DATE OF MEETING:
Friday, 7 September 2018, 11am (AWST)

PLACE OF MEETING:
235 St Georges Terrace
Perth WA 6000

goldfields money
All yours. Honestly

FINSURE
FINANCE AND INSURANCE

NOTICE OF GENERAL MEETING

by Goldfields Money Limited ABN 63 087 651 849

The Independent Directors unanimously recommend that you

VOTE IN FAVOUR

of the resolutions to approve the Finsure Transaction in the absence of a superior proposal and subject to the Independent Expert maintaining its conclusion that the Finsure Transaction is reasonable.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. You should read this document in its entirety before deciding how to vote on the Resolutions. If you are in any doubt as to how to deal with this document, or if you have any questions in relation to the Resolutions, the Finsure Transaction or the Meeting, please contact your legal, financial, taxation or other professional adviser, or telephone the Shareholder Information Line on: 1300 308 375 (within Australia) or +61 8 6314 6314 (outside Australia) Monday to Friday between 9:00am and 5:00pm (AWST).

To be valid, Proxy Forms for use at the Meeting must be received no later than 11.00am (AWST) on Wednesday 5 September 2018.

CORPORATE ADVISER

Azure Capital

LEGAL ADVISER

LAVAN

General

This Notice of Meeting and Explanatory Memorandum is dated 6 August 2018.

Shareholders should read this document in its entirety before deciding how to vote on the Resolutions.

Purpose of this document

The main purpose of this document is to explain the terms of a proposed merger of Goldfields Money and Finsure through the Finsure Transaction, and the manner in which that transaction will be implemented (if approved), and to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolutions to give effect to these matters.

Investment decisions

This document does not take into account the individual investment objectives, financial situation or particular needs of any Shareholder or any other person. Shareholders should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other appropriate adviser.

Forward looking statements

Some statements in this Explanatory Memorandum are in the nature of forward looking statements. You should be aware that these statements are predictions only and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to Goldfields Money and the Merged Group as well as general economic conditions and conditions in the financial markets, exchange rates, interest rates and the regulatory environment, many of which are outside the control of Goldfields Money and its Directors. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of Goldfields Money, any of its officers or any person named in this Explanatory Memorandum with their consent or anyone involved in the preparation of this Explanatory Memorandum makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on those statements.

The forward looking statements in this Explanatory Memorandum reflect views held only as at the date of this Explanatory Memorandum. Goldfields Money has no obligation to disseminate any updates or revisions to any statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless it is required to do so by law or under its continuous disclosure obligations under the Corporations Act and the Listing Rules.

Privacy statements

Goldfields Money has collected your information from the Goldfields Money share registry for the purpose of providing you with this Explanatory Memorandum. The type of information Goldfields Money has collected about you includes your name, contact details and information on your Goldfields Money shareholding. The Corporations Act requires the name and address of Shareholders to be held in a public register.

Defined terms

Certain terms used in this Explanatory Memorandum (including the Notice of Meeting) have defined meanings, as set out in Section 9.

No internet site is part of this Explanatory Memorandum

No internet site is part of this Explanatory Memorandum. Goldfields Money maintains an internet site (http://www.goldfieldsmoney.com.au). Any references in this Explanatory Memorandum to this internet site are textual references only and the information contained on the site does not form part of this Explanatory Memorandum.

Responsibility

Other than the Independent Expert's Report and the Finsure Information, this Explanatory Memorandum has been prepared by the Company and is the sole responsibility of the Company. Neither Finsure nor the Finsure Vendors assume any responsibility or liability for the accuracy or completeness of the information contained in this Explanatory Memorandum (other than the Finsure Information), but the Company does take responsibility and liability for that information.

The Finsure Information has been prepared by Finsure and is the sole responsibility of Finsure. The Company does not assume any responsibility or liability for the accuracy or completeness of the Finsure Information, but Finsure does take responsibility and liability for that information.

Neither ASIC nor the ASX takes any responsibility for the contents of this document.

Consents

Each of the following persons has given and has not before the date of this Explanatory Memorandum withdrawn its written consent to be named in this Explanatory Memorandum in the form and context in which it is named:

- *Azure Capital Limited*

  Azure Capital Limited has given and has not before the date of this Explanatory Memorandum withdrawn its written consent to being named in this Explanatory Memorandum as the corporate adviser to Goldfields Money.

- *Ernst & Young Transaction Advisory Services Limited*

  Ernst & Young Transaction Advisory Services Limited as Independent Expert has given and has not before the date of this Explanatory Memorandum withdrawn its written consent to the inclusion of its Independent Expert's Report in the form and context in which it is included in this Explanatory Memorandum and to all statements attributed to it in this Explanatory Memorandum.

- *Finsure Holding Pty Ltd*

  Finsure has given and has not before the date of this Explanatory Memorandum withdrawn its written consent to the inclusion in this Explanatory Memorandum of the Finsure Information in the form and context in which it is included.

- *KPMG Financial Advisory Services (Australia) Pty Ltd*

  KPMG Financial Advisory Services (Australia) Pty Ltd has given and has not before the date of this Explanatory Memorandum withdrawn its written consent to being named in this Explanatory Memorandum as accounting adviser in relation to the preparation by management of the Pro Forma Historical Statement of Financial Position.

- *Lavan*

  Lavan has given and has not before the date of this Explanatory Memorandum withdrawn its written consent to being named in this Explanatory Memorandum as legal adviser to Goldfields Money as to matters of Australian law.

Disclaimer

Each person referred to in 'Consents' above:

(a) has not authorised or caused the issue of this Explanatory Memorandum; and

(b) does not make, or purport to make, any statement in this Explanatory Memorandum or any statement on which a statement in this Explanatory Memorandum is based other than as specified in Consents above and

(c) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Explanatory Memorandum other than a reference to its name and any statement or report which has been included in this Explanatory Memorandum with the consent of that person referred to in Consents above.

ASX relief

A listed company has an obligation to notify ASX of a proposed significant change to the nature or scale of its activities under Listing Rule 11.

ASX can exercise its discretion to require the listed company to obtain the approval of its security holders in relation to the change in the nature or scale of its activities (Listing Rule 11.1.2), or to re-comply with ASX's admission requirements (Listing Rule 11.1.3).

On 24 November 2017, ASX confirmed to Goldfields Money that:

(a) Listing Rules 11.1.2 and 11.1.3 do not apply to the Finsure Transaction; and

(b) the Finsure Transaction is not a disposal of Goldfields Money's main undertaking and does not require approval from the Goldfields Money Shareholders for the purposes of Listing Rule 11.2.

Supplementary information

Goldfields Money will issue a supplementary document to this Explanatory Memorandum if it becomes aware of any of the following between the date of lodgement of this Explanatory Memorandum for registration by ASIC and Completion:

(a) a material statement in this Explanatory Memorandum that is false or misleading;

(b) a material omission from this Explanatory Memorandum;

(c) a significant change affecting a matter included in this Explanatory Memorandum; or

(d) a significant new matter arising that would have been required to be included in the Explanatory Memorandum if it had arisen before the date of lodgement of this Explanatory Memorandum for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Goldfields Money may circulate and publish a supplementary document by sending supplementary information to Shareholders and making an announcement to ASX.

Charts, graphs and diagrams

Any diagrams, charts, graphs and tables appearing in this Explanatory Memorandum are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, maps, graphs and tables is based on information available as at the date of this document.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Explanatory Memorandum are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Explanatory Memorandum, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

No other material information

Except as set out in this Explanatory Memorandum, there is no other information material to the making of a decision in relation to the resolutions to approve the Finsure Transaction, being information that is within the knowledge of any Director or Related Entity of Goldfields Money which has not previously been disclosed to Shareholders.

Enquiries

Shareholders are requested to contact the Shareholder Information Line on: 1300 308 375 (within Australia) or +61 6314 6314 (outside Australia) Monday to Friday between 9:00am and 5:00pm (AWST) if they have any queries in respect of the matters set out in this Explanatory Memorandum or the Notice.

CONTENTS

KEY DATES

Notice of Meeting dispatched to Goldfields Money Shareholders	8 August 2018
Voting eligibility date	7:00pm AEST on 5 September 2018
Deadline for receipt of Proxy Forms	11:00am on 5 September 2018
Meeting	11:00am on 7 September 2018
Expected date for Completion	14 September 2018

CHAIRMAN'S LETTER

6 August 2018

Dear fellow Goldfields Money Shareholder,

MEETING TO CONSIDER THE FINSURE TRANSACTION & CAPITAL RAISING[1]

On behalf of the Goldfields Money Board, I am very pleased to provide you with this Notice of Meeting and Explanatory Memorandum regarding the Company's proposed transaction with Finsure.

The transaction is being presented for all Shareholders to consider at a meeting to be held on Friday, 7 September 2018.

Your Independent Directors unanimously recommend that Shareholders approve the Finsure Transaction by voting in favour of the Resolutions to be considered at the Meeting, and all Directors who hold or control Shares intend to vote their own shareholdings in favour of it (in both cases, in the absence of a superior proposal and subject to the Independent Expert maintaining its conclusion that the Finsure Transaction is reasonable).

OVERVIEW OF THE FINSURE TRANSACTION & CAPITAL RAISING

On 15 January 2018, Goldfields Money announced to the ASX that it had signed a Share Sale and Purchase Agreement to merge with Finsure by acquiring 100% of the diluted shares in Finsure via the issue of 40,750,000 fully paid ordinary shares to Finsure shareholders based on an agreed issue price of $1.50 per share, subject to the satisfaction of certain conditions.

Further details of the Finsure Transaction can be found in Section 1.

Together with implementation of the Finsure Transaction, Goldfields Money will also complete a capital raising of between ~$15.3 million and ~$20.0 million by way of a placement of between 10,200,000 and 15,385,000 new Shares at a price of between $1.30 and $1.50 per Share. The funds raised are intended to be used to ensure that the Merged Group maintains sufficient regulatory capital and to fund additional lending growth.

A COMPELLING OPPORTUNITY

Maximising value for all Shareholders is of utmost importance to Goldfields Money. As many of you will be aware, the Goldfields Money Board recommended in late 2017 that Shareholders reject a takeover offer from a wholly-owned subsidiary of Firstmac Limited. That offer did not represent fair value or adequately reflect the outlook and opportunities for Goldfields Money. However, your Directors believe the proposed Finsure Transaction is a compelling opportunity for Goldfields Money and its Shareholders.

BENEFITS OF THE FINSURE TRANSACTION

Your Directors believe the Finsure Transaction has the potential to be transformational for Goldfields Money.

The expected benefits of the Finsure Transaction include improved scale and diversity of earnings, and growth prospects of Goldfields Money. More information about these expected benefits is set out in Section 2. Of course, the Finsure Transaction is not without risks, and more information about these is set out in Section 5. However, on balance, the Board believes the transaction will deliver substantial value to Goldfields Money Shareholders[2], and therefore recommends that Shareholders support it.

---

[1] Defined terms are set out in the Section 9 on page 52 of the Explanatory Memorandum.
[2] Although there can be no guarantee that this will occur.

THE INDEPENDENT EXPERT'S OPINION

To assist Shareholders in assessing the Finsure Transaction, Goldfields Money has appointed Ernst & Young Transaction Advisory Services Limited to prepare an Independent Expert's Report. In its report, the Independent Expert has concluded that the Finsure Transaction is fair and reasonable to Shareholders. Please see Annexure A, which is a full copy of the Independent Expert's Report. This is an important document, and Shareholders are advised to read it in full.

YOUR VOTE IS IMPORTANT

Your vote is important as the resolutions required to implement the Finsure Transaction need a certain level of Goldfields Money Shareholder support to be approved. I strongly encourage you to read this document carefully as it contains information material to a decision on how to vote.

If you desire a stronger Goldfields Money I strongly urge you to vote in favour of the Resolutions by attending the Meeting, by voting online, or by completing and sending in your Proxy Form. In order to be valid, the Proxy Form must be returned (in accordance with the instructions on it) by 11:00am (AWST) on Wednesday, 5 September 2018.

If you require any further information, you can call the Goldfields Money Shareholder information line on 1300 308 375 (within Australia) or +61 8 6314 6314 (outside Australia) at any time between 9:00am and 5:00pm (AWST) on Monday to Friday.

On behalf of the Board of Goldfields Money, I would like to take this opportunity to thank you in advance for your ongoing support of Goldfields Money. The Independent Directors believe the Finsure Transaction is compelling and encourage you to vote in favour of it.

Yours sincerely

Peter Wallace

Chairman

YOUR VOTE IS IMPORTANT

The Independent Directors unanimously recommend that you

VOTE IN FAVOUR

of the resolutions to approve the Finsure Transaction in the absence of a superior proposal and subject to the Independent Expert maintaining its conclusion that the Finsure Transaction is reasonable.

KEY REASONS TO VOTE IN FAVOUR OF THE RESOLUTIONS AND SUPPORT THE FINSURE TRANSACTION

1 UNANIMOUS INDEPENDENT DIRECTORS' RECOMMENDATION TO VOTE IN FAVOUR

The Independent Directors unanimously recommend that you vote in favour of the Finsure Transaction in the absence of a superior proposal and subject to the Independent Expert maintaining its conclusion that the Finsure Transaction is reasonable.

2 THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE FINSURE TRANSACTION IS FAIR AND REASONABLE TO GOLDFIELDS MONEY SHAREHOLDERS

The Independent Expert has concluded that the Finsure Transaction is fair and reasonable to Goldfields Money Shareholders, in the absence of a superior proposal, and that "additional upside" exists to the extent the Independent Expert's assumptions are exceeded.

3 DIVERSIFIED REVENUE STREAMS

The Finsure Transaction is expected to provide Goldfields Money with access to diversified revenue streams including aggregation, wholesale product offerings and Finsure loan writer subscription fees.

Goldfields Money is also expected to benefit from a broader geographical exposure with the expanded group increasing its exposure to the east coast of Australia.

4 INCREASED LOAN VOLUMES

Goldfields Money is expected to benefit from access to increased loan volumes by joining Finsure's panel of lenders, and funding part of Finsure's wholesale and white-label business.

Finsure currently settles ~$1.0 billion in new loans each month, the majority of which are prime residential home loans.

Goldfields Money expects to capture net interest margin on a proportion of these loans.

5 LOWER COST FUNDING

The Finsure Transaction is expected to provide Goldfields Money with access to lower cost funding via Finsure's distribution channels for deposit products including term deposits and transaction accounts.

Finsure currently settles ~2,500 new loans each month.

Goldfields Money expects to reduce its cost of funding via access to a greater number of distribution channels and access to lower cost funding (e.g. retail deposits and transaction accounts).

6 OPERATIONAL SYNERGIES

Whilst the intention is to keep the banking and non-banking activities of the Merged Group operationally separate, there are a number of opportunities to rationalise support functions that are currently duplicated and operate these as shared services across the group.

7

ATTRACTIVE SUBSCRIPTION PRICE

The Finsure Transaction deemed subscription price of $1.50 per Share is above the top end of the Independent Expert's valuation range (on a controlling interest basis prior to the Finsure Transaction), an 8% premium to the 3-month VWAP and an 18% premium to Firstmac's recent (expired) $1.27 per Share on-market takeover offer.

8

ACHIEVE NEW MARKET STATUS

The Finsure Transaction will allow Goldfields Money to fast-track growth by capitalising on its recently achieved banking status, and its aim of becoming a diversified financial services business by leveraging complementary services and increasing scale.

The increase in market capitalisation is expected to provide better access to capital markets, increased equity exposure and improved liquidity from additional broker coverage and institutional investor interest.

This has already started to occur with a number of brokers initiating coverage following announcement of the Finsure Transaction.

9

SUPPORT OF MAJOR SHAREHOLDERS

Following Completion of the Finsure Transaction, Finsure co-founders John Kolenda and Kar Wing Ng will (together with their associated entities) own between ~33.7% and ~35.6% of shares in the Merged Group (depending on the number of Shares issued to them and their associates, and the total number of Shares issued, in the Capital Raising). Of these shares, 19,012,208 Shares (representing between ~23.2% and ~24.7% of the Merged Group) will be subject to escrow restrictions ("Escrow Provisions") until the release of the Goldfields Money 31 December 2019 half year accounts.

This demonstrates their support of the Merged Group going forward, as they have committed themselves to ownership of the Merged Group for a significant period of time.

Resimac Limited (together with its associates) will own between ~5.4% and ~5.8% of the Merged Group (depending on the number of Shares issued in the Capital Raising), and will also be subject to escrow restrictions for 12 months following Completion of the Finsure Transaction.

10

LIMITED CONDITIONALITY

There are limited remaining conditions to be satisfied in order for the Finsure Transaction to complete. All change of control consents and the majority of regulatory approvals have now been received, including FSSA approval from the Federal Treasurer. The only remaining conditions are Goldfields Money shareholder approvals (which are the subject of the Explanatory Memorandum), approval from the ASX for quotation of the Consideration Shares (noting this is considered largely procedural), completion of the Capital Raising (which is required in order to satisfy a condition to the FSSA approval) and confirmation of no Goldfields Money or Finsure material adverse effect or prescribed event (none of which had occurred at the Preparation Date).

The reasons why you may wish to vote in favour of the Resolutions and support the Finsure Transaction are set out in more detail in Section 2 ("Key reasons to vote in favour of the Finsure Transaction").

KEY REASONS TO VOTE AGAINST THE RESOLUTIONS AND NOT SUPPORT THE FINSURE TRANSACTION

1 YOU MAY DISAGREE WITH THE INDEPENDENT DIRECTORS AND / OR THE INDEPENDENT EXPERT

You may disagree with the Independent Directors' unanimous recommendation and / or the Independent Expert's conclusion.

2 YOU MAY BELIEVE THERE IS POTENTIAL FOR A SUPERIOR PROPOSAL

You may believe there is potential for a superior proposal to be made in respect of Goldfields Money in the foreseeable future and that the implementation of the Finsure Transaction significantly reduces the likelihood of this occurring.

3 YOU MAY PREFER GOLDFIELDS MONEY'S CURRENT OWNERSHIP STRUCTURE

You may prefer Goldfields Money's current ownership structure, and not want Finsure shareholders (who will acquire a significant shareholding in Goldfields Money) to have influence over Goldfields Money.

4 YOU MAY PREFER YOUR FINANCIAL EXPOSURE TO GOLDFIELDS MONEY WITHOUT THE FINSURE TRANSACTION

You may prefer to participate in the future financial performance of Goldfields Money without the dilution of the Finsure Transaction.

5 YOU MAY CONSIDER THE FINSURE TRANSACTION INTRODUCES RISKS THAT ARE NOT ACCEPTABLE

You may consider the Finsure Transaction will introduce risks to Goldfields Money which are not acceptable to you, or you may wish to maintain an investment in an entity with the specific risk characteristics of Goldfields Money without the Finsure Transaction.

The reasons why you may wish to vote against the Resolutions and not support the Finsure Transaction are set out in more detail in Section 3 ("Key reasons to vote against the Finsure Transaction").

1 EXPLANATORY STATEMENT

1.1 BACKGROUND

On 23 November 2017, Goldfields Money announced to the ASX that it had entered into a Process Agreement with Finsure in respect of a proposal to pursue the potentially transformational Finsure Transaction, subject to the completion of due diligence by both parties and entering an implementation agreement.

On 15 January 2018, Goldfields Money announced to the ASX that it had signed a Share Sale and Purchase Agreement ("**SSPA**") to merge with Finsure by acquiring 100% of the diluted shares in Finsure via the issue of 40,750,000 fully paid ordinary shares to Finsure shareholders based on an agreed issue price of $1.50 per share, subject to the satisfaction of certain conditions (the "**Finsure Transaction**").

The Finsure Transaction and the SSPA will only take full effect from Completion (as defined in the SSPA). Completion is subject to a number of Conditions Precedent being satisfied (or waived in accordance with the SSPA), and are discussed further in Section 1.4 (including their current status, noting a number have already been satisfied).

