March 2016 (or such other date as shall be agreed) or if the conditions precedent are incapable of fulfilment is provided. Ardent is pay to IOT a refundable deposit of \$250,000.

Both Ardent and IOT are obliged to use their best endeavours to comply with all the conditions precedent.

The Deed contains the usual provisions and terms and conditions for co-operation, maintenance of business pending completion, access to documents, enabling clauses, warranties, confidentiality, waivers and notice in similar sale and purchase Deeds.

Upon completion it is provided that the Directors of Ardent shall comprise three IOT nominees and one Ardent nominee (see Prospectus for details of nominees proposed).

9.19 OK IOT Group Pty Ltd Option Holders Replacement Option Agreement

By an agreement dated 18 December 2015 all the existing optionholders in OK IOT Group Pty Ltd (IOT) agreed with each other and with IOT that they shall exercise 40% of each of their existing IOT options in consideration of the issue and allotment of one existing IOT ordinary share (deemed fully paid) for every two such IOT options held and, thereafter, the balance of their existing IOT options (60%) shall be exchanged for post consolidation Ardent options (see Section 4 for details of the numbers of such options).

9.20 Share Restriction Agreements

By these agreements as yet undated between holders and controllers of restricted securities in the Company (as identified in the Schedule to the agreements), and an escrow trustee and the Company, the escrow trustee shall hold the restricted securities allotted by the Company during the escrow period in respect of those securities. The escrow period applicable to vendors, directors and associates is 24 months. The escrow period applicable to non-associated parties is 12 months. The escrow periods may be varied as determined by ASX.

The agreements have been made for the purpose of complying with Chapter 9 of the ASX Listing Rules.

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During the escrow period, the escrow trustee shall not dispose of, or agree to dispose of the restricted securities or create any interest in the restricted securities, transfer ownership or control of the restricted securities or participate in a return of capital made by the Company. If the restricted securities are kept on the certified sub register, the escrow trustee, as holder of those restricted securities, shall deposit the certificate for the restricted securities with a bank or recognised trustee for the escrow period. If the restricted securities are kept on the issuer sponsored sub register, then the escrow trustee, as holder of those restricted securities, shall apply a holding lock to those restricted securities. Upon expiry of the escrow period, the securities may be unlocked and released to the security holders, subject to the requirements of the ASX and the Listing Rules.

9.21 PAC Partners Pty Ltd Lead Managers Mandate

On 17 July 2015 Ardent Resources Limited (Ardent) executed a marketing and equity raising mandate agreement with PAC Partners Pty Ltd (PAC) whereby PAC was mandated to provide investor management, research and capital raising services to Ardent on a non-exclusive basis and on the usual terms and conditions contained in mandate agreements of that nature.

In consideration of the provision of the services Ardent is to pay to PAC:

- (a) A capital raising fee equal to 6% (plus GST) of the gross proceeds of any capital raised by PAC; and
- (b) A \$12,000 per month (plus GST) advisory retainer fee for six months; and
- (c) A transaction success fee of \$30,000 plus GST in shares in Ardent; and
- (d) 10,000,000 Broker Options (pre consolidated) upon successful completion of such capital raising having an exercise price 33.3% above the capital raising price with an exercise date 18 months from re-admission to ASX list.

Ardent shall pay the reasonable pre-approved expenses of PAC and there is a right to terminate the agreement for breach of a material term or for anticipatory breach.

9.22 Terrapin Ventures Agreement

On 20 October 2015 OK IOT Group Pty Ltd (IOT) executed a letter of intent with Paul Tobin acting on behalf of Terrapin Ventures (Terrapin) for the non exclusive supply by Terrapin to IOT for consulting services for three months at a fee of US\$10,000 per month involving establishment and provision of a North American office for IOT and implantation of an agreed business plan. The first fee payment is not due until the completion of the capital raising under this prospectus.

9.23 Licence Fees Deed

On 15 August 2012 Ellas TV Incorporated (Ellas US) entered into a TV Licence Agreement with Ellas TV Pty Ltd (Ellas TV) for the grant of the rights to exhibit and distribute various Greek channels via Ellas TV's IPTV platform in Australia and New Zealand. Pursuant to various subscriber agreements entered into after this date, Ellas TV distributes various Greek channels via Ellas TV's IPTV platform to Australian subscribers. On 21 December 2015, Ellas TV and Rony Dagher (as the owner of all of the shares in Ellas TV) entered into a Licence Fees Deed with IOT and Intervision Direct Pty Ltd (Intervision) under which it assigned its equitable rights in the US Licence and equitable and legal rights in the Subscriber Agreements to Intervision effective from 29 July 2015, in consideration for \$20,000 in cash and 486,500 IOT shares. The Licence Fees Deed otherwise contains the usual terms, conditions, representations and warranties in such an assignment deed. On 21 December 2015, Ellas TV granted a general security to Intervision over these licence rights and executed a standard conditions general security deed.