If any Conditions Precedent have not been satisfied or waived by 5:00pm (AWST) on 30 September 2018 (or any later date agreed by Goldfields Money and Finsure in writing), this will give rise to a termination right for either party. See Section 1.7 for further detail on the implications of the Resolutions not being passed, and the Finsure Transaction not proceeding.

In connection with the implementation of the Finsure Transaction, Goldfields Money will raise new capital of between ~$15.3 million and ~$20.0 million (before expenses) by way of a placement of between 10,200,000 and 15,385,000 new Shares at a price of between $1.30 and $1.50 per Share ("**Capital Raising**"). The Capital Raising will satisfy a condition of the FFSA approval which has been received in relation to the Finsure Transaction, and the funds raised are intended to be used to ensure that the Merged Group maintains sufficient regulatory capital and to fund additional lending growth.

The Capital Raising is conditional upon satisfaction or waiver (in accordance with the SSPA) of all of the Conditions Precedent to the Finsure Transaction (including the passing of the Resolutions). Subject to satisfaction or waiver of those Conditions Precedent, the new Shares under the Capital Raising will be issued shortly prior to completion of the Finsure Transaction.

1.2 PURPOSE OF THE MEETING

Various shareholder approvals are required in order to implement the Finsure Transaction and the Capital Raising.

Under the Corporations Act, a person cannot acquire an interest in shares in a listed company if, as a result, their (or someone else's) voting power in that company will exceed (or increase beyond) 20% unless that acquisition fits within a specific exception. A number of companies in a corporate group (such as holding companies) may often all obtain (or be taken to obtain) the same voting power in shares acquired by one member of their group due to levels of control that they may be able to exercise.

One of the specified exceptions (set out in the Corporations Act) to the prohibition is where the acquisition is approved by shareholders as part of a general meeting.

If implemented, the Finsure Transaction will result in one existing Finsure shareholder (and their associates) obtaining voting power in Goldfields Money in excess of the 20% threshold, and therefore requiring shareholder approval (being Finsure co-founder John Kolenda). The total voting power held by John Kolenda (and his associates) if the Finsure Transaction is implemented, is shown in the table below.

Shareholder	Current Goldfields Money Shares held		Goldfields Money Shares to be issued pursuant to the Finsure Transaction and the Capital Raising	Post Finsure Transaction Goldfields Money Shares held in Merged Group		
	Number of Shares	*% of Goldfields Money*[3]		*Number of Shares*	*% if max Capital Raising Shares Issued*[3,4]	*% if min Capital Raising Shares Issued*[3,5]
Aura Funds Management Pty Ltd ATF Aura Special Opportunities Fund VIII	2,588,687	10.0%	-	2,588,687	3.2%	3.4%
1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust	-	-	7,832,475	7,832,475	9.5%	10.2%
Daring Investments Pty Ltd	-	-	3,976,667	3,976,667	4.8%	5.2%
- Participation in the Capital Raising	-	-	Up to 769,231[6]	Up to 769,231[6]	Up to 0.9%[6]	Up to 1.0%[6]
1300Homeloan Pty Ltd ATF 1300HOMELOAN Trust	-	-	1,116,789	1,116,789	1.4%	1.5%
Koleet Pty Ltd ATF Kolenda Family Trust	-	-	1,845,783	1,845,783	2.2%	2.4%
Noah James Investments PL ATF The Rocco Veneziano Family Trust[7]	-	-	1,133,768	1,133,768	1.4%	1.5%
Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund[7]	-	-	711,561	711,561	0.9%	0.9%
Total John Kolenda and associates interest	**2,588,687**	**10.0%**	**16,617,043 to 17,386,274**[6]	**19,205,730 to 19,974,961**[6]	**23.4% to 24.3%**[6]	**25.0% to 26.0%**[6]

The numbers stated in the table above and elsewhere in this document are derived on the basis of an assumed Completion date for the Finsure Transaction of 14 September 2018. This is the date on which Completion is currently anticipated to occur, subject to the passing of the Resolutions at the Meeting.

[3] Undiluted percentage of total Goldfields Money Shares on issue (excluding performance rights and options). Consistent throughout document.
[4] The maximum number of Shares to be issued in the Capital Raising is 15,385,000. The actual percentage shareholdings following completion of the Finsure Transaction and the Capital Raising will depend on the actual number of Shares issued under the Capital Raising.
[5] The minimum number of Shares to be issued in the Capital Raising is 10,200,000. The actual percentage shareholdings following completion of the Finsure Transaction and the Capital Raising will depend on the actual number of Shares issued under the Capital Raising.
[6] Daring Investments Pty Ltd has committed to subscribe up to 769,231 Goldfields Money Shares under the Captial Raising. The number of Goldfields Money Shares issued will depend on the take-up by other investors under the Capital Raising. See Section 3.2 for further details.
[7] This entity is related to Rocco Veneziano, who owns one third of the interests in 1300Homeloan Pty Ltd. John Kolenda owns one third of the interests in, and is a director of, 1300 Homeloan Pty Ltd. As a result of this relationship, each of Rocco Veneziano, Noah James Investments Pty ATF The Rocco Veneziano Family Trust and Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund may act in concert with, and therefore be Associates of, John Kolenda.

As part of the Finsure Transaction, certain Finsure Vendors (being the "**Escrowed Vendors**"), are required to deliver voluntary escrow deeds to Goldfields Money in respect of their Consideration Shares. The voluntary escrow deeds prevent those Finsure Vendors from disposing of their escrowed Shares for the applicable escrow period. More than 55% of the Consideration Shares to be issued to the Finsure Vendors will be subject to escrow under these arrangements.

Further, various approvals are required under the Listing Rules in order to implement the Finsure Transaction and the Capital Raising in order to issue Shares in excess of the Company's current placement capacity under Listing Rule 7.1, and to undertake transactions with, and issue Shares to, persons in a position of influence (such as related parties and substantial shareholders).

As such, implementation of the Finsure Transaction and the Capital Raising is subject to approval of the Resolutions, which are proposed to be approved by Goldfields Money Shareholders at a Meeting to be held on 7 September 2018. Further information regarding the Corporations Act and Listing Rules requirements is set out in Annexures B and C.

1.3 RATIONALE FOR THE FINSURE TRANSACTION

The Directors believe the Finsure Transaction has the potential to be transformational for Goldfields Money. If completed in accordance with its terms, the Directors expect (although cannot guarantee) that the Finsure Transaction will increase the scale, earnings and growth prospects of Goldfields Money. Further information on the Directors' rationale for why they believe Goldfields Money Shareholders should vote in favour of the Resolutions and support the Finsure Transaction is set out in Section 2.

1.4 COMPLETION OF THE FINSURE TRANSACTION AND THE STATUS OF CONDITIONS PRECEDENT

As noted above, the Finsure Transaction will only become effective from Completion. Each of the Conditions Precedent, who is to benefit from, who is responsible for and the current status of each is set out in the table below as at 3 August 2018 (the "**Preparation Date**").

The passage of the Resolutions is expected to be one of the final Conditions Precedent to be satisfied, along with completion of the Capital Raising, approval from the ASX for quotation of the Consideration Shares (noting this is considered largely procedural), and confirmation of no Goldfields Money or Finsure material adverse effect or prescribed event (none of which had occurred at the Preparation Date). If the Conditions Precedent are not all satisfied by the End Date, this will give rise to a termination right for either party.

Goldfields Money will confirm the status of all outstanding Conditions Precedent by way of announcements to the ASX prior to the Meeting or, where no material update is available prior to the Meeting, at the Meeting.

As at the Preparation Date, Goldfields Money is not aware of any circumstances that indicate that any of the outstanding Conditions Precedent (other than passage of the Resolutions and completion of the Capital Raising) will not be satisfied by the End Date (although Goldfields Money can give no assurances that all such Conditions Precedent will be satisfied by the End Date or at all).

Conditions Precedent	Benefit	Responsibility	Status
Receipt of all necessary regulatory approvals, waivers and consents by Goldfields Money			
Receipt of all that are required to implement the Finsure Transaction, including, without limitation: (a) approval from the ASX for quotation of the Consideration Shares; (b) confirmation from the ASX that it does not object to the Explanatory Memorandum pursuant to the Listing Rules; and (c) confirmation from ASIC that either it has no comments in respect of the Explanatory Memorandum or it is satisfied that any comments it has have been satisfactorily addressed.	Finsure and Goldfields Money (cannot be waived)	Goldfields Money	(a) Pending (b) Satisfied – received 3 August 2018 (c) Satisfied – received 3 August 2018
Receipt of all necessary regulatory approvals, waivers and consents by Finsure			
Receipt of all that are required to implement the Finsure Transaction.	Finsure and Goldfields Money (cannot be waived)	Finsure	Satisfied - no further approvals required
Treasurer approval			
The Treasurer has granted all necessary approvals under the FSSA.	Finsure and Goldfields Money (cannot be waived)	Goldfields Money	Satisfied – received 1 June 2018[8]
Goldfields Money Shareholder approvals			
Goldfields Money has obtained all Goldfields Money Shareholder approvals at the Meeting that may be required to complete the Finsure Transaction.	Finsure and Goldfields Money (cannot be waived)	Goldfields Money	Pending
No Prescribed Event or Material Adverse Event for Finsure			
No Finsure Prescribed Event or Finsure Material Adverse Event occurring prior to Completion.	Goldfields Money	Finsure	Pending
No Prescribed Event or Material Adverse Event for Goldfields Money			
No Goldfields Money Prescribed Event or Goldfields Money Material Adverse Event occurring prior to Completion.	Finsure	Goldfields Money	Pending

[8] Subject to Goldfields Money raising at least $20 million in Common Equity Tier 1 Capital to ensure the Merged Group maintains sufficient regulatory capital. Goldfields Money intends to raise at least the $20 million amount required as part of the FSSA approval (after taking in to account the ~$4.7 million raised in April 2018 by way of placement) through the Capital Raising.

Conditions Precedent	Benefit	Responsibility	Status
Completion by Finsure of its acquisition of NHL			
The completion by Finsure of its acquisition of NHL pursuant to and substantially in accordance with the NHL Share Sale Agreement.	Goldfields Money	Finsure	Satisfied – acquisition completed on 31 Jan 2018
Receipt of consent from Finsure lenders			
Receipt of consent to the acquisition of the Finsure Shares by Goldfields Money from:	Goldfields Money	Finsure	
(a) One Managed Investment Funds Ltd in its capacity as custodian and agent for Aura Funds Management 1 Pty Ltd as trustee for Aura High Yield Fund;			(a) Satisfied – received 12 Mar 2018
(b) Australian Executor Trustees Limited in its capacity as custodian for Aura Funds Management 1 Pty Ltd as trustee for Finsure Syndicated Loan Unit Trust; and			(b) Satisfied – received 12 Mar 2018
(c) One Managed Investment Funds Ltd as custodian of the Aura High Yield Fund.			(c) Satisfied – received 12 Mar 2018
Receipt of consent from Goldfields Money lenders			
Receipt of consent to any change of control of Goldfields Money arising out of or in connection with the Transaction from Bendigo and Adelaide Bank Limited.	Finsure	Goldfields Money	Satisfied – received 25 Jan 2018

1.5 TIMING

Subject to satisfaction of the remaining Conditions Precedent, Completion of the Finsure Transaction is anticipated by 14 September 2018. The key dates and times in relation to the Finsure Transaction are set out in the beginning of this Explanatory Memorandum. These key dates are indicative only and are subject to change.

1.6 SHAREHOLDER APPROVALS

Shareholder approval of the Finsure Transaction and the Capital Raising is required by:

(a) certain provisions of the Listing Rules regulating the issue of shares in excess of the Company's remaining placement capacity, and issues of shares to and transactions with persons in a position of influence (such as related parties and substantial shareholders); and

(b) provisions of the Corporations Act which limit the circumstances in which a person holding voting power of less than 20% may increase their voting power to more than 20%.

See Annexures B and C for further information on the approvals required.

The Resolutions proposed to the Meeting must be approved by a majority in number (more than 50%) of Goldfields Money Shareholders present and voting at the Meeting (in person or by proxy, corporate representative or attorney).

1.7 IMPLICATIONS IF THE RESOLUTIONS ARE NOT APPROVED

a. Impact on the Finsure Transaction

If the Resolutions are not approved, neither the Finsure Transaction nor the Capital Raising will proceed.

The SSPA provides that if the Resolutions are not approved or any other Conditions Precedent are not satisfied (or waived in accordance with the SSPA) by the End Date, this will give rise to a termination right for either party.

Even if the Resolutions are approved at the Meeting, Shareholders should be aware that the Finsure Transaction may still fail if any other Conditions Precedent are not satisfied or waived. In those circumstances, the Capital Raising will also not proceed.

b. Operational impact on Goldfields Money

If the Resolutions are not approved, or the Finsure Transaction otherwise fails (for example if one or more of the other Conditions Precedent are not satisfied or waived), the Board intends that Goldfields Money will continue to operate as it did before announcement of the Finsure Transaction.

However, the Board has considered Goldfields Money's current business model and determined that the Finsure Transaction represents the best opportunity currently available for the Company to expand its scale and improve profitability.

c. Financial impact on Goldfields Money

Should the Finsure Transaction not be implemented, the anticipated financial impact on Goldfields Money would include Goldfields Money's costs in respect of the Finsure Transaction plus any break fee payable by Goldfields Money to Finsure less any cost sharing amount payable by Finsure to Goldfields Money.

Goldfield Money's costs in respect of the Finsure Transaction should it not be implemented include advisory, legal, accounting, tax, independent expert and printing costs, which are estimated to be approximately $1.3 – $1.4 million (inclusive of GST) in aggregate (excluding any break fee or cost sharing payments between Finsure and Goldfields Money).

The parties have agreed a break fee requiring Goldfields Money to make payment to Finsure of $350,000 if Finsure terminates the SSPA in any of the following circumstances:

- Breach of exclusivity by Goldfields Money, or following material breach by Goldfields Money of the SSPA, which is not remedied;
- Goldfields Money accepts or enters into (or offers to accept or enter into) any agreement, arrangement or understanding regarding a competing proposal or a competing proposal completes substantially in accordance with its terms (or in the case of a competing proposal constituting a takeover bid, the bidder acquiring a relevant interest of more than 50%) by 31 March 2019;
- Two or more directors of Goldfields Money recommend or support a competing proposal (other than where the independent expert opines that the Finsure Transaction is not reasonable); or
- A prescribed event (change in capital structure, providing security to third parties, paying dividends, amending the constitution and insolvency events) occurs in relation to Goldfields Money, where the event is a corporate action of, primarily caused by, or within the control of Goldfields Money.

The parties have agreed a cost sharing regime requiring Finsure to make payment to Goldfields Money of $130,000 if the Finsure Transaction is not implemented except where the SSPA is terminated as a result of:

- Failure to obtain all necessary Goldfields Money Shareholder approvals;
- Occurrence of a Goldfields Money material adverse effect or prescribed event;
- Breach of exclusivity or other material and unremedied breach by Goldfields Money;
- Goldfields Money accepting or entering into a competing proposal (or such competing proposal completing) or two or more directors of Goldfields Money recommending or supporting a competing proposal (other than where the independent expert opines that the Finsure Transaction is not reasonable); or
- Failure to secure change of control consent in relation to Goldfields Money's Receivables Acquisition and Servicing Agreement with Bendigo and Adelaide Bank Limited.

1.8 INDEPENDENT EXPERT'S REPORT

To assist Shareholders with their assessment of the Finsure Transaction and their consideration of whether to vote in favour of the Resolutions, Goldfields Money appointed the Independent Expert, Ernst & Young Transaction Advisory Services Limited, to prepare the Independent Expert's Report.

The Independent Expert has concluded that the Finsure Transaction is fair and reasonable to Goldfields Money Shareholders. The full Independent Expert's Report is set out in Annexure A.

The Independent Expert's Report is an important document and Shareholders are encouraged to read it in full before deciding whether to vote in favour of the Resolutions.

1.9 INDEPENDENT DIRECTORS' RECOMMENDATION

After carefully considering all aspects, benefits and risks of the Finsure Transaction, and the Independent Expert's Report, the Independent Directors of Goldfields Money unanimously support the Finsure Transaction and each of them recommends that Shareholders vote in favour of the Resolutions in the absence of a superior proposal and subject to the Independent Expert maintaining its conclusion that the Finsure Transaction is reasonable.

The Independent Directors have formed this view for reasons including the following:

- The Independent Expert has concluded that the Finsure Transaction is fair and reasonable to Goldfields Money Shareholders, in the absence of a superior proposal;
- The Finsure Transaction is expected to provide Goldfields Money with access to diversified revenue streams and a broader geographical exposure;
- Goldfields Money is expected to benefit from access to increased loan volumes by joining Finsure's panel of lenders, and funding part of Finsure's wholesale and white-label business;
- The Finsure Transaction is expected to provide Goldfields Money with access to lower cost funding via Finsure's distribution channels for deposit products including term deposits and transaction accounts;
- Goldfields Money expects to achieve operational synergies as part of the Finsure Transaction, although noting the intention to keep the banking and non-banking activities of the Merged Group operationally separate;
- The Finsure Transaction deemed subscription price of $1.50 per Share is above the top end of the Independent Expert's valuation range (on a controlling interest basis prior to the Finsure Transaction), a ~8% premium to the 3-month VWAP and a ~18% premium to Firstmac's recent (expired) $1.27 per Share on-market takeover offer[10]; and
- The Finsure Transaction will allow Goldfields Money to fast-track growth by capitalising on its recently achieved banking status and its aim of becoming a diversified financial services business, provide better access to capital markets, increased equity exposure and improved liquidity from additional broker coverage and institutional investor interest.

John Kolenda, who has a material personal interest in the Finsure Transaction, does not give a recommendation in respect of the Resolutions.

Each Director intends to vote in favour of the Resolutions in respect of any Goldfields Money Shares they hold or control, in the absence of a superior proposal and subject to the Independent Expert maintaining its conclusion that the Finsure Transaction is reasonable.

Further detail regarding the above benefits is set out in Section 2 "Key reasons to vote in favour of the Finsure Transaction". Shareholders should, however, also consider Section 3 "Key reasons to vote against the Finsure Transaction" and Section 5 "Risks of the Finsure Transaction".

1.10 STEPS TO BE TAKEN BY GOLDFIELDS MONEY SHAREHOLDERS

a. Read the remainder of this Explanatory Memorandum

Read the remainder of this Explanatory Memorandum in full before making any decision on the Finsure Transaction, the Capital Raising and the associated Resolutions.

b. Consider your options

Goldfields Money Shareholders should refer to Section 2 for further guidance on the key reasons to vote in favour of, or Section 3 to vote against, the Resolutions, and Section 5 for guidance on the risk factors associated with the Finsure Transaction.

Should you wish to discuss this Notice of Meeting or have any questions in relation to any part of the Finsure Transaction, please contact the Shareholder Information Line on 1300 308 375 (within Australia) or +61 6314 6314 (outside Australia) Monday to Friday between 9:00am and 5:00pm (AWST) or consult your legal, investment, taxation, financial or other professional adviser.

c. Vote at the Meeting

Your Directors urge you to vote on the Resolutions at the Meeting. Your vote at the Meeting is important in determining whether the Finsure Transaction proceeds.

Details of how to vote and voting eligibility are set out on page 57 and in the Proxy Form accompanying this Explanatory Memorandum.

2 KEY REASONS TO VOTE IN FAVOUR OF THE FINSURE TRANSACTION

Set out in this Section is information about the expected benefits of the Finsure Transaction. Your Directors believe the Finsure Transaction has the potential to be transformational for Goldfields Money and to fast-track growth by capitalising on its recently achieved banking status.

The expected benefits of the Finsure Transaction include improved scale and diversity of earnings, and growth prospects of Goldfields Money. More information about these expected benefits is set out in Section 2. Of course, the Finsure Transaction is not without risks, and more information about these is set out in Section 5.1. However, on balance, the Board believes the transaction will deliver substantial value to Goldfields Money Shareholders, and therefore the Independent Directors recommend that Shareholders support it.