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10.0 ADDITIONAL INFORMATION

10.1 Company Information

The Company was incorporated on 10 November 2009 as Centius Mines Pty Limited before changing its name to Centius Gold Limited. On 28 January 2011, Centius Gold Limited was admitted to the Official List of ASX. The Company changed its name to Ardent Resources Ltd on 30 May 2014. Ardent currently undertakes exploration and evaluation of gold projects.

10.2 Constitution And Rights And Liabilities Attaching To Shares

The Shares to be issued under this Prospectus will rank equally with the existing fully paid ordinary shares in the Company.

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

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

Ranking Of Shares

At the date of this Prospectus, all Shares are of the same class (ordinary shares) and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

Voting Rights

Subject to any special rights (at present there are none), at any general meeting of the Company, each Shareholder present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.

Dividend Rights

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

Variation Of Rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

Transfer Of Shares

Subject to the Constitution, the Corporations Act, the ASX Listing Rules and other relevant laws, the Shares are freely transferable.

General Meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and any other laws.

Rights On Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company:

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- (a) divide among the Shareholders the whole or any part of the Company's property; and
- (b) decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets (following full satisfaction of all creditors' debts) on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

10.3 Continuous Disclosure Obligations

The Company is a 'disclosing entity' (as defined in Section 111AC of the Corporations Act) and, as such, it is 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.

10.4 Terms And Conditions Of Replacement Options

The rights and liabilities attaching to the Replacement Options can be summarised as follows:

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (j) below, the amount payable upon exercise of each Replacement Option will be \$0.07 (Exercise Price)

(c) Expiry Date

Each Replacement Option will expire at 5:00 pm (AEST) on 30 June 2019 (Expiry Date). A Replacement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Replacement Option shall vest and become exercisable on the date the Replacement Option are issued (and it is intended that all the Replacement Options will be issued on the same date, being the date of completion of the Acquisition) and will be exercisable until the Expiry Date (Exercise Period).

(e) Notice Of Exercise

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

(f) Exercise Date

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

(g) Timing Of Issue Of Shares On Exercise

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

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the

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number of Replacement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Replacement Options.

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

(h) Shares Issued On Exercise

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

(i) Quotation Of Shares Issued On Exercise

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

(j) Reconstruction Of Capital

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

(k) Participation In New Issues

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

(l) Change In Exercise Price

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

(m) Unquoted

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

(n) Transferability

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

10.5 Summary Of The Terms And Conditions Of The Earnout Shares

The terms and conditions of the Earnout Shares are summarised below:

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Tranche One Earnout Shares

Under the terms of the SPA, the IOT Vendors whose shareholdings include Non-Investor IOT Shares may become entitled to receive 69,241,893 Earnout Shares (on a post-Consolidation basis).

If the revenue for FY2016 in IOT's audited financial statements is:

- equal to or less than \$5,000,000, the number of Tranche One Earnout Shares is nil;
- more than \$5,000,000 the number of Tranche One Earnout Shares to be issued is 69,241,893 (to IOT Vendors whose shareholdings include Non-Investor IOT Shares).

The audit of IOT's financial statements must be completed within 90 days after the end of FY2016. The Company must issue the Tranche One Earnout Shares (if any) to the IOT Vendors (whose shareholdings include Non-Investor IOT Shares) within 30 Business Days of the date on which the audit is completed.

If any Earnout Shares are to be issued, they will be issued to the IOT Vendors whose shareholdings include Non-Investor IOT Shares, in proportions which reflect their respective equity interests in Non-Investor IOT Shares immediately prior to Completion.

Tranche Two Earnout Shares

Under the terms of the SPA, the IOT Vendors may become entitled to receive 55,555,555 Earnout Shares (on a post-Consolidation basis).

If the net profit after tax for FY2016 in IOT's audited financial statements is:

- equal to or less than \$1,000,000, the number of Tranche Two Earnout Shares is nil;
- more than \$1,000,000 the number of Tranche Two Earnout Shares is 55,555,555.