2.1 UNANIMOUS INDEPENDENT DIRECTORS' RECOMMENDATION TO VOTE IN FAVOUR

The Independent Directors unanimously recommend that you vote in favour of the Resolutions and support the Finsure Transaction in the absence of a superior proposal, and subject to the Independent Expert maintaining its conclusion that the Finsure Transaction is reasonable.

Finsure has in depth mortgage market knowledge and a significant distribution arm of +1,400 accredited loan writers, plus access to more than 6,000 loan writers through its Better Choice wholesale mortgage management products as of 30 June 2018. The Finsure Transaction represents an alignment of distribution and product manufacturing that is expected to benefit Goldfields Money through:

- Increased profitability and broader product offering for Finsure's wholesale business;
- Broadened geographical footprint from the west coast to east coast of Australia;
- Diversity of income streams through aggregation, wholesale product offerings and Finsure loan writer subscription fees; and
- Introduction of deposits and accounts.

2.2 THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE FINSURE TRANSACTION IS FAIR AND REASONABLE TO GOLDFIELDS MONEY SHAREHOLDERS

The Finsure Transaction has been reviewed by the Independent Expert, Ernst & Young Transaction Advisory Services Limited, who has assessed the valuation of Goldfields Money before and after the transaction. The Independent Expert's assessed portfolio interest value of Goldfields Money Shares following the implementation of the Finsure Transaction of $1.43 per share (mid-point of $1.34 – $1.51 per share range) is greater than:

- The controlling interest value of Goldfields Money Shares prior to implementation of the Finsure Transaction of $1.38 per share (mid-point of $1.32 – $1.43 per share range); and
- The portfolio interest value of Goldfields Money Shares prior to implementation of the Finsure Transaction of $1.17 per share (mid-point of $1.11 – $1.22 per share range).

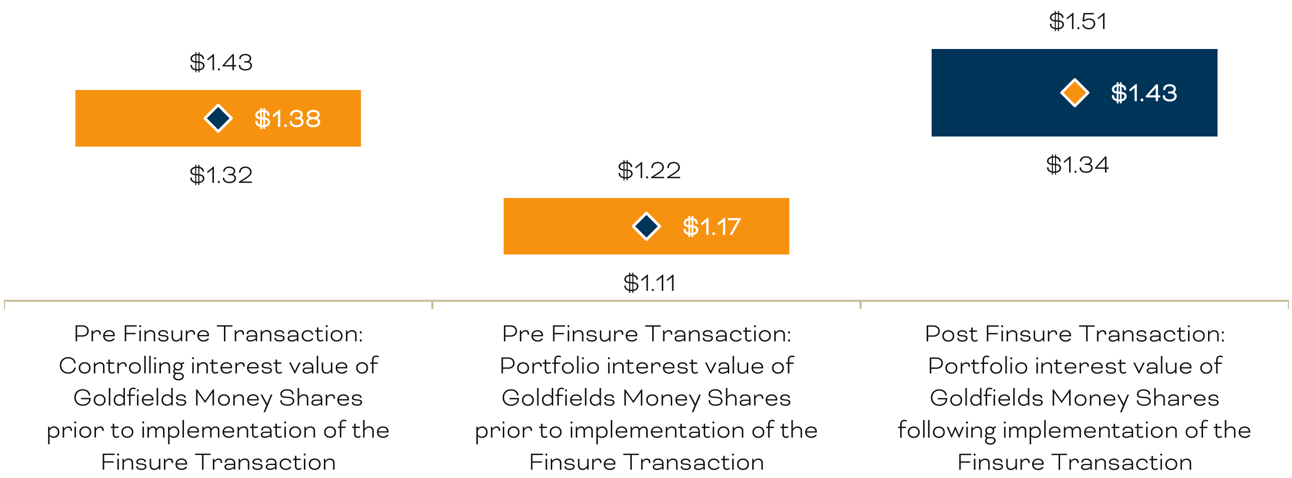
The Independent Expert has therefore concluded that the Finsure Transaction is fair and reasonable to Goldfields Money Shareholders in the absence of a superior proposal and that "to the extent that the growth in [Goldfields Money] and Finsure's businesses exceed that reflected in [the Independent Expert's] valuation, or the cost savings achieved are higher, this may provide additional upside" to the assessed valuation of Goldfields Money Shares following the implementation of the Finsure Transaction.[9] The Independent Expert adopted a sum-of-the-parts approach to valuation of Goldfields Money following the implementation of the Finsure Transaction. The valuation of Goldfields Money is based on a multiple of net tangible asssets, which is a widely used methodology in valuing lending businesses such as banks and other ADIs. By contrast, the valuation of Finsure is based on capitalised maintainable earnings as Finsure is a mortgage aggregation and brokerage business, and not a lending business.

Long term forecasts for both Goldfields Money and Finsure were also reviewed by the Independent Expert to understand the potential growth of the businesses under a number of scenarios.

[9] See paragraphs 8.8, 9.2.3, 9.3.5, 9.9 and 10.2 of the Independent Expert's Report, which is attached as Annexure A. It is an important document and you are encouraged to read it in full.

The full Independent Expert's Report is set out in Annexure A and Shareholders are encouraged to read it in full as it is an important document.

FIGURE 1: INDEPENDENT EXPERT'S VALUATION COMPARISON



2.3 DIVERSIFIED REVENUE STREAMS

The Finsure Transaction is expected to provide Goldfields Money with access to large scale national distribution, diversified revenue streams including the addition of aggregation, wholesale product offerings and Finsure loan writer subscription fees.

Finsure's primary sources of revenue include monthly recurring fees, recurring trail and upfront commissions on new loan volumes, and recurring software licensing revenue from loan writers. Goldfields Money's primary source of revenue currently includes interest revenue from loan products and bailment revenue from ATM providers.

Goldfields Money is headquartered in Western Australia and its existing loan book comprises loan volumes predominantly from the west coast of Australia. In contrast, Finsure is headquartered in New South Wales and its existing loan book comprises loan volumes predominantly from the east coast of Australia. Following implementation of the Finsure Transaction, Goldfields Money is expected to benefit from a broader geographical exposure with the expanded group increasing its presence in and exposure to the east coast of Australia.

This diversity in revenue streams and geographical exposure is expected to create opportunities for additional growth and ensure the Merged Group is more resilient in a variable operating environment.

2.4 INCREASED LOAN VOLUMES

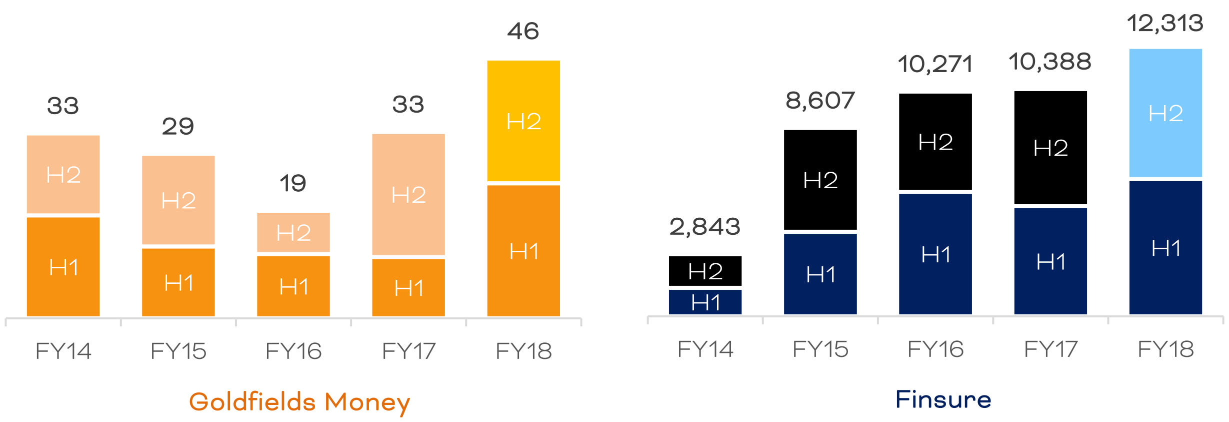
Following implementation of the Finsure Transaction, Goldfields Money is expected to benefit from access to increased loan volumes by joining Finsure's panel of lenders, and funding part of Finsure's wholesale and white-label business.

As at 30 June 2018 Finsure's total loan book had grown to ~$33.2 billion. Finsure currently settles ~$1.0 billion in new loans each month, the majority of which are prime residential home loans. These volumes are well in excess of those written by Goldfields Money historically and represent an opportunity for Goldfields Money to grow its existing book of on-balance sheet loans by joining Finsure's panel of lenders. The Merged Group will benefit from capturing additional net interest margin by funding these additional loan volumes.

Another example of the opportunity for the Merged Group to increase on-balance sheet loan volumes is Finsure's white-label product MyLoan. Over the 12-month period ending 30 June 2018, Finsure wrote ~$32 million in wholesale products per month. Goldfields Money expects to begin funding part of that volume soon after Completion, with the benefit of capturing additional net interest margin on these loans.

Growth in lending will be carefully managed to ensure compliance with Goldfields Money's lending policies and APRA regulatory requirements (including the separation of banking and non-banking activities).

FIGURE 2: HISTORICAL LOAN SETTLEMENTS ($M)



2.5 LOWER COST FUNDING

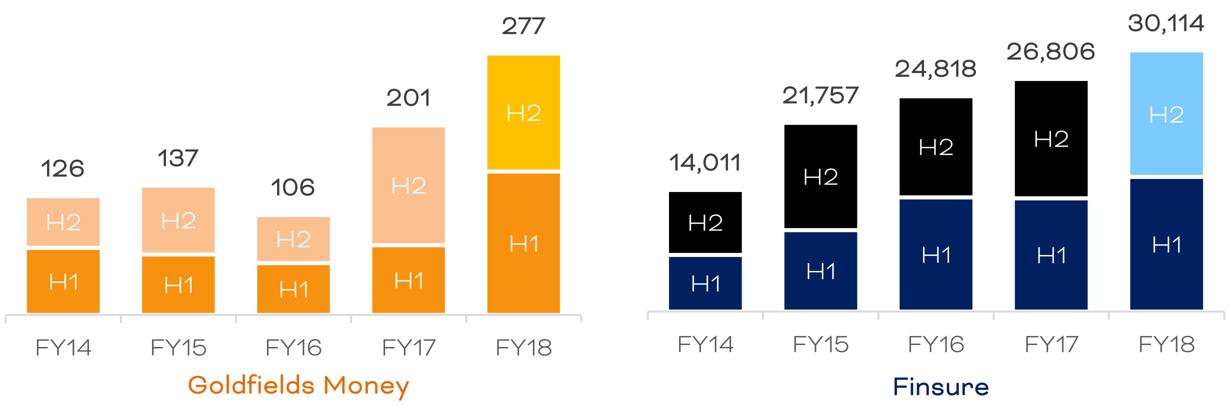
The Finsure Transaction is expected to provide Goldfields Money with access to lower cost funding via Finsure's distribution channels for deposit products including term deposits and transaction accounts (as at 30 June 2018, Goldfields Money deposits reached $195 million).

Once added to the Finsure panel of lenders, Goldfields Money will have the opportunity to package its own transaction accounts as well as white-label transaction accounts for Finsure's Better Choice wholesale business products. Increasing the proportion of funding sourced from transaction accounts, which is currently the lowest cost source of funding available to Goldfields Money, will reduce the cost of funding for and improve overall profitability of the Merged Group.

Over the 12-month period ending 30 June 2018, Finsure settled ~2,500 new loans each month. Loans settled by Finsure are expected to be a significant distribution channel for the Merged Group via marketing of term deposits and transaction accounts to borrowers. This represents a potential step change in distribution channels available to the Merged Group, relative to the ~23 new loans settled each month by Goldfields Money over the 12-month period ending 30 June 2018.

Following implementation of the Finsure Transaction, Goldfields Money expects to reduce its cost of funding via access to a greater number of distribution channels (e.g. Finsure's Better Choice wholesale business products and ~2,500 new loans settled each month) leading to a greater proportion of lower cost funding (e.g. retail deposits and transaction accounts).

FIGURE 3: HISTORICAL LOAN VOLUMES (#)



2.6 OPERATIONAL SYNERGIES

The intention is to keep the banking and non-banking activities of the Merged Group operationally separate. Following implementation of the Finsure Transaction, the Board will review opportunities to integrate all or parts of Finsure's wholesale lending business with the existing banking activities of Goldfields Money. The Finsure aggregation business will continue to operate on a standalone basis, separate from the banking activities, as it has done since inception. There are also a number of opportunities to rationalise support functions that are currently duplicated and operate these as shared services across the group.

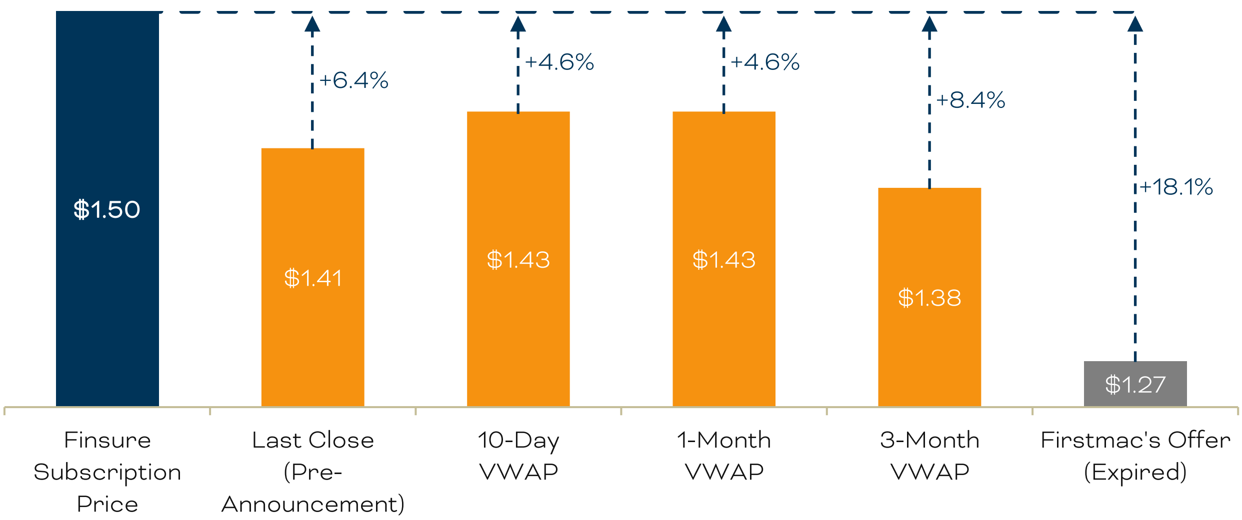
A number of these opportunities have already been identified and are expected to be implemented over time in a considered manner. Goldfields Money estimates that sustainable operational synergies of the Merged Group will equate to ~$1 million per annum once implemented.

Goldfields Money will ensure adequate controls are put in place to ensure compliance with APRA regulatory requirements (including the separation of banking and non-banking activities) before implementing any changes.

2.7 ATTRACTIVE SUBSCRIPTION PRICE

The Finsure Transaction deemed subscription price of $1.50 per Share is above the top end of the Independent Expert's valuation range of $1.32 – 1.43 per Share (on a controlling interest basis prior to the Finsure Transaction), an ~8% premium to the 3-month VWAP and an ~18% premium to Firstmac's recent (expired) $1.27 per Share on-market takeover offer.[10]

FIGURE 4: DEEMED SUBSCRIPTION PRICE AND PREMIUM TO HISTORICAL TRADING



[10] On 15 January 2018, Goldfields Money announced to the ASX that it had signed a Share Sale and Purchase Agreement to merge with Finsure by acquiring 100% of the diluted shares in Finsure (valued at $61,125,000) via the issue of 40,750,000 fully paid ordinary shares to Finsure shareholders based on an agreed issue price of $1.50 per share, subject to the satisfaction of certain conditions. The deemed subscription price exceeds the Independent Expert's valuation range of $1.32 to $1.43 for Goldfields Money on a controlling basis prior to the Finsure Transaction as set out in the Independent Expert's Report attached to this Explanatory Memorandum as Annexure A. Last close and VWAPs on the ASX calculated as at 12 January 2018, the last day Goldfields Money Shares traded prior to the announcement of the execution of binding documentation in respect of the Finsure Transaction. Firstmac Limited's recent revised bid of $1.27 per share closed on 1 December 2017.

2.8 ACHIEVE NEW MARKET STATUS

The Finsure Transaction will allow Goldfields Money to fast-track growth by capitalising on its recently achieved banking status, and its aim of becoming a diversified financial services business by leveraging complimentary services and increasing scale.

The increase in market capitalisation is expected to provide better access to capital markets, increased equity exposure and improved liquidity from additional broker coverage and institutional investor interest.

This has already started to occur with Baillieu Holst and Hartleys initiating coverage following announcement of the Finsure Transaction. Copies of their latest research reports are available from the Goldfields Money website and as at the Preparation Date, have price targets well above the deemed subscription price of $1.50 per Share under the Finsure Transaction.

2.9 SUPPORT OF MAJOR SHAREHOLDERS

Following Completion of the Finsure Transaction, Finsure co-founders John Kolenda and Kar Wing Ng will (together with their associated entities) own between ~33.7% and ~35.6% of shares in the Merged Group (depending on the number of shares issued to them and their associates, and the total number of shares issued, in the Capital Raising). Of these shares, 19,012,208 Shares (representing between ~23.2% and ~24.7% of the Merged Group) will be subject to escrow restrictions ("**Escrow Provisions**") until the release of the Goldfields Money 31 December 2019 half year accounts, whereby they must not dispose of any of those shares for that period of time.

Resimac Limited (together with its associates) will own between ~5.4% and ~5.8% of the Merged Group (depending on the number of shares issued in the Capital Raising), and will also be subject to escrow restrictions for 12 months following Completion of the Finsure Transaction.

The Escrow Provisions are set out in Annexure A of the Share Sale & Purchase Agreement, a copy of which was released to the ASX on 15 January 2018. The Escrow Provisions:

- Contain no restrictions on the exercise of voting rights attached to the escrowed Shares;
- Restrict disposals for the relevant period set out above;
- Provide an exception to the restriction on disposing of the escrowed Shares to enable the holder to accept a takeover bid or to enable the Shares to be transferred or cancelled as part of a merger by way of scheme of arrangement if any of the following conditions are met:
    - Where a takeover bid is made and the holders of at least half of the Shares that are the subject of the bid and that are not subject to escrow, have accepted;
    - In the case of a conditional off-market takeover bid, the bidder and the holder agree in writing that the escrow will continue to apply for each Share not bought by the bidder under the bid;
    - In the case of a merger by scheme of arrangement, where the holder agrees in writing that the escrow will continue to apply if the merger does not take effect; and
- Permit other disposals of escrowed Shares where required by law, where the disposal is in connection with an equal access share buy-back or equal capital reduction, or where the disposal is to a relative or related body corporate and the transferee enters into escrow provisions on the same terms.

2.10 LIMITED CONDITIONALITY

There are limited remaining conditions to be satisfied in order for the Finsure Transaction to complete. All change of control consents and the majority of regulatory approvals have now been received, including FSSA approval from the Federal Treasurer, which is subject to Goldfields Money raising at least $20 million in Common Equity Tier 1 Capital to ensure the Merged Group maintains sufficient regulatory capital. Goldfields Money intends to raise at least the $20 million amount required as part of the FSSA approval (after taking in to account the ~$4.7 million raised in April 2018 by way of placement) through the Capital Raising.

The only remaining conditions are:

- Goldfields Money shareholder approvals (which are the subject of the Explanatory Memorandum);
- Completion of the Capital Raising;
- Approval from the ASX for quotation of the Consideration Shares (noting this is considered largely procedural); and
- Confirmation of no Goldfields Money or Finsure material adverse effect or prescribed event (none of which had occurred at the Preparation Date).

The Conditions Precedent completed at the Preparation Date are:

- Receipt of FSSA approval from the Federal Treasurer;
- Confirmation from the ASX that it does not object to the Explanatory Memorandum pursuant to the Listing Rules;
- Confirmation that ASIC has no comments in respect of the Explanatory Memorandum;
- Receipt of consent from Finsure lenders;
- Receipt of consent from Goldfields Money lenders;
- Completion by Finsure of its contracted trail book acquisition; and
- Receipt of all regulatory approvals and waivers by Finsure.

3 KEY REASONS TO VOTE AGAINST THE FINSURE TRANSACTION

Set out below are some key reasons why you may wish to vote against the Finsure Transaction. You should also note that there are a number of risk factors that will apply to your holdings of Shares if the Finsure Transaction and the Capital Raising are implemented (i.e. if the Resolutions are approved and all Conditions Precedent satisfied or waived). Section 5 of this Explanatory Statement and paragraph 10.3 of the Independent Expert's Report set out some of those risks.

3.1 YOU MAY DISAGREE WITH THE INDEPENDENT DIRECTORS AND / OR INDEPENDENT EXPERT

You may disagree with the Independent Directors' unanimous recommendation and / or the Independent Expert's conclusion.

You may disagree with the unanimous recommendation of the Independent Directors, who have recommended that Goldfields Money Shareholders vote in favour of the Resolutions and support the Finsure Transaction in the absence of a superior proposal, and subject to the Independent Expert maintaining its conclusion that the Finsure Transaction is reasonable.

Similarly, you may disagree with the conclusion of the Independent Expert, who has concluded that the Finsure Transaction is fair and reasonable to Goldfields Money Shareholders, in the absence of a superior proposal.

3.2 YOU MAY BELIEVE THERE IS POTENTIAL FOR A SUPERIOR PROPOSAL

You may believe there is potential for a superior proposal to be made in respect of Goldfields Money in the foreseeable future and that the implementation of the Finsure Transaction significantly reduces the likelihood of this occurring.

The Shares proposed to be issued under the Finsure Transaction and the associated Capital Raising comprise;

a) Between 10,200,000 and 15,385,000 Shares to be issued under the Capital Raising, constituting between ~13.3% and ~18.8% of the total number of Shares which will be on issue following completion of the Finsure Transaction and the Capital Raising.
    a. Certain entities associated with Finsure co-founder Kar Wing Ng have committed to invest an amount of up to $2,000,000 under the Capital Raising, equating to up to between 1,333,333 and 1,538,462 Shares (depending on the price per Share at which the Capital Raising is completed) which will constitute between ~1.7% and ~1.9% of the total number of Shares on issue following Completion of the Finsure Transaction and the Capital Raising;
    b. Daring Investments Pty Ltd, an associate of Finsure co-founder and Goldfields Money Director John Kolenda, has committed to invest an amount of up to $1,000,000 under the Capital Raising, equating to up to between 666,667 and 769,231 Shares (depending on the price per Share at which the Capital Raising is completed) which will constitute ~0.9% of the total number of Shares on issue following Completion of the Finsure Transaction and the Capital Raising; and
    c. Goldfields Money Director Simon Lyons has committed to invest an amount of up to $500,000 under the Capital Raising, equating to up to between 333,333 and 384,615 Shares (depending on the price per Share at which the Capital Raising is completed) which will constitute ~0.5% of the total number of Shares on issue following Completion of the Finsure Transaction and the Capital Raising.

    Shares will be issued under the Capital Raising to the persons referred to in (a) to (c) above only to the extent that they are not otherwise taken up by investors in the Capital Raising. The allocation of Shares between the persons referred to in (a) to (c) above in those circumstances will be at the discretion of the Company, in consultation with those persons; and

b) 40,750,000 Shares to be issued as consideration under the Finsure Transaction, constituting between ~49.7% and ~53.0% of the total number of Shares which will be on issue following completion of the Finsure Transaction and the Capital Raising (depending on the number of shares issued in the Capital Raising).

If implemented, the Finsure Transaction and the Capital Raising will result in the Finsure Vendors and their associates receiving a shareholding in Goldfields Money between ~52.5% and ~55.6% (depending on the number of shares issued to them, and the total number of shares issued, in the Capital Raising), which may reduce the probability in the future of any control transaction being received by Goldfields Money, as no party would be able to achieve control without the support of the Finsure Vendors.

However, since the initial announcement of the Finsure Transaction and signing of the Process Agreement on 23 November 2017, and the subsequent announcement of signing of the SSPA on 15 January 2018, there has been a significant period of time and opportunity for a superior proposal to emerge.

As at the Preparation Date, no competing proposal has been received by Goldfields Money save as announced to the ASX on 3rd August 2018 (see the Company's announcement entitled "Receipt of Firstmac Proposal"). The Directors are not aware of any superior proposal that is likely to be forthcoming.

3.3 YOU MAY PREFER GOLDFIELDS MONEY'S CURRENT OWNERSHIP STRUCTURE

You may prefer Goldfields Money's current ownership structure, and not want the Finsure Vendors (who will acquire a significant shareholding in Goldfields Money) to have significant influence over Goldfields Money.

As set out in Section 3.2, the Finsure Transaction and the Capital Raising will, if implemented, result in the Finsure Vendors and their associates receiving shareholdings totalling between ~52.5% and ~55.6% in Goldfields Money (depending on the number of shares issued to them, and the total number of shares issued, in the Capital Raising). Despite this relatively large shareholding, only one Finsure Vendor (and their associates) will obtain voting power in Goldfields Money in excess of 20% if the Finsure Transaction is implemented (being Finsure co-founder John Kolenda).

The Goldfields Money Board will continue to comprise a majority of Independent Directors if the Finsure Transaction is implemented. The existing management will continue to be responsible for regulation, risk and compliance in relation to Goldfield Money's Authorised Deposit-taking Institute ("**ADI**") license noting the intention to keep the banking and non-banking activities of the Merged Group operationally separate.

3.4 YOU MAY PREFER YOUR FINANCIAL EXPOSURE TO GOLDFIELDS MONEY WITHOUT THE FINSURE TRANSACTION

The Finsure Transaction and the associated Capital Raising will, if implemented, result in the issue of a total of between 50,950,000 and 56,135,000 new Shares. These Shares will represent between ~66.3% and ~68.4% of the Shares on issue following implementation of the Finsure Transaction and the Capital Raising, depending on the total number of shares issued in the Capital Raising. The existing Goldfields Money Shares on issue will constitute only between ~31.6% and ~33.7% of the Shares on issue following implementation of the Finsure Transaction and the Capital Raising and the Finsure Transaction will therefore result in material dilution to existing Goldfields Money Shareholders.

You may want to vote against the Resolutions to preserve your investment in Goldfields Money Shares without dilution and therefore maintain your exposure to Goldfield Money's existing business without the Finsure Transaction.

3.5 YOU MAY CONSIDER THE FINSURE TRANSACTION INTRODUCES RISKS THAT ARE NOT ACCEPTABLE

If implemented, the Finsure Transaction will introduce a number of new specific risks as outlined in Section 5.1. You may not want to introduce exposure to these risks and the resulting different overall investment risk profile of Goldfields Money following the implementation of the Finsure Transaction. You may wish instead to preserve your investment in Goldfields Money Shares with Goldfields Money's existing risk profile.

You should seek investment, legal or other professional advice in relation to your own circumstances.

4 IMPACT ON GOLDFIELDS MONEY'S FINANCIAL POSITION

4.1 INTRODUCTION AND BASIS OF PREPARATION

The financial information in this Section comprises the unaudited pro forma historical statement of financial position of Goldfields Money as at 31 December 2017, which is presented for illustrative purposes to show the historical statement of financial position after adjusting for certain pro forma adjustments to reflect the impact of the Finsure Transaction and the Capital Raising as if they had occurred at that date ("**Pro Forma Historical Statement of Financial Position"**).

The Pro Forma Historical Statement of Financial Position should be read in conjunction with the other information contained within this Explanatory Memorandum.

4.2 BASIS OF PREPARATION

The Pro Forma Historical Statement of Financial Position in this Section has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards, other mandatory professional reporting requirements and Goldfields Money's adopted accounting policies.

The Pro Forma Historical Statement of Financial Position in this Section is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards and the Corporations Act.

Goldfields Money Shareholders should refer to Goldfields Money's audited financial statements for the financial year ended 30 June 2017 and the reviewed Half Year Financial Report for the interim period ended 31 December 2017 for more detailed disclosures in relation to the historical financial performance, financial position and accounting policies of Goldfields Money.

The Pro Forma Historical Statement of Financial Position set out in this Section has been prepared from the following sources:

- For Goldfields Money, figures derived from the half year financial report for the 6 months ended 31 December 2017 as reviewed by KPMG. Goldfields Money Directors are responsible for the preparation and presentation of these figures; and
- For Finsure, figures derived from the half year financial report for the 6 months ended 31 December 2017 as reviewed by PwC. Finsure Directors are responsible for the preparation and presentation of these figures.

Subject to the above, the Directors are responsible for the preparation and presentation of the Pro Forma Historical Pro Forma Statement of Financial Position.

A copy of Goldfields Money's reviewed half year financial report for the 6 months ended 31 December 2017 is available from the ASX platform at www.asx.com.au. Copies of Goldfields Money's reviewed half year financial report for the 6 months ended 31 December 2017 and Finsure's reviewed half year financial report for the 6 months ended 31 December 2017 can also be obtained from the Company's registered office free of charge during normal business hours, and may also be obtained from, or inspected at, the offices of ASIC.

Management has accounted for the acquisition of Finsure on a preliminary basis and has not had an opportunity to fully assess the fair value of the identifiable assets and liabilities of Finsure, and therefore the final purchase price allocations may change when the accounting has been finalised in accordance with AASB 3 Business Combinations ("**AASB 3**").

4.3 PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

The Pro Forma Historical Statement of Financial Position has been prepared by Goldfields Money, and shows the historical statement of financial position of Goldfields Money as at 31 December 2017 after adjusting for certain pro forma adjustments identified by Goldfields Money to reflect the impact of the Finsure Transaction and the Capital Raising as if they had occurred at that date. The pro forma adjustments are detailed in notes 4.3.1 to 4.3.10 below.

Goldfields Money appointed KPMG Financial Advisory Services (Australia) Pty Ltd as their accounting adviser in relation to the preparation by management of the Pro Forma Historical Statement of Financial Position.

a) If the minimum of $15,300,000 is raised in the Capital Raising:

Pro Forma Historical Statement of Financial Position	Goldfields Money 31-Dec-17 Reviewed	Finsure 31-Dec-17 Reviewed	Pro Forma Adjustments	31-Dec-17 Pro Forma
Assets				
Cash and cash equivalents	14,744,236	968,994	12,561,799[1]	28,275,029
Due from other financial institutions	31,471,563	-	-	31,471,563
Loans and advances	165,727,379	-	-	165,727,379
Trade and other receivables	-	54,007,856	-	54,007,856
Other financial assets	11,482,153	107,233,546	-	118,715,699
Other assets	1,038,399	1,000,596	-	2,038,995
Property, plant and equipment	867,135	818,413	-	1,685,548
Intangible assets	1,155,003	3,666,411	-	4,821,414
Goodwill	-	-	43,528,551[2]	43,528,551
Deferred tax assets	568,261	578,416	189,884[3]	1,336,561
Total Assets	**227,054,129**	**168,274,232**	**56,280,234**	**451,608,595**
Liabilities				
Deposits	(205,493,559)	-	-	(205,493,559)
Creditors and other payables	(922,970)	(51,010,824)	5,103,959[4]	(46,829,835)
Convertible notes	-	(13,500,000)	13,500,000[5]	-
Provisions	(259,335)	(778,455)	-	(1,037,790)
Borrowings	-	(7,221,673)	(1,500,000)[6]	(8,721,673)
Other financial liabilities	-	(85,297,031)	-	(85,297,031)
Deferred tax liabilities	-	(4,946,990)	459,447[7]	(4,487,543)
Total Liabilities	**(206,675,864)**	**(162,754,973)**	**17,563,406**	**(351,867,431)**
Net Assets	**20,378,265**	**5,519,259**	**73,843,640**	**99,741,164**
Equity				
Issued capital	19,349,846	5,244,828	75,910,772[8]	100,505,446
Other contributed equity	1,830,600	(2,253,583)	2,253,583[9]	1,830,600
Equity raising costs	(1,394,499)	-	(907,201)[10]	(2,301,700)
Total contributed equity	**19,785,947**	**2,991,245**	**77,257,154**	**100,034,346**
PPE revaluation reserve	97,364	-	-	97,364
AFS reserve	205,053	42,717	(42,717)[9]	205,053
General reserve for credit losses	341,711	-	-	341,711
Share based payments reserve	194,809	-	-	194,809
Retained earnings	(246,619)	2,485,297	(3,370,797)[9]	(1,132,119)
Total Equity	**20,378,265**	**5,519,259**	**73,843,640**	**99,741,164**

Refer to sections 4.3.1 to 4.3.10 below for the adjustments noted 1 to 10 above.

b) If the maximum of $20,000,500 is raised in the Capital Raising:

Pro Forma Historical Statement of Financial Position	Goldfields Money 31-Dec-17 Reviewed	Finsure 31-Dec-17 Reviewed	Pro Forma Adjustments	31-Dec-17 Pro Forma
Assets				
Cash and cash equivalents	14,744,236	968,994	16,952,066[1]	32,665,296
Due from other financial institutions	31,471,563	-	-	31,471,563
Loans and advances	165,727,379	-	-	165,727,379
Trade and other receivables	-	54,007,856	-	54,007,856
Other financial assets	11,482,153	107,233,546	-	118,715,699
Other assets	1,038,399	1,000,596	-	2,038,995
Property, plant and equipment	867,135	818,413	-	1,685,548
Intangible assets	1,155,003	3,666,411	-	4,821,414
Goodwill	-	-	43,528,551[2]	43,528,551
Deferred tax assets	568,261	578,416	282,954[3]	1,429,631
Total Assets	**227,054,129**	**168,274,232**	**60,763,571**	**456,091,932**
Liabilities				
Deposits	(205,493,559)	-	-	(205,493,559)
Creditors and other payables	(922,970)	(51,010,824)	5,103,959[4]	(46,829,835)
Convertible notes	-	(13,500,000)	13,500,000[5]	-
Provisions	(259,335)	(778,455)	-	(1,037,790)
Borrowings	-	(7,221,673)	(1,500,000)[6]	(8,721,673)
Other financial liabilities	-	(85,297,031)	-	(85,297,031)
Deferred tax liabilities	-	(4,946,990)	459,447[7]	(4,487,543)
Total Liabilities	**(206,675,864)**	**(162,754,973)**	**17,563,406**	**(351,867,431)**
Net Assets	**20,378,265**	**5,519,259**	**78,326,977**	**104,224,501**
Equity				
Issued capital	19,349,846	5,244,828	80,611,272[8]	105,205,946
Other contributed equity	1,830,600	(2,253,583)	2,253,583[9]	1,830,600
Equity raising costs	(1,394,499)	-	(1,124,364)[10]	(2,518,863)
Total contributed equity	**19,785,947**	**2,991,245**	**81,740,491**	**104,517,683**
PPE revaluation reserve	97,364	-	-	97,364
AFS reserve	205,053	42,717	(42,717)[9]	205,053
General reserve for credit losses	341,711	-	-	341,711
Share based payments reserve	194,809	-	-	194,809
Retained earnings	(246,619)	2,485,297	(3,370,797)[9]	(1,132,119)
Total Equity	**20,378,265**	**5,519,259**	**78,326,977**	**104,224,501**

Refer to sections 4.3.1 to 4.3.10 below for the adjustments noted 1 to 10 above.

The Pro Forma Historical Statement of Financial Position set out above contains the following pro forma adjustments:

4.3.1 Cash and cash equivalents

The pro forma adjustments to cash and cash equivalents reflect the following:

(i) $3,100,000 loan provided by Goldfields Money to Finsure to assist with the acquisition of the Nationalcorp Home Loans ("NHL") and Australian Capital Home Loans ("ACHL") trail books, which settled on 31 January 2018. This loan was approved prior to Goldfields Money and Finsure agreeing to enter a merger transaction in the ordinary course of business, and on an arm's length basis at commercial rates;

(ii) $842,800 paid by Finsure on 31 January 2018 to complete the acquisition of NHL and ACHL;

(iii) Estimated transaction expenses paid post 31 December 2017 of $1,265,000 by Goldfields Money and $965,000 by Finsure – refer to Section 4.4 below for further details; and

(iv) Net proceeds from capital raises:

   a) Of a minimum of $18,734,599 (comprising net proceeds from the capital raise completed on 26 April 2018 and the proposed Capital Raising, which is conditional on satisfaction or waiver of the remaining Conditions Precedent to the Finsure Transaction) – if the minimum of $15,300,000 (before expenses) is raised under the Capital Raising;

   b) Of a maximum of $23,124,866 (comprising net proceeds from the capital raise completed on 26 April 2018 and the proposed Capital Raising, which is conditional on satisfaction or waiver of the remaining Conditions Precedent to the Finsure Transaction) - if the maximum of $20,000,500 (before expenses) is raised under the Capital Raising.

4.3.2 Goodwill and unidentified intangible assets

The Pro Forma Historical Statement of Financial Position has been prepared on a preliminary basis and presented using acquisition accounting principles as required by AASB 3. This standard requires that all identifiable assets (including intangible assets and deferred tax balances), liabilities and contingent liabilities that meet certain recognition criteria should be recognised in the Pro Forma Historical Statement of Financial Position at fair value at the date of acquisition. AASB 3 also requires the determination of the purchase consideration at the date of acquisition.

For the purposes of the Pro Forma Historical Statement of Financial Position, the total purchase consideration has been determined by the issue of 40,750,000 shares at an assumed value of $1.50 per share. The final purchase consideration will be determined by reference to the value of Goldfields Money shares at the date of acquisition.

For the purposes of preparing the Pro Forma Historical Statement of Financial Position, it has been assumed that the carrying value of identified assets and liabilities are equal to their fair value, except where specifically identified in this section as a pro forma adjustment.

The recognition of any intangible asset, including goodwill and the recognition of any deferred tax assets or liabilities which may arise as a result of fair value adjustments is subject to Goldfields Money finalising its fair value assessment of all assets and liabilities acquired as at the acquisition date. As Goldfields Money has not completed a fair value assessment of all assets and liabilities as at the acquisition date, for the purpose of preparing the Pro Forma Historical Statement of Financial Position, it has been assumed that the excess of purchase consideration over the net assets acquired is goodwill.

Goldfields Money will complete the purchase price allocation process post Completion of the acquisition. This may result in additional fair value adjustments being identified including the recognition of intangible assets and liabilities. Had any intangible assets and liabilities been recognised in the Pro Forma Historical Statement of Financial Position, the amount of goodwill would be reduced by the excess of intangible assets over intangible liabilities. Goldfields Money also notes that any recognised intangible assets will be subject to amortisation charges impacting future reported profits and will require annual impairment testing.

4.3.3 Deferred tax assets

The pro forma adjustment to deferred tax assets arises from three adjustments:

(i) A deferred tax asset of $379,500 recognised as a result of the transaction costs incurred in completing the acquisition of Finsure – refer to section 4.4 below for further details;

(ii) A deferred tax asset:

    a) Of a minimum of $388,800 arising from the estimated capital raising transaction costs of $1,296,001 if the minimum of $15,300,000 (before expenses) is raised under the Capital Raising;

    b) Of a maximum of $481,870 arising from the estimated capital raising transaction costs of $1,606,234 if the maximum of $20,000,500 (before expenses) is raised under the Capital Raising; and

(iii) Derecognition of Finsure's pre-acquisition deferred tax balance of $578,416 based on preliminary advice that the test applied to utilise carry forward losses (arising from Finsure's previous acquisition of 1300 Home Loans Holdings Pty Ltd) will not be met.

4.3.4 Creditors and other payables

The pro forma adjustment to creditors and other payables arises from two adjustments:

(i) Finsure gained control of NHL and ACHL on 31 December 2017 and accounted for the assets and liabilities acquired as at that date. Settlement for the acquisition completed on 31 January 2018 with the payable extinguished through the payment of the purchase consideration; and

(ii) Accrued interest on Finsure's convertible notes accounted for as a payable, converted subsequent to 31 December 2017.