The audits of IOT's financial statements must be completed within 90 days after the end of FY2016. The Company must issue the Tranche Two Earnout Shares (if any) to the IOT Vendors within 30 Business Days of the date on which the audit is completed.

If any Tranche Two Earnout Shares are to be issued, they will be issued to the IOT Vendors in proportions which reflect their respective equity interests in IOT immediately prior to Completion (but with no adjustment factor applied to Non-Investor IOT Shares).

Tranche Three Earnout Shares

Under the terms of the SPA, the IOT Vendors may become entitled to receive 111,111,111 Earnout Shares (on a post-Consolidation basis).

If the net profit after tax for FY2017 in IOT's audited financial statements is:

- equal to or less than \$1,500,000, the number of Tranche Three Earnout Shares is nil;
- more than \$1,500,000 the number of Tranche Three Earnout Shares is 111,111,111.

The audits of IOT's financial statements must be completed within 90 days after the end of FY2017. The Company must issue the Tranche Three Earnout Shares (if any) to the IOT Vendors within 30 Business Days of the date on which the audit is completed.

If any Tranche Three Earnout Shares are to be issued, they will be issued to the IOT Vendors in proportions which reflect their respective equity interests in IOT immediately prior to Completion (but with no adjustment factor applied to Non-Investor IOT Shares). The shares issued under the Earnout are not expected to be subject to any restriction or escrow.

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10.6 Placement

The Company has received commitments from sophisticated and professional investors to subscribe for 156,250,000 Shares (Placement Shares) under a placement to raise \$5,000,000 (before costs) (Placement). The Placement is subject to Shareholder approval at the General Meeting.

The Placement Shares will be issued at an issue price of \$0.032 (3.2 cents) per Share consistent with the issue price under the Offer. The Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue.

PAC Partners Pty Ltd has acted as the Lead Manager to the Placement and will receive a lead manager fee of 6.0% of the amount raised (and this fee amount includes any commissions and fees paid to other brokers).

The Company intends to use the funds raised under the Placement (together with the funds raised under the Offer and the existing cash reserves of Ardent and IOT) as set out in Section 4.8.

10.7 IOT Vendor Placement

The Company intends to offer to certain IOT Vendors, the opportunity to subscribe for 21,071,429 Shares (IOT Vendor Placement Shares) under a placement to raise \$590,000 (IOT Vendor Placement). These Shares will be issued after completion of the Acquisition, Placement and Offer.

The Placement Shares will be issued at an issue price of \$0.028 (2.8 cents) per Share consistent with the deemed issue price of the Consideration Shares and the Earnout Shares. The IOT Vendor Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue.

10.8 Restricted Securities

As a condition of readmitting the Company to the Official List, ASX may classify certain Consideration Shares as ASX Restricted Securities. Prior to Official Quotation it will be necessary for these Shareholders (i.e. IOT Vendors) to enter into restriction agreements with the Company.

The effect of the restriction agreements will be that the ASX Restricted Securities cannot be dealt with for a period between 12 months and 24 months from the date on which Official Quotation of those Shares commences, as determined by ASX.

In addition, the IOT Vendors have agreed to enter into voluntary agreements with the Company restricting:

- IOT Vendors classified as key management personnel (apart from shares acquired for cash on the same terms as other seed investors) from dealing in any Consideration Shares held by them for a period of 24 months from the date the Company is reinstated to Official Quotation; and
- IOT Vendors not classified as key management personnel (i.e. non-management IOT Vendors) from dealing in any Consideration Shares held by them for a period of 6 months from the date the Company is reinstated to Official Quotation.

Refer to Section 9.20 for further details.

10.9 ASX Waivers

The Company has applied for some waivers of the ASX listing rules (see Section 4.5) to enable the Company to issue shares and options at a price below 20 cents. While the Company has no reason that the waivers will not be granted the granting of the waivers is depend on the ASX.

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10.10 Interests Of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has, or has had within two years preceding lodgement of this Prospectus with ASIC:

- (a) any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; and
- (b) no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director, either to induce him or her to become, or to qualify them as a Director, or otherwise, for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

Shareholding qualifications

Directors are not required to hold any Shares under the Constitution.

Directors' Interests

The table below shows the interest of each Director (and their Associates) in the Shares of the Company as at the date of this Prospectus.