4.3.5 Convertible notes

The pro forma adjustment reflects the conversion of convertible notes issued by Finsure to fully paid ordinary shares immediately prior to the acquisition of Finsure by Goldfields Money. The pro forma adjustment does not incorporate capitalised interest of $971,507, as this is dealt with through the adjustment described in Section 4.3.8(i).

4.3.6 Borrowings

The acquisition of NHL and ACHL referred to in Sections 4.3.1 and 4.3.4(i) above was funded by a combination of cash and additional borrowings. The pro forma adjustment of $1,500,000 reflects the new borrowings obtained by Finsure (in addition to the Goldfields Money loan of $3,100,000) to complete the acquisition.

As noted in Sections 4.3.1(iv) and 4.3.8(iii), the merger is contingent upon Goldfields Money raising capital to comply with regulatory capital requirements. Whilst not reflected as a pro forma adjustment, Goldfields Money intends to utilise part of the proceeds from the Capital Raising to extinguish Finsure's external borrowings.

4.3.7 Deferred tax liabilities

The pro forma adjustment to deferred tax liabilities reflects an adjustment to the deferred tax assets for carried forward losses that are not expected to be utilised, netted off against the deferred tax liability.

As noted in Section 4.3.2 above, for the purposes of preparing the Pro Forma Historical Statement of Financial Position, apart from the pro forma adjustments identified within this report, further adjustments to deferred tax balances may arise upon Completion of the acquisition accounting and formation of a tax consolidated group. The deferred tax consequence to these events cannot be determined and therefore no further pro forma adjustments have been identified with regards to deferred tax balances.

4.3.8 Issued capital

The pro forma adjustments to issued capital arise from:

(i) The elimination of Finsure's share capital of $19,716,335, arising from the elimination of Finsure's existing pre-acquisition share capital of $5,244,828, and the elimination of Finsure's share capital arising upon pre-acquisition conversion of Finsure's convertible notes to ordinary shares of $14,471,507;

(ii) The issue of 40,750,000 shares at an assumed transaction price of $1.50 per share to the shareholders of Finsure. The requirements of accounting standards are to measure the fair value of the purchase consideration at the future date of acquisition. This may result in a value different to that of $1.50 per share at that time; and

(iii) Proceeds from capital raises:

a) Goldfields Money expects to raise a minimum of $20,030,600 (comprising the $4,730,600 capital raise completed on 26 April 2018 and the proposed $15,300,000 Capital Raising if the minimum amount is raised under the Capital Raising);

b) Goldfields Money expects to raise a maximum $24,731,100 (comprising the $4,730,600 capital raise completed on 26 April 2018 and the proposed $20,000,500 Capital Raising if the maximum amount is raised under the Capital Raising).

The Capital Raising is conditional on the satisfaction or waiver of the remaining Conditions Precedent to the Finsure Transaction) to ensure Goldfields Money continues to comply with the regulatory requirements imposed by APRA. Refer to Section 1.4 for further details.

4.3.9 Other contributed equity, reserves and retained earnings

The pro forma adjustments reflect the:

(i) Elimination on consolidation of Finsure's pre-acquisition balances of other contributed equity and retained earnings; and

(ii) Transaction expenses in relation to the Finsure Transaction incurred by both Finsure and Goldfields Money since 31 December 2017 charged to retained earnings.

4.3.10 Equity raising costs

The pro forma adjustment reflects the transaction costs associated with the capital raises referred to in Section 4.3.8(iii) of:

a) A minimum capital raise of $20,030,600 resulting in equity raising costs $1,296,001, net of an associated income tax benefit of $388,800. As referred to in Section 4.3.1(iv)a), this results in net proceeds from capital raises of $18,734,599 if the minimum of $15,300,000 (before expenses) is raised under the Capital Raising; or

b) A maximum capital raise of $24,731,100 resulting equity raising costs $1,606,234, net of an associated income tax benefit of $481,870. As referred to in Section 4.3.1(iv)b), this results in net proceeds from capital raises of $23,124,866 if the maximum of $20,000,500 (before expenses) is raised under the Capital Raising.

4.4 TRANSACTION EXPENSES

As a result of the Finsure Transaction being successfully completed, the aggregate amount of fees and expenses to be incurred (or expected to be incurred) is currently estimated to be ~$2.5 – $2.6 million (inclusive of GST), with ~$0.3 – $0.4 million (inclusive of GST) of this being incurred prior to 31 December 2017. The fees include:

(i) Fees payable to financial, accounting, tax and legal advisers, and the Independent Expert; and

(ii) Costs relating to printing and dispatch of this Explanatory Memorandum and costs of the Shareholder Information Line.

5 RISKS OF THE FINSURE TRANSACTION

5.1 RISKS IN RELATION TO THE TRANSACTION AND THE MERGED GROUP

Risks	
Regulatory risk	As an ADI, Goldfields Money is regulated by APRA. The Company is therefore exposed to any regulatory changes at any point in time, including regulatory conditions that may adversely impact the Company. The mortgage broking industry is regulated by ASIC. The conduct of doing business as a loan writer is also subject to further legislations and governance standards including the NCCP, privacy, financial transaction reporting and anti-money laundering laws. Changes to the existing regulatory framework including the introduction of new legislation, amendment of existing legislation, developments in relevant common law could have a material adverse impact on Finsure's financial performance and operations. The ongoing enquiry into the Australian banking sector via the Haynes Royal Commission poses a potential risk to the regulation of the mortgage broking industry. The impact of this enquiry will not be known until completion of the Royal Commission. As at the Preparation Date, the Commissioner is authorised to submit an interim report no later than 30 September 2018, and is due to provide a final report by 1 February 2019.
Technology risk	Goldfield Money's ability to service customers and Finsure's ability to service and pay loan writers is dependent on their proprietary information technology systems. As Goldfields Money and Finsure's core operations rely to a high degree on technology, the Merged Group faces the risk, in common with other industry participants, that further technology changes will be required that could result in an increase in cost and the need to adapt to these technological changes. Any interruptions, failure or delay in the provision of services could have a material adverse impact on the operations of the Merged Group.
Competition risk	Goldfields Money and Finsure operate in a competitive market. The Merged Group faces the risk that increasing levels of competition, including competition arising from technology changes, evolving standards and its competitors' innovations. Challenges of this nature could result in reduced margins or loss or market share, any of which would adversely affect the Merged Group.
Risks associated with integration and the anticipated synergies of the Merged Group not being realised	Whilst it is expected that the Merged Group will deliver enhanced value to Shareholders over the medium and long term by bringing together two highly complementary businesses, established and respected brands and a comprehensive product range, combining two groups of the size and complexity of Goldfields Money and Finsure carries integration risks. There is a risk that the Merged Group will lose customers and market share, or face operational disruptions if the integration is not achieved in an orderly and timely fashion. In addition, the ability to achieve targeted synergies on time or at all and to their fullest extent is subject to a number of risks, including the following: ▪ Unforeseen difficulties in integrating management information systems; ▪ Unforeseen difficulties in integrating the existing or introducing new information technology platforms; ▪ Lower than expected cost savings; and

	▪ Any differences in the cultures or management styles of the two organisations. If, as a consequence of the integration, any damage occurs to the reputation of either Goldfields Money's or Finsure's brands, this could have an adverse impact on the future financial position and performance of the Company. Any failure to achieve targeted synergies may impact on the financial position of and position of the Company and the future price of Shares. There is a risk that integration costs could increase due to unforeseen complications. Such an increase may have a material adverse impact on the future financial position and performance of the Company.
Combined business model risk	The Company and Finsure have agreed the principles underlying the development of a combined business model for the Merged Group to ensure the continued delivery of superior customer experiences and outcomes, via the end-to-end alignment of strong brands serving a diverse set of distinct client and customer segments. There is a risk that the combined business model may not fully leverage the inherent value in both groups, which may impact the Company's profitability. The intention is to develop a detailed integration plan for the Merged Group. Goldfields Money is expected to benefit from access to increased loan volumes by joining Finsure's panel of lenders, and funding part of Finsure's wholesale and white-label besiness. Goldfields Money is also expected to benefit from a lower cost of funding via access to Finsure's distribution channels for deposit products including term deposits and transaction accounts. There is a risk that access to increased loan volumes and lower cost funding is below expectations or takes longer than to achieve than currently anticipated.
Additional requirements for capital	Whilst the Company may seek further injections of capital into Goldfields Money in the future, the proposed Capital Raising is considered sufficient to support the current growth plans for the Merged Group. There is a risk however that there may be additional requirements for capital to finance the expenditure and capital costs associated with the future growth of the Goldfields Money's business. Particularly, as an ADI, Goldfields Money needs to grow its prudential capital base to grow its loan book. It must also maintain and meet prudential capital requirements. The Board anticipates that it will from time to time seek further funding if its growth strategy is successful, although the timing and structure of any potential funding requirements have not been determined. If Goldfields Money is unable to fund its activities there can be no assurances that Goldfields Money will have sufficient capital resources to take advantage of the growth opportunities that may be available, or that it will be able to obtain additional resources on terms acceptable to Goldfields Money or at all. Any additional equity financing will be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit Goldfields Money's operations and business strategy.
Release of Escrowed Shares	The Escrowed Vendors have entered into voluntary escrow agreements in respect of the Consideration Shares they will be issued on Completion. These escrow restrictions apply from the date of Completion and end: ▪ In respect of Finsure co-founders John Kolenda and Kar Wing Ng (together with their associated entities), on the date of announcement on the ASX of the release of the Goldfields Money 31 December 2019 half year accounts; and ▪ For Resimac Limited (together with its associates), on the date which is 12 months following Completion.

	These escrow arrangements will result in the release of 4,469,088 Shares on the date which is 12 months following Completion (representing between ~5.4% and ~5.8% of the expanded Shares on issue following implementation of the Finsure Transaction, depending on the total number of Shares to be issued in the Capital Raising). A further 19,012,208 Shares (representing between ~23.2% and ~24.7% of the expanded Shares on issue) will be released at the end of the longer of the two escrow periods outlined above. Following release from escrow, the Consideration Shares issued to the Escrowed Vendors will be able to be freely traded on the ASX. A significant sale of those Shares, or the perception that such sale has occurred or might occur, could adversely affect the price of the Company's Shares.
Failure to complete growth strategy with distribution partners	Goldfields Money's growth is impacted by its ability to win, extend and complete new contracts with white label and other distribution partners. Any failure by Goldfields Money to continue to secure these arrangements, or the success of arrangements that are secured, will impact its financial performance and position.
Reliance on lender panel	Finsure's strategy is not to provide loan products itself but rather to use a range of lenders to provide a selection of loan products approved by Finsure, which are then able to be offered by its loan writers to customers. The success of Finsure's business and its ability to grow relies on Finsure's relationship with lenders on the Finsure lender panel. Any changes to the existing agreements with Finsure's lenders, such as, changes to the terms, rates of payments to Finsure or early termination may have a material adverse impact on Finsure's operations and financial performance.
Ability to retain existing key loan writers or attract new loan writers	As of 30 June 2018 Finsure has in excess of 1,400 loan writers originating new lending volumes from across Australia. The success of Finsure's business and its ability to grow is in its ability to attract new loan writers, and its ability to retain key loan writers. If Finsure is not able to retain the existing key loan writers, or attract new loan writers, this could have an adverse impact on Finsure's business, operations and financial performance. If Finsure loan writers terminate their agreement with Finsure, Finsure's settlement volumes and future financial performance may be adversely affected.
Risks associated with the conduct of loan writers	Finsure faces a number of risks including loss of license and reputational risk arising from the conduct of its loan writers, in particular its loan writers who are Finsure credit representatives. Finsure currently has over 800 individual credit representatives. Under the NCCP, Finsure is liable to customers for any loss or damage that they suffer as a result of a Finsure credit representative's conduct. This applies to conduct that relates to a credit activity in which the customer could reasonably be expected to rely and in fact relied in good faith. Where Finsure is responsible for the conduct of its credit representatives, the customer has the same remedies against Finsure as it has against the credit representative. This means that customers can take action against Finsure in respect of the Finsure credit representative's conduct. Finsure also has obligations in respect to its credit representatives as an ACL holder. Finsure must take reasonable steps to ensure that they comply with the credit legislation and ensure that they are adequately trained, and are competent, to engage in the credit activities as authorised under its own current ACL.

	There is also a risk that misconduct by a Finsure loan writer relating to falsifying or misstating loan application information and documentation that is provided to lenders in relation to potential borrowers may go undetected by Finsure. This is because application information and documentation is submitted to lenders without review by Finsure. Any risk relating to loan writer misconduct could lead to significant reputational damage, loss of accreditation with respective lender, regulatory action and financial loss to Finsure.
Changes in the wholesale lending market	Finsure's wholesale mortgage management business is currently reliant on the third-party wholesale lending market. Any detrimental change to the underlying cost of funds of this funding will impact the financial performance being generated by the wholesale mortgage management business.
Mortgage management risks	Through Finsure's wholesale mortgage management business, any loss on a loan that results from non-compliance with the relevant third-party wholesale funder's policy could potentially result in a claim or transferring that loss to Finsure by the funder.
Reliance on external mortgage aggregation businesses	Finsure's wholesale mortgage management business is currently reliant on settlement volumes sourced from external mortgage aggregation businesses such as Mortgage Choice Limited (ASX:MOC) and other aggregators. Any changes to the existing agreements with the relevant mortgage aggregation businesses, such as, changes to the terms, rates of payments or early termination may have a material adverse impact on the wholesale mortgage management business' settlement volumes and future financial performance.
Historical loan book run off	Finsure's historical loan book consists of past loans settled by its loan writers. Finsure receives trailing commissions over the life of settled loans based on the remaining historical loan book balance outstanding. The trailing commissions are determined using a discounted cash flow technique which requires Finsure's management to exercise judgement and apply assumptions. The assumptions required as part of the valuation technique include identifying an appropriate discount rate, a service cost reset rate, an effective interest rate and a future run-off rate of the loans in the portfolio. The size and growth of Finsure's historical loan book is principally determined by: ▪ The volume and value of loans written by the loan writer network including refinancing (as measured in terms of loan settlements); less ▪ The value of customers' loans repaid, refinanced or written off (by the lender) as bad debts. The resulting changes in the term or life of the loans in the portfolio may be measured in terms of a 'run-off rate' and the portfolio's average loan life. An accelerated increase to Finsure's budgeted forward run-off rates may have a materially adverse impact on Finsure's future financial performance.

Housing sector and credit cycles	The financial performance of Goldfields Money and Finsure is influenced by the level of activity and resilience of the housing and credit sectors, which are impacted by factors beyond the control of the Merged Group. In particular, the Merged Group's mortgage lending and related activities directly expose Goldfields Money's loan book and Finsure's historical loan book to movements in house prices, as a mortgage over a residential home is the primary source of and security for the majority of the Merged Group's loans. House prices are subject to factors beyond the Merged Group's control. Any significant or extended decline in house prices will impact the Merged Group's financial performance and position. Any significant or extended decline in the level of activity in the housing and credit sectors is likely to adversely impact the Merged Group's financial performance and position significantly. The Merged Group is unable to accurately predict the timing, extent or duration of the industry cycles in which it operates, which may have an adverse impact on operating and financial performance.
Borrower repayment risk	Goldfields Money's financial performance is influenced by the performance of its loan portfolio. The Company is exposed to the risk that borrowers may default on their loans, and in this circumstance the Company may be unable to collect or enforce the borrower's outstanding obligations and could suffer losses as a result. Finsure's financial performance is influenced by the performance of its historical loan book. Finsure is exposed to repayment risk caused by borrowers who may default on their loans. In such a circumstance Finsure may be unable to receive trail commissions from the relevant lender. This could have a material adverse effect on Finsure's future financial performance.
Contract risk	Goldfields Money's business and operations are reliant on various agreements and undertakings with third parties. If Goldfields Money is unable to satisfy the conditions of these agreements and undertakings, or if it defaults in the performance of its obligations under them, its business and operations may be adversely affected. Further, if the third parties default in the performance of their obligations under the agreements and undertakings, Goldfields Money may be adversely affected. Goldfields Money has a number of contracts with ATM deployers for the provision of cash, ranging from $700,000 to $10,000,000 for their respective ATM networks. The Company's contract with Star Payment Systems Pty Ltd (Receivers & Managers appointed) (Administrators appointed) (Stargroup) was recently assigned to Cashpoint Payment Solutions Pty Ltd (Cashpoint) who acquired the Stargroup business from the Receivers and Managers. An inability for the Cashpoint contract to continue in its current form, may have an adverse effect on the Company's financial position, particularly during the current financial year. Additionally, Goldfields Money has entered a Receivables Acquisition and Servicing Agreement ("**RASA**") with Bendigo and Adelaide Bank Limited ("**BEN**") that enables Goldfields Money to sell loans to BEN to assist meet capital and liquidity requirements. Goldfields Money earns a servicing fee and residual income from the loans sold to BEN. Failure to comply with the key terms of the RASA could result in: ▪ Inability to sell further loans to BEN; or ▪ Loss of servicing fees and residual income.

Finsure has entered into contracts which are important for its day-to-day operations and future performance, including:

- Lender agreements:

  Finsure has entered in to a number of introducer arrangements with APRA regulated lenders. These lender agreements outline the role, general obligations and duties of Finsure as an introducer, the types of products Finsure has access to, and the commission free structure Finsure is entitled to;

- Broker agreements:

  Finsure has entered in to broker agreements with more than 1,400 loan writers. These broker agreements outline the role, general obligations and duties of a loan writer, terms of access to Finsure's lender panel, and the commission fee structure the loan writer is entitled to;

- Wholesale lender agreements:

  Finsure has entered in to loan origination and management arrangements with wholesale lenders. These wholesale lender agreements outline the role, general obligations and duties of Finsure as a loan originator and loan manager, the types of products Finsure has access to, the commission fee structure Finsure is entitled to as a loan originator, and the management fee structure Finsure is entitled to as a loan manager; and

- Lease agreements:

  Finsure has entered in to lease arrangements for Finsure's offices, which are located in Sydney, Melbourne and Brisbane. These lease agreements outline the key commercial terms, obligations and duties of Finsure as a tenant.

Any failure to perform obligations under these contracts may have a material adverse effect on Finsure. There can be no assurance that Finsure would be successful in attempting to enforce any of its contractual rights against its counterparties through legal action.

In particular, Finsure is party to a number of agreements with lenders, which contribute significant commission income to Finsure. Of the ~50 lender agreements entered into by Finsure, six major lenders contribute material commission settlements. If one or more of these major lenders:

- Fails to comply with its obligations under lender agreements;
- Ceases to be able to pay its debts when they become due or becomes insolvent;
- Ceases to pay origination and/or trailing commission if commission rates decrease or if rights of lenders to be refunded commissions already paid to Finsure change (in each case as a result of industry practice, specific negotiation or otherwise); or
- Terminates a lender agreement,

this could have a material adverse effect on Finsure, particularly if the lender or its products cannot easily be substituted. Finsure has a financial risk management framework, which includes various policies and processes for measuring and managing these kinds of risks.

Risks	
Liquidity risk	Goldfields Money's approach to managing liquidity is to aim to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Goldfields Money's reputation. However, errors or unforeseen changes in actual and forecast cash flows that then create a mismatch against the maturity profiles of financial assets and liabilities could have a detrimental effect on a company's liquidity. In addition, Goldfields Money is subject to minimum liquidity requirements as regulated by APRA.
Reputational risk	Goldfields Money is exposed to adverse consequences such as decreased financial performance which may flow from a loss of its reputation. Examples of circumstances which may adversely impact on Goldfields Money's reputation include unethical business practices, and otherwise not meeting the market's expectation for Goldfields Money's operational, managerial and financial performance.

5.2 GENERAL RISKS IN RELATION TO AN INVESTMENT IN SHARES

Risks	
General risks	As with any entity with listed securities on the ASX, the future prospects, operating and financial performance of the Merged Group and the value of Shares are affected by a wide variety of factors, including: ▪ General business cycles; ▪ Economic and political factors in Australia and overseas; ▪ Interest rates; ▪ Inflation; ▪ Employment levels; ▪ Changes in government fiscal or regulatory regimes and foreign trade policies; ▪ Changes in accounting or financial reporting standards; and ▪ Changes in taxation laws (or their interpretation). Deterioration of the general economic conditions, adverse foreign exchange rate movements, fluctuations in the Australian and overseas stock markets, natural disasters and catastrophic events may also affect the Merged Group's operating and financial position.
Purchase of debt portfolios	When Goldfields Money acquires debt portfolios, it assumes the risk that the accounts the subject of the portfolios will not be repaid in full, or at all. As a result, Goldfields Money may not fully recover the price it paid for those portfolios or achieve an acceptable economic return on those portfolios.
Staffing	The Merged Group's success will depend on identifying, hiring, training and retaining skilled personnel and senior management. There is a risk that the Merged Group may not be able to hire, train and retain sufficient personnel from time to time to achieve its growth strategy.

Australian Financial Services Licence ("AFSL") and Australian Credit Licence ("ACL") risk	The Merged Group will operate in an industry with a strict legal and regulatory framework. Any failure by the Merged Group (or either Goldfields Money or Finsure) to comply with its AFSL or ACL and applicable laws and regulations relating to the Merged Group's business, could result in the suspension, termination or impairment of the Merged Group's AFSL or ACL or the termination of certain agreements and therefore could adversely affect the Group's reputation, its business and / or result in substantial losses.
Loss of key distribution partners	Goldfields Money has been implementing a range of relationships with distribution partners such as Pioneer Credit Limited (ASX:PNC), Firstmac Limited, Finsure and InstaRem (as well as others). These white label partnerships are designed to help Goldfields Money distribute products and build scale whilst also sharing in the costs of the banking platform. Goldfields Money earns revenue out of the products they create, whilst the partners are paid for distribution services. Loss of one or more key distribution partners could negatively impact upon Goldfields Money's ability to generate revenue from the distribution of its products by those partners.
Reliance on key personnel	The Merged Group will be heavily reliant on the expertise and abilities of its key personnel in overseeing the day to day operations of its business. The loss of one or more key personnel could have a negative impact on the success of the Merged Group. Goldfields Money is heavily reliant on the skills and experience of its management team. If Goldfields Money is not able to retain key members of its management team, or if there is any delay in their replacement, Goldfields Money may not be able to operate its business to the current standard or implement its business strategies. Finsure is heavily reliant on the skills and experience of its management team. If Finsure is not able to retain key members of its management team, or if there is any delay in their replacement, Finsure may not be able to operate its business to the current standard or implement its business strategies.

6 INFORMATION ABOUT GOLDFIELDS MONEY

6.1 OVERVIEW

Goldfields Money is an ASX listed bank which is regulated by APRA. Established in 1982 as Goldfields Credit Union, Goldfields Money demutualised and listed on the ASX in May 2012.

Goldfields Money is currently the only Western Australian headquartered and ASX-listed bank. Its principal activities are the provision of a range of retail banking products and services.

Goldfields Money holds both an AFSL and an ACL (No. 246884) authorising it to:

- Deal in and provide financial product advice in relation to a range of financial products (including deposit and payment products and non-cash payment products); and
- Engage in credit activities as a credit provider.

Further information about Goldfields Money is available at www.goldfieldsmoney.com.au.

Goldfields Money's vision is to deliver market leading banking services to new and existing customers in an era where banking is evolving with the digital world. In the past 18 months, Goldfields Money has put in place changes to smooth its transition as it aims to become a digital bank, with simplified and scalable technology systems to make the interface with customers more accessible and flexible. Significant investment has been made in a new Core Banking System ("**CBS**"), Finance System and Desktop Management Systems to transition Goldfields Money's systems to modern platforms. This is designed to enable greater volumes of lending and deposits through a cost efficient and scalable system enabling growth to be more rapid in an economically viable environment, and less dependent on manual processing.

In order to leverage the CBS, Goldfields Money has been implementing a range of relationships with distribution partners such as Pioneer Credit, Firstmac Limited, Finsure and InstaRem (as well as others). These white label partnerships are designed to help Goldfields Money distribute products and build scale whilst also sharing in the costs of the banking platform. Goldfields Money earns revenue out of the products they create, whilst the partners are paid for distribution services.

6.2 DIRECTORS OF GOLDFIELDS MONEY

As at the Preparation Date, the Directors of Goldfields Money are:

Name	Position
Mr Peter Wallace	Non-executive Chairman
Mr Simon Lyons	Executive Director and Chief Executive Officer
Mr Derek La Ferla[11]	Non-executive Director
Mr Peter Hall	Non-executive Director
Mr John Kolenda	Non-executive Director

A biography of each Director (excluding Mr John Kolenda) is provided in the 2017 Annual Report. A biography of Mr John Kolenda is provided below.

[11] Mr La Ferla was elected as a Non-executive Director in November 2015. Currently Mr La Ferla is a Partner with Western Australian firm Lavan, who are Goldfields Money's legal advisers in respect of the Finsure Transaction, and to whom payments for legal services in connection with the Finsure Transaction and other matters have been made.

Biography of Mr John Kolenda

John is the co-founder and Managing Director of the Finsure Group. Finsure was established in 2011 and has grown into a fast-growing business with more than 1,400 loan writers settling over $1 billion per month as at 30 June 2018.

Prior to his current role at Finsure, John jointly founded X Inc in 2004 and, following its merger with the mortgage broking operations of Ray White in late 2007, was an Executive Director of the merged entity Loan Market Group. He also spent 10 years with Aussie Home Loans in the capacity of general manager – sales and distribution.

John is passionate and committed to the broking industry, and has built considerable relationships with lenders, aggregators and other industry participants over the past three decades.

John is currently Chairman of the Aura Group and is also a non-executive director of ASX-listed Agency Group Australia (ASX:AU1).

6.3 GOLDFIELDS MONEY SENIOR MANAGEMENT TEAM

As at the Preparation Date, Goldfields Money's senior management team comprises:

Name	Position
Mr Simon Lyons	Executive Director and Chief Executive Officer
Mr Malcolm Cowell	Chief Financial Officer and Company Secretary
Mr Steve Ellis	Head of Risk and Compliance

6.4 CAPITAL STRUCTURE

As at the Preparation Date, the issued capital of Goldfields Money consists of the following securities:

Class	# of Securities
Goldfields Money Shares	25,907,066
Goldfields Money Options	4,500,000
Goldfields Money Performance Rights	1,940,000

Goldfields Money options

Goldfields Money currently has 4,500,000 unlisted options on issue, each entitling the holder to subscribe for 1 Share on exercise. The key terms of the options are set out below.

Exercise Price	The exercise price of each option is $1.50.
Expiry Date	Each option will expire on 11 May 2019, being the seventh anniversary of the issue date.
Ranking	Shares issued on the exercise of the options will, subject to the constitution of Goldfields Money, rank equally in all respects (including rights to dividends) with existing Shares.
Quotation	The options are not quoted on the ASX or any other securities exchange.
Transferability	The options are transferable.

Goldfields Money performance rights

Goldfields Money currently has 1,940,000 performance rights on issue under the Goldfields Money Equity Incentive Plan, each entitling the holder to receive 1 Share on vesting.

Goldfields Money performance rights may be subject to one or more performance conditions, forfeiture conditions and disposal restrictions, as set out in an individual invitation letter. Subject to any such conditions being satisfied, vested Goldfields Money performance rights may be exercised up until 29 November 2021. Any unexercised Goldfields Money performance rights will lapse on the earlier of:

- The expiry date (being 30 November 2021);
- A failure to meet a performance condition within the applicable time period (being 31 August 2021, per 2016 AGM notice); or
- The occurrence of a forfeiture condition (being if the participant ceases to be employed by Goldfields Money, per terms of the issue).

In the event of a change of control of the Company such as the Finsure Transaction, the performance period end date will generally be brought forward to the date of the change of control and awards will vest subject to performance over this shortened period, subject to ultimate Board discretion.

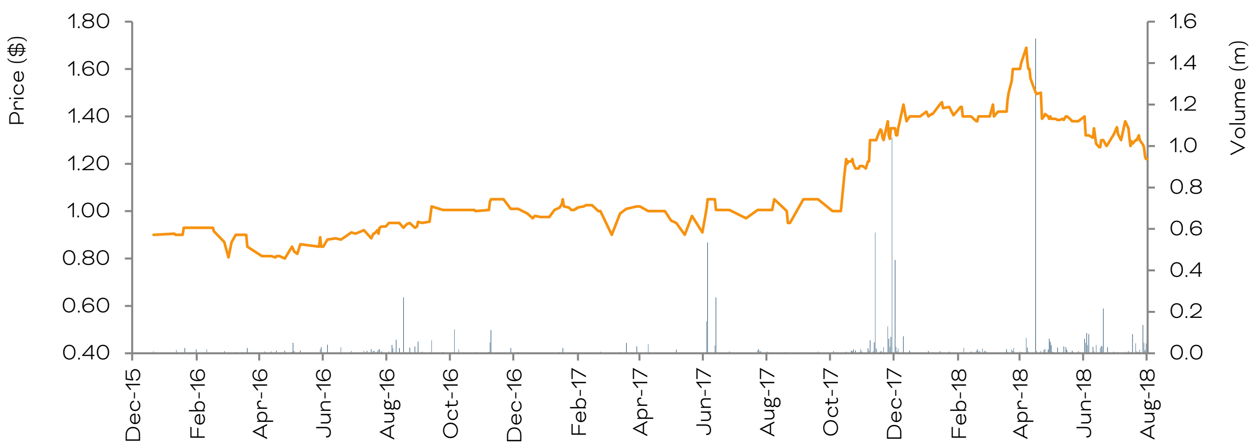
6.5 SUBSTANTIAL SHAREHOLDERS

As at the Preparation Date, Goldfields Money's major shareholders are:

Shareholder	# of Shares	% of Shares[12]
Aoyin	2,997,049	11.6%
Firstmac	2,782,521	10.7%
Aura	2,588,687	10.0%
Schebesta Family	1,609,553	6.2%

6.6 RECENT SHARE PRICE PERFORMANCE

The below chart details Goldfields Money's traded share price and traded share volume on the ASX since December 2015.



[12] Of the undiluted share capital on issue of 25,907,066.

6.7 INTERESTS OF DIRECTORS AND MANAGEMENT

Name	# of Shares	# of Performance Rights
Mr Peter Wallace	70,838	-
Mr Simon Lyons	258,000	1,140,000
Mr Derek La Ferla	-	-
Mr Peter Hall	13,534	-
Mr John Kolenda	2,588,687[13]	-
Mr Malcolm Cowell	-	500,000
Mr Steve Ellis	-	250,000

6.8 LITIGATION

As at the Preparation Date, the Directors of Goldfields Money are not aware of any current or pending litigation, arbitration proceedings or prosecutions against the Company which either individually or in aggregate are of commercial materiality.

[13] These Shares are held through Aura Funds Management Pty Ltd ATF Aura Special Opportunities Fund VIII. Mr Kolenda has a relevant interest in these Shares under s608(3) of the Corporations Act through his holding of shares in Daring Investments Pty Ltd, which is an indirect 24.34% shareholder of Aura Funds Management Pty Ltd.

7 INFORMATION ABOUT FINSURE

7.1 BUSINESS OVERVIEW

Finsure is a private company that operates in the finance aggregation sector. Finsure was established in 2011, with offices in Sydney, Melbourne and Brisbane.

Finsure's core business activity is focused around its role as an intermediary and the provision of a B2B finance aggregation services that allows a network of Finsure loan writers across Australia to access a panel of accredited financial product issuers, predominately residential mortgage products.

More recently, Finsure have diversified its core business operations to include wholesale mortgage management. Through strategic acquisitions of select mortgage managers across FY16 and FY17, Finsure has consolidated the acquired businesses to form under the one brand, Better Choice. The wholesale mortgage management divisions sources funding from third-party wholesale funders in the marketplace and offer the full suite of mortgage services.

Finsure currently holds four ACLs across its finance aggregation and wholesale businesses (No. 378333, 383640, 384704 and 482100) authorising it to engage in credit activities other than as a credit provider by:

- Providing a credit service where the licensee is not or will not be:
  - (i) Where the service relates to a credit contract or proposed credit contract – the credit provider under the contract; or
  - (ii) Where the service relates to a consumer lease or proposed consumer lease - the lessor; and / or
- Performing the obligations or exercising the rights of a credit provider in relation to a credit contract or proposed credit contract under which the licensee is not or will not be the credit provider; and / or
- Performing the obligations or exercising the rights of a mortgagee in relation to a mortgage or proposed mortgage that secures or will secure obligations under a credit contract under which the licensee is not the credit provider; and / or
- Performing the obligations or exercising the rights of a beneficiary under a guarantee or proposed guarantee that guarantees obligations under a credit contract under which the licensee is not the credit provider; and / or
- Performing the obligations or exercising the rights of a lessor in relation to a consumer lease or proposed consumer lease where the licensee is not or will not be the lessor.

As of 30 June 2018, Finsure had 1,435 accredited loan writers across Australia settling ~$12.3 billion in combined residential and commercial mortgages over the preceding 12 months. Cash revenue for the 12 months to 30 June 2018 was $147 million, and the loan book size as at 30 June 2018 was ~$33.2 billion. The current panel of product providers include residential and commercial mortgages, general and life insurance, and asset finance.

Through its proprietary IP brand assets including Homeloan.com.au, Comparehomeloans.com.au, the phoneword number 1300Homeloan and others, Finsure has built a strong brand presence over time in the marketplace.

Since inception Finsure has been recognised by its peers as one of the fastest growing aggregation business in the industry and along the way have won many industry accolades including most recently being named Australia's number one aggregator in the 2018 Brokers on Aggreagtors Survey conducted by Mortgage Professional Australia Magazine. The latest accolade comes after the Group was named Aggregator of the Year (more than 500 brokers) award at the 2017 Australian Mortgage Awards.

Further information about Finsure is available at www.finsure.com.au.

7.2 DIRECTORS AND MANAGEMENT

As at the Preparation Date, Finsure's senior management team comprise:

Name	Position
Mr John Kolenda	Managing Director
Mr Kar Wing Ng	Executive Director and Head of Group Strategy
Mrs Kylie Turner	Chief Financial and Operations Officer
Mr Allan Savins	General Manager – Wholesale Partnerships
Mr Simon Bednar	General Manager – Sales
Mr David Maher	Head of Marketing – Finsure Group

As at the date of this Explanatory Memorandum, Finsure's board of directors comprise:

Name	Position
Mr John Kolenda	Managing Director
Mr Kar Wing Ng	Executive Director and Head of Group Strategy
Mr Scott McWilliam[14]	Non-Executive Director

7.3 SECURITIES ON ISSUE

The issued capital of Finsure consists of the following securities:

Class	# of Securities at the Preparation Date	# of Securities to be issued upon conversion of Finsure Convertible Notes	# of Securities on issue at Completion
Finsure Shares	133,503,653	63,407,191	196,910,844
Finsure Convertible Notes	135,000	-	-

[14] Nominated by Resimac Limited.

Finsure convertible notes

Finsure currently has 135,000 Finsure Convertible Notes on issue. The key terms of the Finsure Convertible Notes are set out below.

Particulars	Description
Issuer	Finsure Holding Pty Ltd ACN 165 350 345
Issue Price	A$100 per note
Issue Date	26 April 2017
Coupon	10% per annum
Interest Period	Six monthly in arrears. For the avoidance of doubt, the coupon is non-cumulative and not payable in cash in the event a conversion event falls prior to: ▪ The period from the Issue Date to the date 6 months after the Issue Date; ▪ The period from the day after the date 6 months after the Issue Date until the Maturity Date; or ▪ The period from the end of the Interest Period immediately prior to the Redemption Date until that Redemption Date. That is, if a conversion event occurs prior to the interest period, the accrued coupon will be added to the principal and included in the conversion amount
Maturity Date	The Finsure Convertible Notes will mature on 14 September 2018 or such later date agreed by Finsure and a 75% majority (by value) of Finsure Convertible Noteholders
Ranking	The Finsure Convertible Notes are unsecured and rank ahead of equity in Finsure on a winding-up
Conversion Event	Conversion Event includes the Completion of the Finsure Transaction
Conversion	All Finsure Convertible Notes shall convert into Finsure Shares upon the occurrence of a Conversion Event at a price of $0.26 per Finsure Share, by reference to the total amount of principal and interest outstanding on the notes at that time. On the basis that Completion occurs on 14 Septemeber 2018, the number of Finsure shares to be issued upon conversion will be 63,407,191

7.4 SUBSTANTIAL SHAREHOLDERS

As at the Preparation Date, on an undiluted basis Finsure's major shareholders are:

Name	# of Finsure Shares	% of Finsure Shares[15]
Mr John Kolenda and related entities[16]	62,460,269	46.8%
Mr Kar Wing Ng and related entities[17]	28,916,751	21.7%
Resimac Limited and related entities[18]	21,595,386	16.2%
Rocco Veneziano and related entities[19]	8,916,938	6.7%
Koleet Pty Ltd ATF Kolenda Family Trust	8,919,136	6.7%

7.5 INTERESTS OF DIRECTORS AND MANAGEMENT

Name	# of Finsure Shares
Mr John Kolenda	62,460,269
Mr Kar Wing Ng	28,916,751
Mr Allan Savins	718,391

7.6 LITIGATION

As at the Preparation Date, the Directors of Finsure are not aware of any outstanding current or pending litigation, arbitration proceedings or prosecutions against Finsure which either individually or in aggregate are of commercial materiality.

[15] Of the undiluted share capital on issue of 133,503,653.

[16] John Kolenda related entities include:
- 1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust ACN 146 268 957
- Daring Investments Pty Ltd ACN 059 818 807
- 1300Homeloan Pty Ltd ATF 1300Homeloan Trust ACN 118 495 140

[17] Kar Wing Ng related entities include:
- NG Capital Management Pte Ltd UEN 201732671D
- Holding Corporation Pty Ltd ATF NG Family Super Fund ACN 617 153 616
- Ng Capital Management Pty Ltd ATF CNG Investment Trust ACN 143 682 008

[18] Resimac related entities include:
- Loan Packaging Australia Pty Ltd ACN 053 922 017

[19] Rocco Veneziano related entities include:
- Noah James Investments Pty ATF The Rocco Veneziano Family Trust ACN 104 998 807
- Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund ACN 123 829 087

Rocco Veneziano owns one third of the interests in 1300Homeloan Pty Ltd. John Kolenda owns one third of the interests in, and is a director of, 1300 Homeloan Pty Ltd. As a result of this relationship, each of Rocco Veneziano, Noah James Investments Pty ATF The Rocco Veneziano Family Trust and Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund may act in concert with, and therefore be Associates of, John Kolenda.

8 INFORMATION ABOUT THE MERGED GROUP

8.1 OVERVIEW OF THE MERGED GROUP

Set out in this Section is information about the Merged Group following implementation of the Finsure Transaction. Your Directors believe the Finsure Transaction has the potential to be transformational for Goldfields Money and to fast-track growth by capitalising on its recently achieved banking status.

The expected benefits of the Finsure Transaction include improved scale and diversity of earnings, and growth prospects of Goldfields Money. More information about these expected benefits is set out in Section 2. Of course, the Finsure Transaction is not without risks, and more information about these is set out in Section 5.1.

Following implementation of the Finsure Transaction, Finsure will become a wholly owned subsidiary of Goldfields Money. The existing Goldfields Money Board will remain unchanged and the existing management of Goldfields Money will continue to be responsible for regulation, risk and compliance in relation to Goldfield Money's ADI license. The existing Finsure management will continue to be responsible for the day-to-day operations of Finsure.

The intention is to keep the banking and non-banking activities of the Merged Group operationally separate. Following implementation of the Finsure Transaction, the Board will review opportunities to integrate all or parts of Finsure's wholesale lending business with the existing banking activities of Goldfields Money. The Finsure aggregation business will continue to operate on a standalone basis, separate from the banking activities, as it has done since inception. There are also a number of opportunities to rationalise support functions that are currently duplicated and operate these as shared services across the group.