Directors and their Associates	Shares pre-Consolidation	Shares post-Consolidation	% Shareholding
Scott Brown	18,205,851	9,102,925	11.3%
Tiong Chiong Ee	21,764,610	10,882,305	13.5%
Lan Nguyen	7,284,578	3,642,289	4.52%
Total	39,970,461	19,985,230	29.32%

Following the completion of the Acquisition, Placement, the IOT Vendor Placement and Offer (for the Maximum Subscription), the Directors and Proposed Directors will have direct and indirect interests in Shares and Replacement Options as set out in the table below:

Directors and their Associates	Shares (post Consolidation)	% shareholding	Replacement Options
Scott Brown	9,102,925	1.7%	-
Tiong Chiong Ee	10,882,305	2.0%	-
Lan Nguyen ¹	4,885,432	0.9%	-
Total	24,870,662	4.7%	-

Proposed Directors and their Associates	Shares (post Consolidation)	% shareholding	Replacement Options
Richard Woods ²	17,749,513	3.4%	6,021,034

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Simon Kantor ³	<u>20,791,411</u>	<u>3.8%</u>	<u>10,536,810</u>
Ian Duffell ⁴	<u>7,777,136</u>	<u>1.4%</u>	<u>6,021,034</u>
Total	<u>46,318,060</u>	<u>8.6%</u>	<u>22,578,878</u>

¹ An entity associated with Mr Nguyen will be issued 1,254,375 Consideration Shares in consideration for its shareholding in IOT pursuant to the SPA.

An entity associated with Mr Nguyen will be issued up to 633,333 Earnout Shares pursuant to the SPA if the net profit after tax requirements for the Tranche Two Earnout Shares and the Tranche Three Earnout Shares are satisfied. See Section 10.5 for further details of the Earnout Shares.

² up to 16,713,580 Earnout Shares will be issued to Tallis Custody Pty Limited (as trustee for the Tallis Family Trust) if both the net profit after tax requirements for the Tranche Two Earnout Shares and Tranche Three Earnout Shares detailed in Section 10.5 are achieved and if the revenue requirement for the Tranche One Earnout Shares detailed in Section 10.5 is achieved.

³ up to 21,047,127 Earnout Shares will be issued to Kantor Enterprises Pty Ltd if both the net profit after tax requirements for the Tranche Two Earnout Shares and Tranche Three Earnout Shares detailed in Section 10.5 are achieved and if the revenue requirement for the Tranche One Earnout Shares detailed in Section 10.5 is achieved.

⁴ up to 4,718,420 Earnout Shares will be issued to Group ID Pty Ltd if both the net profit after tax requirements for the Tranche Two Earnout Shares and Tranche Three Earnout Shares detailed in Section 10.5 are achieved and if the revenue requirement for the Tranche One Earnout Shares detailed in Section 10.5 is achieved.

Directors' Remuneration

The Constitution provides that each non-executive Director is entitled to remuneration for their services as Directors. The total amount provided to all non-executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The current aggregate remuneration for all non-executive Directors (as set by the Company at its 2011 annual general meeting) is not more than \$250,000 per annum."

Current or proposed directors	Current Base Remuneration pa \$	Proposed Remuneration pa \$
Scott Brown ¹	40,000	40,000
Tiong Chiong Ee	25,000	To resign as a Director at completion of the Proposed Transaction
Lan Nguyen	25,000	To resign as a Director at completion of the Proposed Transaction
Richard Woods	Not a director	70,000
Simon Kantor ²	Not a director	300,000
Ian Duffell ²	Not a director	300,000

¹ The current board has approved additional fees of \$2,000 per day if Mr Brown is required by the Company to act as an executive.

² Does not include Superannuation which is payable in addition to the base remuneration.

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10.11 Interests And Fees Of Professionals

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, or any other 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, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with has, or had within two years before lodgement of this Prospectus with ASIC:

- (a) any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; and
- (b) not recorded any amounts or benefits or has not agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offer.

A D Danieli Audit Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 6 of this Prospectus. The report is essentially the same as the report provided to shareholders. No additional costs has been charged by A D Danieli Audit Pty Ltd to prepare the report. The costs of the initial report to shareholders was \$24,067 (excluding GST). During the 24 months preceding lodgement of this Prospectus with the ASIC, A D Danieli Audit Pty Ltd provided due diligence and investigating accountant services (in relation to a proposed transaction that was subsequently terminated) at normal commercial rates.