A number of these opportunities have already been identified and are expected to be implemented over time in a considered manner. Goldfields Money estimates that sustainable operational synergies of the Merged Group will equate to ~$1 million per annum once implemented. Goldfields Money will ensure adequate controls are put in place to ensure compliance with APRA regulatory requirements (including the separation of banking and non-banking activities) before implementing any changes.

8.2 BENEFITS

Potential benefits of the Merged Group following Completion of the Finsure Transaction are expected to include:

- Diversified revenue streams (refer Section 2.3);
- Increased home loan volumes (refer Section 2.4);
- Lower cost funding (refer Section 2.5); and
- Operational synergies (refer Section 2.6).

8.3 INTENTIONS

This Section sets out the intentions of the Kolenda Associated Vendors, and of Goldfields Money, for the Merged Group if Completion occurs and the Consideration Shares are issued, in relation to the businesses of Goldfields Money and Finsure, including:

- The continuation of the businesses of Goldfields Money and Finsure;
- Any major changes to be made to the businesses of Goldfields Money and Finsure; and
- The future employment of the present employees of Goldfields Money and Finsure.

The primary intention is to maximise the value of the Merged Group for all Shareholders over the long term. Statements referred to in this Section 8.3 should be read in this context.

Intentions regarding the business of the Merged Group

Other than as a consequence of the Finsure Transaction, there is no present intention to make any material changes to the business of the Merged Group following Completion of the Finsure Transaction other than:

- Increasing loan volumes (refer Section 2.4);
- Lowering the cost of funding (refer Section 2.5); and
- Implementing potential operational synergies (refer Section 2.6).

Goldfields Money and Finsure have agreed the principles underlying the development of a combined business model for the Merged Group to ensure the continued delivery of superior customer experiences and outcomes, via the end-to-end alignment of strong brands serving a diverse set of distinct client and customer segments. The intention is to develop a detailed integration plan for the Merged Group.

Intentions regarding branding of the Merged Group

The current intention is to develop a dual-brand strategy that involves the continued use of the Goldfields Money and Finsure brand names. The Board will re-visit the merits of the current branding strategy as part of the detailed integration plan to be developed for the Merged Group.

ASX listing

It is intended that the existing listing of Goldfields Money and the quotation of Shares on the Australian Securities Exchange continues.

Board independence to be maintained

It is intended that the Merged Group maintains a strong board of directors that operates independently of, and separately to, Finsure and which comprises a majority of independent directors. Further details relating to these matters are set out in Section 8.5 of this Explanatory Memorandum.

Registered office and operational management of the Merged Group

It is intended that the registered office of Goldfields Money will remain in Kalgoorlie, Western Australia and the registered office of Finsure will remain in Sydney, New South Wales, for the foreseeable future.

An executive committee will be formed comprising members from both the existing Goldfields Money and Finsure management teams. Members of the executive committee will be split between the Perth and Sydney offices of the Merged Group. The intention is to keep the banking and non-banking activities of the Merged Group operationally separate.

Further capital injections

Daring Investments Pty Ltd, an entity controlled by John Kolenda, has committed to invest an amount of up to $1,000,000 under the Capital Raising, equating to up to between 666,667 and 769,231 Shares (depending on the price per Share at which the Capital Raising is completed). Shares will be issued under the Capital Raising to this entity only to the extent that they are not otherwise taken up by investors in the Capital Raising.

The Merged Group will continue to assess its capital requirements and will make decisions as to future capital raising activities based on its needs at the relevant time (including as to the form of any capital raising and the likely investors who may participate). Whilst the Merged Group may seek further injections of capital into the Merged Group in the future, the proposed Capital Raising is considered sufficient to support the current growth plans for the Merged Group.

Future employment of the present employees of Goldfields Money and Finsure
An executive committee will be formed comprising members from both the existing Goldfields Money and Finsure management teams. Members of the executive committee will be split between the Perth and Sydney offices of the Merged Group, noting the intention to keep the banking and non-banking activities of the Merged Group operationally separate. There are a number of opportunities to rationalise support functions that are currently duplicated and operate these as shared services across the group. A full strategic review will be conducted following Completion of the Finsure Transaction to consider these opportunities to implement potential operational synergies.
Financial and dividend policies
There is no present intention to change the financial or dividend policies of Goldfields Money following implementation of the Finsure Transaction.
Intentions regarding assets of the Merged Group
There is no present intention to transfer any assets between the Merged Group and any of the Kolenda Associated Vendors, or to otherwise redeploy the fixed assets of the Merged Group.

8.4 CORPORATE GOVERNANCE

Goldfields Money will be obliged to comply with all applicable laws and the Listing Rules in relation to any dealings between Goldfields Money and the Finsure Vendors, including:

- Seeking Shareholder approval for any transactions between Goldfields Money and the Finsure Vendors (or their associates) where required by any applicable law or the Listing Rules (see further Annexures B and C); and
- Complying with applicable laws relating to conflicts of interest for directors and directors' exclusion from voting in relation to matters considered by the Board to give rise to a conflict or perceived conflict, including by operation of the Goldfields Money Corporate Governance Policy Statement under which Goldfields Money, Finsure and John Kolenda have agreed that John Kolenda will not be present or vote on such matters.

John Kolenda will continue to be obliged to comply with his legal obligations, such as to act in good faith, in the best interests of Goldfields Money and for proper purposes, and to have regard to the interests of Shareholders and Goldfields Money as a whole.

8.5 DIRECTORS

In the Merged Group, it is intended that the Directors of Goldfields Money will be:

Name	Position	Existing / New
Mr Peter Wallace	Non-executive Chairman	Existing
Mr Simon Lyons	Executive Director and Chief Executive Officer	Existing
Mr Derek La Ferla	Non-executive Director	Existing
Mr Peter Hall	Non-executive Director	Existing
Mr John Kolenda	Executive Director and Finsure Chief Executive Officer[20]	Existing

Following implementation of the Finsure Transaction, the directors of Finsure will comprise:

Name	Position	Existing / New
Mr Simon Lyons	Director	New
Mr John Kolenda	Director	Existing

8.6 CAPITAL STRUCTURE

In the Merged Group, it is intended that the issued capital of Goldfields Money will consist of the following securities:

Class	# of Securities at the Preparation Date	# of Securities to be issued pursuant to the Finsure Transaction	# of Securities to be issued pursuant to the Capital Raising	# of Securities on issue post Completion
Goldfields Money Shares	25,907,066	40,750,000	Between 10,200,000 and 15,385,000	Between 76,857,066 and 82,042,066
Goldfields Money Options	4,500,000	-	-	4,500,000
Goldfields Money Performance Rights	1,940,000	-	-	1,940,000

8.7 ESCROW

Under the Escrow Deed (discussed in Section 2.9), the Consideration Shares held by:

- The Escrowed Vendors other than Resimac Limited (together with its associates), will be subject to escrow restrictions until the release of the Goldfields Money 31 December 2019 half year accounts; and
- Resimac Limited (together with its associates), will be subject to escrow restrictions for a period of 12 months from Completion.

[20] John Kolenda will continue to be the Finsure Chief Executive Officer subsequent to Completion of the Finsure Transaction, after which Finsure will be a wholly owned subsidiary of Goldfields Money.

8.8 TOP 20 SHAREHOLDERS

#	Name	Number of Shares[21]	% if max Capital Raising Shares Issued[22]	% if min Capital Raising Shares Issued[23]
1	1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust[24]	7,832,475	9.5%	10.2%
2	Daring Investments Pty Ltd[24]	3,976,667	4.8%	5.2%
3	Resimac Limited	3,725,746	4.5%	4.8%
4	Aoyin Group Limited	2,997,049	3.7%	3.9%
5	Firstmac Holdings Limited	2,782,521	3.4%	3.6%
6	NG Capital Management Pte Ltd[25]	2,616,564	3.2%	3.4%
7	Aura Funds Management (Aura) [24, 25]	2,588,687	3.2%	3.4%
8	Kenneth Lowe	2,429,978	3.0%	3.2%
9	Koleet Pty Ltd ATF Kolenda Family Trust[24]	1,845,783	2.2%	2.4%
10	Lord of W Holdings Pty Ltd (Schebesta Family)	1,609,553	2.0%	2.1%
11	Holding Corporation Pty Ltd ATF NG Family Super Fund[25]	1,417,681	1.7%	1.8%
12	NG Capital Management Pty Ltd ATF CNG Investment Trust[25]	1,382,201	1.7%	1.8%
13	Robert Lederer	1,214,989	1.5%	1.6%
14	CS Third Nominees Pty Limited <HSBC CUST NOM AU LTD 13 A/C>	1,150,000	1.4%	1.5%
15	Noah James Investments PL ATF The Rocco Veneziano Family Trust[24]	1,133,768	1.4%	1.5%
16	1300Homeloan Pty Ltd ATF 1300HOMELOAN Trust[24]	1,116,789	1.4%	1.5%
17	HSBC Custody Nominees (AUSTRALIA) LIMITED - A/C 2	945,000	1.2%	1.2%
18	Savot 1 Pty Ltd ATF The Savins Family Trust	877,661	1.1%	1.1%
19	Mervyn Basserabie	874,792	1.1%	1.1%
20	Loan Packaging Australia Pty Ltd	743,342	0.9%	1.0%

[21] Assumes none of the entities named take up further shares under the Capital Raising.
[22] The maximum number of Shares to be issued in the Capital Raising is 15,385,000. The actual percentage shareholdings following completion of the Finsure Transaction and the Capital Raising will depend on the actual number of Shares issued under the Capital Raising.
[23] The minimum number of Shares to be issued in the Capital Raising is 10,200,000. The actual percentage shareholdings following completion of the Finsure Transaction and the Capital Raising will depend on the actual number of Shares issued under the Capital Raising.
[24] This entity is an associate of Finsure co-founder John Kolenda.
[25] This entity is an associate of Finsure co-founder Kar Win Ng.

9 DEFINITIONS AND INTERPRETATION

In this Explanatory Memorandum:

Term	Meaning
1800Homeloan Shares	has the meaning set out in Section 5.1 in Annexure C.
AASB 3	means AASB 3 Business Combinations.
ACHL	means Australian Capital Home Loans.
ACL	means Australian Credit Licence.
ADI	means authorised deposit-taking institution.
AEST	means Australian Eastern Standard Time.
AFSL	means Australian Financial Services Licence.
APRA	means the Australian Prudential Regulation Authority.
ASIC	means the Australian Securities and Investment Commission.
ASX	means ASX Limited ACN 008 624 691 or, as the context requires, the Australian Securities Exchange operated by ASX Limited.
Associate	has the meaning given in section 12 of the Corporations Act.
Associated Vendors	means: (a) Ng Capital Management Pte Ltd (a holder of Finsure Shares); (b) Holding Corporation Pty Ltd ACN 617 153 616 ATF NG Family Super Fund (a holder of Finsure Shares and Finsure Convertible Notes); (c) Ng Capital Management Pty Ltd ACN 143 682 008 ATF CNG Investment Trust (a holder of Finsure Shares); (d) Kar Wing Ng (a holder of Finsure Shares and Finsure Convertible Notes); and (e) Eva Ng (a holder of Finsure Convertible Notes), each of whom is an associate of Aura Funds Management Pty Ltd ATF Aura Special Opportunities Fund VIII, a substantial holder in the Company; and (f) each of the Kolenda Associated Vendors, each of whom is an associate of John Kolenda, a Director, and of Aura Funds Management Pty Ltd ATF Aura Special Opportunities Fund VIII, a substantial holder in the Company.
AWST	means Australian Western Standard Time.
BEN	means Bendigo and Adelaide Bank Limited.
Capital Raising	has the meaning set out in Section 1.1
CBS	means Core Banking System.

Term	Meaning
Company or **Goldfields Money**	means Goldfields Money Limited ABN 63 087 651 849.
Completion	means completion of the sale and purchase of Finsure in accordance with the terms of the Share Sale & Purchase Agreement.
Conditions Precedent	means the conditions precedent to Completion, each of which is summarised in section 1.4 of the Explanatory Memorandum.
Consideration Shares	means the 40,750,000 Shares to be issued to the Finsure Vendors in consideration for the acquisition by the Company of all of the issued share capital of Finsure as at Completion.
Corporations Act	means the *Corporations Act 2001* (Cth).
DI Shares	has the meaning set out in Section 4.1 of Annexure C.
Directors	means the directors of the Company.
End Date	means 5:00pm (AWST) on 30 September 2018 or such later date as agreed by Goldfields Money and Finsure in writing.
Escrow Provisions	means the escrow restrictions on Escrowed Vendors as set out in Section 2.9.
Escrowed Vendors	means those Finsure Vendors identified as such in Annexure D.
Explanatory Memorandum	means this explanatory memorandum, including its Annexures.
Finsure	means Finsure Holding Pty. Ltd. ACN 165 350 345.
Finsure Convertible Notes	means the 135,000 convertible notes issued by Finsure as further described in Section 7.3.
Finsure Information	means: (a) Sections 2.3, 2.4, and 2.5; (b) Section 4 (to the extent that it relates to Finsure, ACHL and NHL); (c) Section 7; and (d) Section 8 (with the exception of information in relation to in Sections 8.4, 8.5, 8.6 , 8.8 to the extent that information relates to Goldfields Money Shareholders and Section 8.7).
Finsure Shares	means fully paid ordinary shares in the capital of Finsure.
Finsure Transaction	means the acquisition by Goldfields Money of all of the Finsure Shares on issue and to be issued upon conversion of the Finsure Convertible Notes, pursuant to the Share Sale & Purchase Agreement.
Finsure Vendors	means each holder of Finsure Shares and each person who will hold Finsure Shares upon conversion of the Finsure Convertible Notes.

Term	Meaning
FSSA	means the *Financial Sector (Shareholdings) Act 1998* (Cth).
Independent Directors	means the Directors other than John Kolenda, who has a personal interest in the Finsure Transaction.
Independent Expert	means Ernst & Young Transaction Advisory Services Limited.
Independent Expert's Report	means the report of the Independent Expert included at Annexure A to this Explanatory Memorandum.
JK Shares	has the meaning set out in Section 7.1 of Annexure C.
Kolenda Associated Vendors	means each of: (a) 1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust; (b) Daring Investments Pty Ltd; (c) 1300Homeloan Pty Ltd ATF 1300HOMELOAN Trust; (d) Koleet Pty Ltd as trustee for the Kolenda Family Trust; (e) Noah James Investments Pty Ltd ATF The Rocco Veneziano Family Trust; and (f) Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund.
Listing Rules	means the Listing Rules of ASX.
Meeting	means the General Meeting of the Company to be held on 7 September 2018.
Merged Group	means Goldfields Money, following the successful Completion of the Finsure Transaction.
NCCP	means the *National Consumer Credit Protection Act 2009* (Cth).
NHL	means Nationalcorp Home Loans.
Notice or **Notice of Meeting**	means the notice of general meeting set out in Section 1 of this document, including the remainder of this Explanatory Memorandum and the Proxy Form.
Option	means an issued option to subscribe for a new Share.
Preparation Date	means 3 August 2018, the date this document was prepared.
Pro Forma Historical Statement of Financial Position	means the unaudited historical statement of financial position of Goldfields Money as at 31 December 2017 after adjusting for certain pro forma adjustments to reflect the impact of the Finsure Transaction and the Capital Raising as if they had occurred at that date.
Proxy Form	means the proxy form accompanying the Notice.
RASA	means Receivables Acquisition and Services Agreement.
Related Entity	has the meaning given in Section 9 of the Corporations Act.
Relevant Interest	has the meaning given in the Corporations Act.

Term	Meaning
Resolutions	means the resolutions to be considered by Shareholders at the Meeting, as set out in the Notice of Meeting.
Share Sale & Purchase Agreement or **SSPA**	means the Share Sale & Purchase Agreement relating to the sale and purchase of the Finsure Shares, a copy of which was released on the ASX on 15 January 2018 together with the Company's announcement 'Goldfields Money and Finsure Sign Binding Documentation'.
Share	means a fully paid ordinary share in the capital of the Company.
SL Shares	has the meaning set out in Section 8.1 of Annexure C.
VWAP	means volume weighted average price of Shares.

INTERPRETATION

In this Explanatory Memorandum, unless the context requires otherwise:

- Reference to:
  - (i) one gender includes the others;
  - (ii) the singular includes the plural and the plural includes the singular;
  - (iii) a person includes a body corporate;
  - (iv) a party includes the party's executors, administrators, successors and permitted assigns;
  - (v) a statute, regulation, code or other law or a provision of any of them includes:
    - a. any amendment or replacement of it; and
    - b. another regulation or other statutory instrument made under it, or made under it as amended or replaced; and
  - (vi) dollars or "$" is to Australian dollars, unless otherwise stated;
- "Including" and similar expressions are not words of limitation;
- Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning; and
- Headings and any table of contents or index are for convenience only and do not form part of this Explanatory Memorandum or affect its interpretation.

ANNEXURE A:
INDEPENDENT EXPERT'S REPORT

Independent Expert's Report and Financial Services Guide

In relation to the acquisition of Finsure Holding Pty. Ltd. by Goldfields Money Limited

3 August 2018

Building a better working world

Ernst & Young Transaction Advisory Services Limited
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Part 1 – Independent Expert's Report

The Independent Directors
Goldfields Money Limited
Unit 30
118 Royal Street
PERTH WA 6004

3 August 2018

Dear Directors

Acquisition of Finsure Holding Pty. Ltd. by Goldfields Money Limited

Background

On 23 November 2017, Goldfields Money Limited ("GMY" or the "Company") announced that it had signed an agreement ("Process Agreement") with Finsure Holding Pty. Ltd. ("Finsure"), which outlines the key commercial terms of the proposal under which GMY will acquire 100% of Finsure. Following this on 15 January 2018, GMY announced that it had entered into a Share Sale and Purchase Agreement with Finsure, to acquire 100% of Finsure. The proposed transaction includes the acquisition by GMY of all of the diluted shares in Finsure with the consideration being the issue of 40.75 million GMY shares. In addition, and conditional upon the approval of the resolutions required to effect the transaction, GMY proposes to undertake a capital raise to support the future growth and ensure compliance with regulatory requirements imposed by the Australian Prudential Regulation Authority ("APRA") (the "Proposed Transaction"). The conditional capital raise is expected to raise in the range of $15.3 million and $20.0 million through the issue of 10.2 million to 15.4 million GMY shares.

The Proposed Transaction follows the on-market takeover bid announced by Firstmac Holdings Limited ("Firstmac") on 16 October 2017. Firstmac made an initial on-market takeover offer of $1.12 per GMY share and subsequently increased its offer to $1.27 per GMY share on 9 November 2017 ("Firstmac Offer"). The offer lapsed on 1 December 2017. We provided an independent expert's report for GMY in relation to the initial offer by Firstmac. In addition, on 1 August 2018, GMY received a further unsolicited, non-binding, indicative and conditional proposal from Firstmac to invest $20 million by way of a placement of new fully paid GMY ordinary shares at an issue price of $1.40 per share. This offer lapsed on 2 August 2018.

The Proposed Transaction with Finsure is subject to the satisfaction or waiver of a number of conditions precedent, including, amongst others:

- GMY receiving all necessary regulatory approvals, waivers and consents to implement the Proposed Transaction including approval from the Federal Treasurer under the *Financial Sector (Shareholdings) Act 1998* (Cth). FSSA approval was received on 1 June 2018.

- Finsure receiving all other necessary regulatory approvals and waivers required to implement the transaction.

- Receipt of consent from Finsure lenders, which was satisfied on 12 March 2018.

- Approval from the Australian Securities Exchange ("ASX") for the official quotation of GMY shares to be issued as consideration to Finsure shareholders.

- Finsure completing the acquisition of Nationalcorp Holdings Limited ("NHL") in accordance with the terms of the share sale agreement between Finsure and NHL. This condition was satisfied on 31 January 2018.