Websters Solicitors & Barristers has acted as solicitor to the Company in relation to this Prospectus. The Company estimates it will pay \$10,000 (excluding GST) for these services up to the date of lodgement of this Prospectus with ASIC. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Websters Solicitors & Barristers has also provided legal services at normal commercial rates.

PAC Partners Pty Ltd has acted as Lead Manager to the Offer. In accordance with their terms of engagement, the Company will pay PAC Partners Pty Ltd a total of \$3,000 (excluding GST) if the Minimum Subscription is achieved and \$60,000 (excluding GST) if the Maximum Subscription is achieved for these services and participation as a member of the due diligence committee. In addition, the Company will pay PAC Partners a total of \$300,000 (excluding GST) for acting as lead manager to the Placement and issue 5,000,000 options to PAC Partners Pty Ltd (or its nominee) following Completion. During the 24 months preceding lodgement of this Prospectus with the ASIC, PAC Partners Pty Ltd has also provided corporate advisory services to the Company, acted as lead manager for a share placement in August 2015 and was the underwriter of the Share Purchase Plan completed in November 2015.

Related Party Transactions

At the date of this Prospectus, no material transactions with related parties and directors' interests exist that the Directors are aware of, other than those disclosed in Section 10.10 above and disclosed below.

Ardent rents office space from Real Energy Corporation Limited (a director related entity of Mr Scott Brown and Mr Lan Nguyen). The rental period commenced February 2013 and is a non-fixed (month to month) arrangement.

[Disclose any other related party transactions/proposed transactions involving Proposed Directors not covered or not covered in sufficient detail elsewhere]

10.12 Expenses Of The Offer

It is estimated that approximately \$33,000 (based on the Minimum Subscription) and approximately \$90,000 (based on the Maximum Subscription) in expenses will be incurred or payable by the Company in respect of

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Lead Manager and broker commissions, legal services, the Investigating Accountant's Report, printing and distribution, ASIC and ASX fees and other miscellaneous costs arising from this Prospectus and the Offer. The total costs are as set out in the table below:

	Minimum Subscription (\$)	Maximum Subscription (\$)
Lead Manager and Broker commissions/ management fees ¹	3,000	60,000
Legal fees	10,000	10,000
Printing and distribution	5,000	5,000
ASIC & ASX fees	10,000	10,000
Miscellaneous expenses	5,000	5,000
Total	33,000	90,000

¹ This does not include the commissions and fees payable in respect of the Placement (totalling \$300,000 excluding GST).

10.13 Consents

Each of the parties referred to in this section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

PAC Partners Pty Ltd has given its written consent to being named as the Lead Manager to the Offer and the Placement in this Prospectus and has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

A D Danieli Audit Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 6 of this Prospectus in the form and context in which the information and report is included. A D Danieli has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Websters Solicitors & Barristers has given its written consent to being named as the solicitor to the Company in this Prospectus and has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

RB Registries has given its written consent to being named as the share registry to the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Russell Bedford NSW has given its written consent to being named as the Company's auditor in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

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10.14 Disputes And Litigation

To the knowledge of the Directors and the Proposed Directors, as at the date of this Prospectus, neither the Company nor IOT is involved in any legal proceedings, other than the proceedings that Ardent commenced in January 2015 against Shale Energy Limited to recover a \$43,000 receivable, and the Directors and the Proposed Directors are not aware of any legal proceedings pending or threatened against the Company or IOT.

10.15 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual circumstances of each investor. All potential investors in the Company are urged to obtain independent professional financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. It is the sole responsibility of potential Applicants to inform themselves of their taxation position resulting from participation in the Offer.

The Directors do not consider that it is appropriate to give potential Applicants advice regarding taxation matters and consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of all the possible taxation positions of potential Applicants.

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

10.16 Electronic Prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, the publication of notices referring to an electronic prospectus or electronic application form, and the issue of shares in response to an electronic application form, subject to compliance with certain provisions.

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and it will send to you free of charge either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.ardentresources.com.au.

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.

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. In such a case, the application monies received will be dealt with in accordance with Section 722 of the Corporations Act.



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ADDITIONAL INFORMATION

10.17 Documents Available For Inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- this Prospectus;
- the Constitution; and
- the consents referred to in Section 10.14 of this Prospectus.

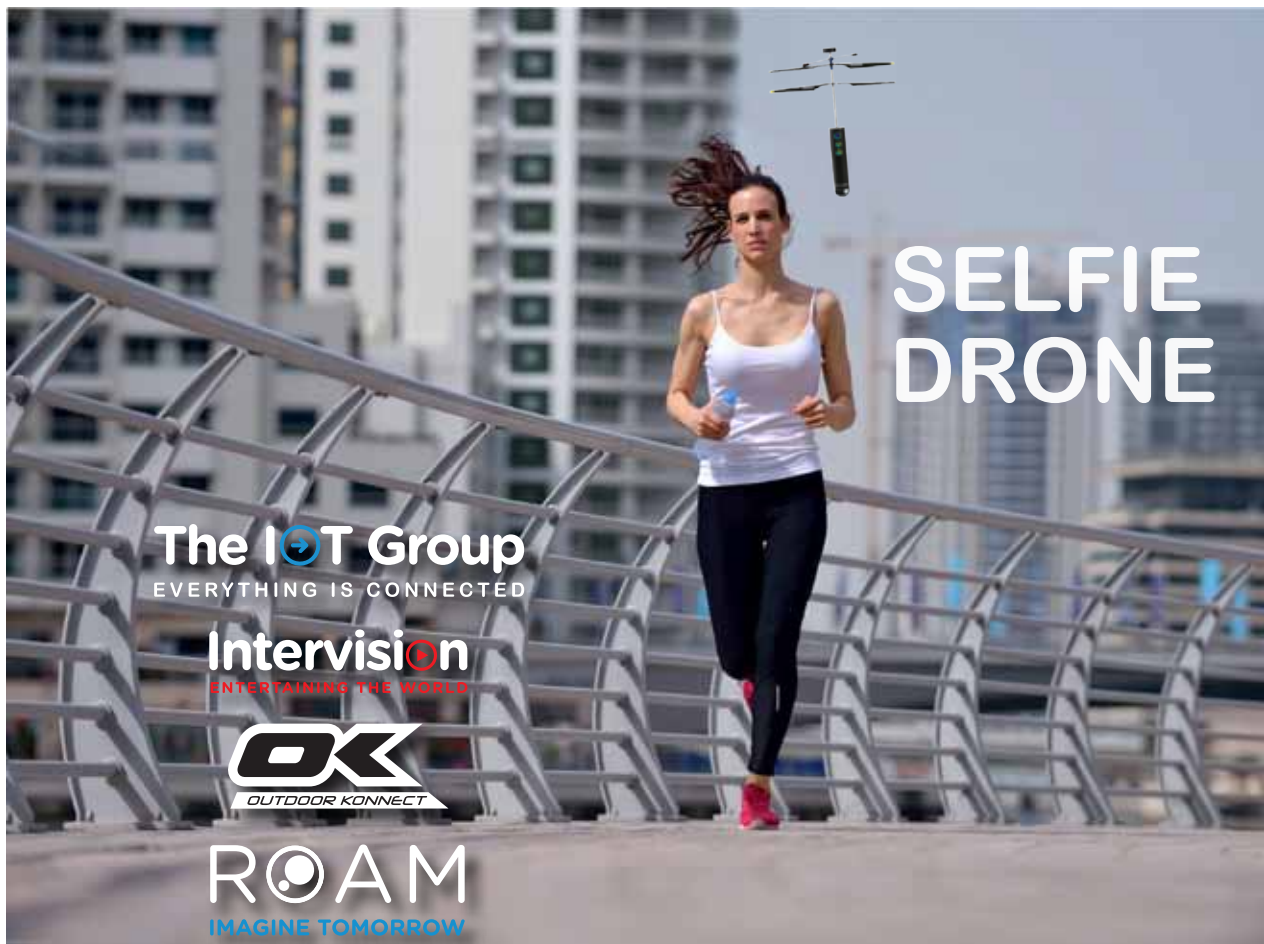


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ARDENT RESOURCES LTD

DIRECTORS' AUTHORISATION

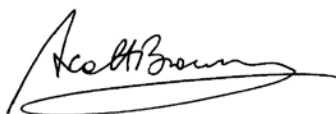
11.0 DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors and the Proposed 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 and has not withdrawn that consent.

The Directors and Proposed Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors and Proposed Directors in this Prospectus are not misleading or deceptive and that, in respect to any other statements made in this Prospectus by persons other than Directors or Proposed Directors, the Directors and Proposed Directors have made reasonable enquiries and, on that basis, have reasonable grounds to believe that persons making the statement or statements were competent to make such statements. Those persons have given their consent to the statements being included in this Prospectus, in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC or, to the Directors' and Proposed Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

Signed for and on behalf of the Company,



Scott Brown
Chairman

24 December 2015

ARDENT RESOURCES LTD

GLOSSARY

12.0 GLOSSARY

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

\$ or A\$ or cents means Australian currency (unless otherwise stated).

Acquisition means the purchase by Ardent of all the issued shares in the capital of IOT.

A D Danieli means A D Danieli Audit Pty Ltd (ABN 56 136 616 610).

AEDT means Australian Eastern Daylight Savings Time as observed in Sydney, New South Wales.

Applicant means a person who submits an Application Form.

Application Form means the application form attached to and forming part of the Prospectus (and includes a copy of the application form printed from the website at which Electronic Prospectus is located) relating to the Offer.

Ardent or Company means Ardent Resources Ltd (ABN 66 140 475 921) proposed to be renamed "IOT Group Limited".

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning ascribed in the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange or the financial market operated by it (as the context requires).

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

Australian Accounting Standards or Accounting Standards means accounting standards as defined in the Corporations Act

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

Business Day means a day on which the ASX is open for trading.

Capital Raising means the Placement, the IOT Vendor Placement and the Offer.

CHES means Clearing House Electronic Sub-register System, which is operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX.

Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 4.6 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or Ardent means Ardent Resources Ltd (ABN 66 140 475 921) proposed to be renamed "IOT Group Limited".

Completion means completion of the sale of all the issued shares in IOT to Ardent in accordance with the Share Purchase Agreement.

Consideration Shares means the 257,900,964 fully paid ordinary Shares issued at \$0.028 per Share to the IOT Vendors on Completion, as set out in the table in Section 4.9, in consideration for Ardent's purchase of all the IOT Shares.

ARDENT RESOURCES LTD

GLOSSARY

Consolidation means the proposed consolidation of the Company's Shares through the conversion of every two (2) Shares into one (1) Share to be put to Shareholders at the General Meeting to be held on 15 January 2016.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of this Company as at the date of this Prospectus namely Scott Brown, Tiong Chiong Ee and Dang Lan Nguyen.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website: www.ardentresources.com.au

Earnout Shares means the Tranche One Earnout Shares, the Tranche Two Earnout Shares and the Tranche Three Earnout Shares.

FY2016 means the financial year ending 31 December 2016.

FY2017 means the financial year ending 31 December 2017.

General Meeting means the general meeting of Shareholders of the Company to be held on 15 January 2016.

HIN means Holder Identification Number.

Investigating Accountant's Report means the report by AD Danieli contained in Section 6.

IOT means OK IOT Group Pty. Ltd. (ACN 605 630 082).

IOT Options means all of the 1,200,000 options on issue (immediately prior to Completion) to subscribe for fully paid shares in IOT.

IOT Optionholder means the holders of options in IOT

IOT Shares means all of the fully paid ordinary shares in the capital of IOT.

IOT Vendors means the holders of shares in IOT.

IOT Vendor Placement means the issue and allotment of 21,071,429 Shares to certain IOT Vendors at an issue price of \$0.028 (2.8 cents) per Share to raise \$590,000.

IOT Vendor Placement Shares means the Shares to be offered under the Post Completion Placement.

IPTV means internet protocol television.

Lead Manager means PAC Partners Pty Ltd (ACN 165 738 438).

Lodgement Date means the date this Prospectus was lodged with ASIC as set out in Section 4.6.

Material Contracts means the material contracts to which Ardent or IOT is a party that may be material in terms of the Offer for the operation of the business of the Company or otherwise may be relevant to a potential investor in the Company, and which are summarised in Section 9.

Maximum Subscription means the maximum subscription under the Offer being 31,250,000 Shares to raise \$1,000,000.

ARDENT RESOURCES LTD

GLOSSARY

Minimum Subscription means the minimum subscription under the Offer being 1,562,500 Shares to raise \$50,000.

Non-Investor IOT Shares means IOT Vendors whose shareholdings include IOT Shares which were not issued in IOT's June 2015 capital raising. There are 33 IOT Vendors holding Non-Investor IOT Shares.

Notice means the Notice of General Meeting.

Placement means the issue and allotment of 156,250,000 Shares to sophisticated and professional investors (as defined in the Corporations Act) at an issue price of \$0.032 (3.2 cents) per Share to raise \$5,000,000 (before costs of the Placement), subject to Shareholder approval at the General Meeting.

Placement Shares means the Shares to be offered under the Placement.

Offer means the offer of 1,562,500 Shares together with the capacity to accept oversubscriptions of a further 29,687,500 Shares under this Prospectus.

Offer Shares means the Shares to be offered under the Prospectus.

Official Quotation means quotation of the Shares on the Official List in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in Section 4.6.

Prospectus means this prospectus.

Proposed Directors means Richard Woods, Simon Kantor and Ian Duffell.

Related Party has the meaning ascribed in the Listing Rules.

Replacement Option(s) means the options which will be granted to the IOT Optionholders in consideration for the cancellation of all of the IOT Options on Completion as detailed in Section 10.4.

Restricted Securities means the meaning given to that term in the ASX Listing Rules.

Section means a section of this Prospectus.

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

Shareholder(s) means the holder of a Share.

Share Purchase Agreement or SPA means the share purchase agreement between the Company, the IOT Vendors, the IOT Optionholders and IOT dated 18 November 2015 to acquire all of the issued share capital of IOT.

Share Registry means RB Registries.

SRN means Shareholder Reference Number.

Tranche One Earnout Shares means 69,241,893 Shares (post Consolidation) at an issue price of \$0.028 (2.8 cents) which will be issued to the IOT Vendors whose shareholdings include Non-Investor IOT Shares if the revenue for FY2016 in IOT's audited financial statements is more than \$5,000,000.

Tranche Two Earnout Shares means 55,555,555 Shares (post Consolidation) at an issue price of \$0.028 (2.8 cents) which will be issued to the IOT Vendors if the net profit after tax for FY2016 in IOT's

ARDENT RESOURCES LTD

GLOSSARY

audited financial statements is more than \$1,000,000.

Tranche Three Earnout Shares means 111,111,111 Shares (post Consolidation) at an issue price of \$0.028 (2.8 cents) which will be issued to the IOT Vendors if the net profit after tax for FY2017 in IOT's audited financial statements is more than \$1,500,000.

Voluntary Restricted Securities means all of the Consideration Shares proposed to be issued to IOT Vendors (with key management personnel escrowed for 24 months and other (non-management) IOT shareholders for 6 months)



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ARDENT RESOURCES LTD

CORPORATE DIRECTORY

13.0 CORPORATE DIRECTORY

Directors

Scott Brown (Chairman)
Dang Lan Nguyen (Non-Executive Director)
Tiong Chiong Ee (Non-Executive Director)
Chan Min Son (Alternate to Tiong Chiong Ee)

Proposed Directors

Richard Woods (Proposed Non-Executive Chairman)
Scott Brown (Non-Executive Director)
Simon Kantor (Proposed Executive Director and Chief Executive Officer)
Ian Duffell (Proposed Executive Director)

Registered Office

Level 3
32 Walker Street
North Sydney NSW 2060
Telephone: 02 8958 2226
Facsimile: 02 9954 6408
Email: admin@ardentresources.com.au
ASX Code: AWO
Proposed new ASX Code: IOT

Solicitor to the Offer

Websters Solicitors & Barristers, Notaries
Level 11
37 Bligh Street
Sydney NSW 2000

Investigating Accountant

A D Danieli Audit Pty Ltd
Level 14
275 George St
Sydney NSW 2000
Telephone: 02 9290 3099
Facsimile: 02 9262 2502

Lead Manager

PAC Partners Pty Ltd
Level 12
15 William Street
Melbourne VIC 3000

Auditors*

Russell Bedford NSW
Chartered Accountants
Level 29
Suncorp Place
259 George Street
Sydney NSW 2000
Telephone: +61 2 9032 3000
Facsimile: +61 2 9251 1275

Share Registry*

RB Registries
Suite 2901, Level 29
Suncorp Place
259 George Street
Sydney NSW 2000
Telephone: +61 2 9032 3000
Facsimile: +61 2 9251 1275
Email: registry@rbnsw.com.au

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

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ARDENT RESOURCES LIMITED

(PROPOSED TO BE RENAMED "IOT GROUP LIMITED")

ACN 140 475 921

PROSPECTUS



Ardent Resources Ltd

The IOT Group

DECEMBER 2015
V.10