► Receipt by GMY of various change of control consents from parties including Bendigo and Adelaide Bank Limited in relation to GMY's Receivables Acquisition and Servicing Agreement. This condition was satisfied on 25 January 2018.

► GMY shareholders providing all necessary approvals.

► No material adverse effect[1], or prescribed event, occurring prior to completion of the Proposed Transaction by Finsure or GMY.

The Proposed Transaction is also subject to exclusivity arrangements that prevent GMY from actively soliciting competing proposals or facilitating due diligence with any other party. Both GMY and Finsure have committed to using all reasonable endeavours to ensure all conditions precedent are satisfied or waived (where applicable) by 30 September 2018, subject to further extension by mutual agreement. In addition, during the period up to completion of the Proposed Transaction, both GMY and Finsure have agreed to conduct their respective businesses in the ordinary and usual course on a basis consistent with how they were being operated prior to the date of the Share Sale and Purchase Agreement.

Purpose of the Report

Under Section 606 of the *Corporations Act, 2001 (Cth)* (the "Act"), an entity is generally prohibited from increasing its interest in the voting shares of a company to greater than 20%. An exception to this prohibition is for the increase to be approved by shareholders of the company under Item 7 of Section 611 of the Act. Finsure's Managing Director ("MD"), John Kolenda, and his associates currently hold 10.0% of the issued share capital of GMY. As a consequence of the Proposed Transaction, John Kolenda and his associates will hold between 24.3% and 26.0% of GMY's expanded share capital post the Proposed Transaction. As such, approval for the proposed issuance of the ordinary shares is required pursuant to Item 7 of Section 611 of the Act.

Item 7 of Section 611 requires that GMY shareholders are provided with all information that is material to the decision as to how to vote on the Proposed Transaction. The directors may satisfy their obligation to provide such analysis either by commissioning an independent expert's report or by undertaking a detailed examination of the proposal themselves and preparing a report for the shareholders. As such, whilst the Act does not explicitly require that an independent expert's report be prepared, it is common for directors of companies to commission an independent expert's report so as to present all relevant information to their shareholders.

In addition, Chapter 10 of the ASX Listing Rules requires the approval of the non-associated shareholders of a company if the company proposes to acquire or dispose of a substantial asset from a related party or a substantial holder. Chapter 10.1 of the ASX Listing Rules regulates acquisitions and disposals of substantial assets between companies and their related parties or substantial holders. ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration, is 5% or more of the equity interest of the entity as set out in the latest financial statements provided to the ASX. Based on ASX Listing Rule 10.1.3, a substantial holder is a person who has a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company. As Aura Funds Management Pty Ltd ATF Aura Special Opportunities Fund VIII ("Aura") currently holds 10% of the issued share capital of GMY, certain vendors of Finsure shares associated with that entity are considered substantial holders. Further, the vendors of Finsure shares who are associates of John Kolenda (a related party of GMY) are also within Listing Rule 10.1. In accordance with Chapter 10.10.2 of the ASX Listing Rules, the notice of meeting to be sent to the shareholders of GMY must include an independent expert's report. Chapter 10.10.2

---

[1] Explanatory Memorandum - Reference to "material adverse effect" for GMY and Finsure (other than in reference to warranties) is a change, effect, matter or circumstance that individually or in aggregate has had or would with the lapse of time reasonably be expected to have a material adverse effect on the structure, business, assets, liabilities, operations, financial or trading position, performance or prospects of the other party, but excluding certain circumstances.

of the ASX Listing Rules requires that the independent expert's report "must state whether the transaction is fair and reasonable to holders of the entity's ordinary securities", other than the parties to the transaction.

The Independent Directors of GMY have therefore commissioned us to prepare an independent expert's report, the purpose of which is to state whether or not, in our opinion, the Proposed Transaction is fair and reasonable to GMY shareholders not associated with John Kolenda and Aura. This independent expert's report will be included in the Notice of Meeting and Explanatory Memorandum being sent to GMY shareholders in relation to the Proposed Transaction. We recommend that shareholders read the Explanatory Memorandum to obtain a full understanding of the Proposed Transaction.

Approach

The Act does not define the term 'fair and reasonable'. However in preparing this report, we have had regard to ASIC Regulatory Guide 111, *Content of expert reports* ("RG 111"). RG 111 provides some direction as to what matters an independent expert should consider when determining whether or not a particular transaction is fair and reasonable to shareholders. Regulatory Guide 74 "*Acquisitions agreed to by shareholders*" ("RG 74") and RG 111 issued by ASIC provide an outline of ASIC's view on the operation of Item 7 of Section 611 of the Act.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a 'control transaction'. RG 111 requires that where the outcome of the transaction being considered has a similar effect as a takeover bid then the transaction should be analysed as if it were a takeover bid. RG 111.24 provides specific examples of issuances of shares approved under item 7 of section 611 that are comparable to takeover bids. This includes where a company issues securities to the vendor of another entity or to the vendor of a business and, as a consequence, the vendor acquires over 20% of the company incorporating the merged business. The vendor could have achieved the same or similar outcome by launching a scrip takeover for the company. Without qualification, RG 111 is suggesting that all transactions involving an entity increasing its shareholding in another entity to above 20% are control transactions and should be assessed as a takeover bid. As the Proposed Transaction will result in John Kolenda and his associates holding more than 20% of the expanded share capital of GMY post the Proposed Transaction, under RG 111.25 the Proposed Transaction should be analysed on a basis consistent with a takeover bid.

In the context of a takeover bid the meaning of "fair and reasonable" is outlined in RG 111 paragraphs 111.10 to 111.14. This guidance makes it clear that, in the context of a takeover bid, "fair" and "reasonable" are two distinct concepts. Under this approach:

- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- an offer is 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111.11 states that the comparison of the value of the consideration and the value of the securities that are the subject of a takeover bid is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares". In this instance, the value of the "consideration" would be taken to be the fair value of GMY shares prior to the Proposed Transaction on a control basis. If the fair value of one share in GMY after the Proposed Transaction (on a minority basis) is greater than the fair value of one share in GMY before (on a control basis), then the Proposed Transaction would be considered to be fair.

RG 111.78 provides that an independent expert should usually give a range of values for the securities that are the subject of the offer. If the value of the consideration offered falls within the range of values of the securities, the offer is considered to be fair.

Summary of opinion

Fairness

In determining whether the Proposed Transaction is fair, we have compared the assessed value of a GMY share, on a controlling interest basis, to the fair value of a GMY share post the Proposed Transaction, on a minority interest basis. The following table summarises this comparison:

GMY – Comparison of values			
$/share	Reference	Low	High
Fair value of a GMY share on a controlling interest basis prior to the Proposed Transaction	Section 8.8	1.32	1.43
Fair value of a GMY share post the Proposed Transaction on a minority interest basis	Section 9.9	1.34	1.51

Source: Ernst & Young Transaction Advisory Services Limited analysis

The assessed value of a GMY share prior to the Proposed Transaction on a controlling interest basis is between $1.32 and $1.43 per share. Our assessed fair value of a GMY share post the Proposed Transaction on a minority interest basis is in the range of $1.34 to $1.51 per share. While we recognise that the value range post the Proposed Transaction is a relatively wide range, this partly reflects the uncertainty surrounding the actual price and number of shares that may be issued as part of the capital raise.

As the value range for a GMY share post the Proposed Transaction is within and slightly above the value range prior, the Proposed Transaction is fair. While our value ranges do overlap, to the extent that the growth in GMY and Finsure's businesses exceed that reflected in our valuation, or the cost savings achieved are higher, this may provide additional upside to the values post the Proposed Transaction.

Our opinion is also based on economic, market and other external conditions prevailing at the date of this report. These conditions can change over relatively short periods of time and these changes can be material. In particular there is currently a degree of risk and uncertainty as to any potential impact on the broader financial services sector of the current Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry ("Royal Commission"). The Royal Commission has resulted in a significant amount of media attention and points of view from different stakeholders, including the banks, mortgage broking businesses, political parties as well as the public. A final report of the Royal Commission is to be submitted by 1 February 2019. While any potential outcome and ramifications are currently unknown, this increases the uncertainty in the current environment.

Under the guidance provided by RG 111, as we consider the terms of the Proposed Transaction to be fair, we also consider the terms to be reasonable.

Notwithstanding the above conclusion that the terms of the Proposed Transaction are fair and reasonable, we have also considered other factors that GMY shareholders not associated with John Kolenda and Aura should consider in forming their views as to whether or not to approve the Proposed Transaction.

Advantages of the Proposed Transaction

The Proposed Transaction will create a larger, more diversified business

The Proposed Transaction will result in the creation of a larger, more diversified business with greater geographic spread compared with GMY currently. GMY currently operates as an ADI with significant concentration of customers and mortgages in Western Australia. The merged group is expected to benefit from greater diversification in its earnings and significantly less reliance on net interest income. In addition, its customer base will have a much greater national focus. This may improve the ability of GMY to withstand short term volatility in the future, and reduces its reliance on the performance of the Western Australian economy.

The Proposed Transaction implies a premium over the trading price prior to the Firstmac Offer

Our assessment of the fair value of a GMY share on a minority interest basis post the Proposed Transaction of between $1.34 and $1.51 per share represents a premium to the 1 week, 1 month and 3 month volume weighted average price of GMY shares prior to the announcement of the Firstmac Offer of between 30% and 51%. The 1 week, 1 month and 3 month volume weighted average share price of GMY shares was $1.00, $1.03 and $1.01, respectively.

Our assessed fair value range is also above the final offer from Firstmac in its on-market takeover offer, which lapsed on 1 December 2017, of $1.27 per share.

The Proposed Transaction may enable GMY to achieve a re-rating above that reflected in our fair value

As a result of becoming a larger, more diversified financial services business and ADI, GMY may be able to achieve growth through selling existing products to the larger combined customer base, further increase its scale, and enable access to capital at more attractive pricing, than GMY currently. These benefits may, over time, be reflected in its earnings multiple being more in line with some of its larger peers, and above those reflected in our current fair values.

The increase in market capitalisation is expected to provide better access to capital markets

The increase in GMY's market capitalisation as a consequence of the capital raise, and potential future growth in the combined business, is expected to provide GMY better access to the capital markets. This is necessary in order to support the future growth and continue to meet its APRA regulatory capital requirements. The recent capital raisings, and book build undertaken to support the Proposed Transaction, have demonstrated interest in GMY's shares from a broader pool of investors than prior to the announcement of the Proposed Transaction. In addition, a number of brokers have recently initiated coverage of GMY shares, providing the market with more information on the business for investors to make informed investment decisions.

The Proposed Transaction may result in greater synergistic benefits than reflected in the current value

Our assessed value of the merged group reflects that certain cost savings are likely to be achieved over time. However to the extent that these cost savings exceed our estimated values, this could positively impact on the GMY share price.

In addition, there may be opportunities for additional earnings growth, such as GMY funding some of the white-label loans (Better Choice and MyLoan) settled by Finsure brokers, GMY achieving higher loan growth through inclusion of GMY's products on the Finsure NextGen broker platform, as well as funding benefits for GMY through additional transaction accounts. These synergies are not able to be reliably forecast and have not been explicitly included in our value assessment. While these growth opportunities have partly been considered in our fair value range through assumed higher growth rates, and therefore multiples, to the extent that the growth opportunities achieved are greater than assumed in our valuation, this could positively impact on the GMY share price in future.

Disadvantages of the Proposed Transaction

There is a decreased likelihood of any future takeover offer

If the Proposed Transaction is approved and following the conditional capital raise, the largest beneficial shareholder of GMY will be John Kolenda (and his associates) with between approximately 24.3% and 26.0% of the ordinary shares in the merged group, depending on the final terms of the conditional capital raise. In addition, the five largest shareholders (and their associates) are estimated to hold between approximately 45.3% and 47.9% of the ordinary shares. Such high ownership concentrated amongst a limited number of shareholders may deter any other bidders for GMY. This therefore decreases the likelihood of a takeover bid or other control transaction in the future, and therefore the potential for shareholders to receive a controlling interest price for their shares.

Other factors

Potential for alternative superior proposals to emerge

Firstmac made an on-market takeover bid on 16 October 2017 which lapsed in December 2017 with a final offer price of $1.27 per share, and more recently a further unsolicited, non-binding, indicative and conditional proposal to invest $20 million at a price per share of $1.40, which lapsed on 2 August 2018. It is therefore possible that an alternative superior proposal may emerge, however no other superior offers have been received other than the Proposed Transaction with Finsure. Any assessment of the likelihood of a superior proposal being received prior to the completion of the Proposed Transaction is highly subjective, however we note the following factors:

- There are exclusivity arrangements in place such that GMY may not solicit or engage in discussions with any other parties.
- During the period since announcement of the Proposed Transaction more than six months have passed and no other superior proposal has emerged, other than the unsolicited, non-binding, indicative and conditional proposal from Firstmac.
- Regulatory approvals are required in order to acquire a greater than 15% interest in an ADI. However, as Firstmac gained conditional approval as part of its on-market takeover offer, it is not unreasonable to assume that APRA may provide approval to qualifying bidders.
- The existence of two major shareholders, each currently holding more than 10% of the current (pre-transaction) GMY share capital and having various distribution and white labelling agreements with GMY, may deter some bidders.

If the Proposed Transaction does not proceed, the price of a GMY share may fall below current trading levels

If the Proposed Transaction does not proceed, and in the absence of an alternative superior proposal, GMY will continue to operate in its current form and be listed on the ASX. As a consequence, GMY shareholders will maintain ownership of GMY shares. In these circumstances there is a risk that the price of GMY shares may fall back towards levels experienced prior to the offer from Firstmac, as the share price since then has arguably been reflective of some premium for control or merger synergies.

The liquidity of the merged group may still be low relative to listed diversified financial companies

After the completion of the Proposed Transaction, the largest five shareholders (and their associates) in GMY will hold between approximately 45.3% and 47.9% of GMY's shares on issue. This compares to the current largest five shareholders in GMY who hold approximately 42% prior to the Proposed Transaction. However taking into account the increased number of shares in issue post the Proposed Transaction, the shares available to trade, on an absolute basis, will be higher than currently.

However, we also note that John Kolenda and Kar Wing Ng (together with their associated entities) are required to maintain part of their shareholdings totalling between 33.7% and 35.6% of GMYs share capital in escrow until the release of the GMY 31 December 2019 half year accounts. In addition, Resimac Limited and associated entities, who will in aggregate hold approximately 5.4% to 5.8% of the expanded share capital of GMY, will also be subject to escrow restrictions for twelve months following completion of the Proposed Transaction. This may limit any material liquidity improvements in the shares in the merged group. This may also cause some volatility in the share price to the extent that large amounts of shares are transacted following the release of shares from escrow.

GMY shareholders may not wish to be exposed to the broking aggregation market

As a result of the Proposed Transaction, GMY will be exposed to both the lending and broker aggregation market as opposed to the risks inherent in an ADI which typically relate more to net interest income. As such the business will be exposed to different risks than currently, and in particular to the current uncertainty and potential changes in the mortgage broking market as a result of the Royal Commission. However, even if shareholders approve the Proposed Transaction, GMY shareholders still have the option to sell their shares on market, if they do not wish to be exposed to such risks.

If the Proposed Transaction proceeds the amount of capital raised and the price at which it is raised may differ to the assumptions reflected in our valuation

At the date of this report, the terms of the conditional capital raise were not certain. The pricing assumed in our fair valuation is based on market soundings and a preliminary book build but is not underwritten, and therefore not certain. As the capital raise will be undertaken based on the actual GMY share price leading up to the date of completion of the Proposed Transaction, the price and capital to be raised are not certain. As such we have assumed a range from $15.3 million to $20.0 million. If the price or amount of capital to be raised materially differs from the range we have adopted in our valuation analysis this may have a material impact on the valuation conclusions.

Transaction expenses

As set out in the Explanatory Memorandum transaction expenses of approximately $2.6 million are expected to be incurred in respect of the Proposed Transaction. Around half of these have already been incurred or will be incurred irrespective of whether or not the Proposed Transaction is approved.

Uncertainty around share price post the Proposed Transaction

We note that our assessment of the fair value of a GMY share post the Proposed Transaction may not reflect the price at which a GMY share will trade on completion of the Proposed Transaction. This price may be influenced by a number of factors which include the performance of the merged group, macro-economic factors, and the level of free float and liquidity post the Proposed Transaction. However, we note that the volume weighted average share price of GMY three months prior to 1 August 2018 was $1.42 which is within our fair value range.

Conclusion

Taking into consideration the matters detailed in this report, in our opinion the Proposed Transaction is fair and reasonable to GMY shareholders not associated with John Kolenda and Aura.

This report has been prepared specifically for GMY shareholders. Neither Ernst & Young Transaction Advisory Services Limited, Ernst & Young, nor any employee thereof undertakes responsibility to any person, other than GMY shareholders, in respect of this report, including any errors or omissions howsoever caused.

This report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of GMY shareholders. The decision as to whether to approve the Proposed Transaction is a matter for individual GMY shareholders. GMY shareholders should have regard to the Explanatory Memorandum prepared by GMY's directors and management. GMY shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their own professional adviser.

Building a better working world

Our opinion is made as at the date of this letter and reflects circumstances and conditions as at that date. This letter must be read in conjunction with the full report as attached. All amounts are in Australian dollars ("$") unless otherwise stated.

Ernst & Young Transaction Advisory Services Limited has prepared a Financial Services Guide in accordance with the Act. The Financial Services Guide is included as Part 2 of this report.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited

Julie Wolstenholme
Director and Representative

Stuart Bright
Director and Representative

Contents

Part 1 – Independent Expert's Report

1. Details of the Proposed Transaction

1.1 The Proposed Transaction

On 15 January 2018, Goldfields Money Limited ("GMY" or the "Company") announced that it had entered into a Share Sale and Purchase Agreement with Finsure Holding Pty. Ltd. ("Finsure"), to acquire Finsure. This followed an earlier announcement by GMY on 23 November 2017 that it had entered into a Process Agreement with Finsure to pursue the proposed acquisition. The proposed transaction includes the acquisition by GMY of all of the diluted shares in Finsure with the consideration being the issue of 40.75 million GMY shares. In addition, and conditional upon the approval of the resolutions required to effect the transaction, GMY proposes to undertake a capital raise to support the future growth and ensure compliance with regulatory requirements imposed by the Australian Prudential Regulation Authority ("APRA") in approving the transaction. The conditional capital raise is expected to raise in the range of $15.3 million and $20.0 million through the issue of between 10.2 million and 15.4 million GMY shares, resulting in share capital of the merged group of between 77.8 million and 84.0 million shares, excluding performance rights and options.

The Proposed Transaction follows the on-market takeover bid announced by Firstmac Holdings Limited ("Firstmac") on 16 October 2017. Firstmac made an initial on-market takeover offer of $1.12 per GMY share and subsequently increased its offer to $1.27 per GMY share on 9 November 2017 ("Firstmac Offer"). The offer lapsed on 1 December 2017 with Firstmac acquiring no additional GMY shares. We provided an independent expert's report for GMY in relation to the initial offer by Firstmac. In addition, on 1 August 2018, GMY received a further unsolicited, non-binding, indicative and conditional proposal from Firstmac to invest $20 million by way of a placement of new fully paid GMY ordinary shares at an issue price of $1.40 per share. This offer lapsed on 2 August 2018.

Finsure is a privately owned mortgage aggregation business which was founded in 2011. As at 30 June 2018, Finsure had over 1,400 accredited loan writers across Australia. Finsure has grown organically and through acquisitions, including its recent acquisition of a wholesale mortgage manager, Nationalcorp Home Loans ("NHL"), for $5.4 million in January 2018. Finsure's MD, John Kolenda, and his associates are currently the third largest beneficial shareholders of GMY, holding 10.0% of the ordinary share capital as at the date of this report.

The Proposed Transaction with Finsure is subject to the satisfaction or waiver of a number of conditions precedent, including, amongst others:

- GMY receiving all necessary regulatory approvals, waivers and consents to implement the Proposed Transaction including amongst others;

    i. Approval from the Federal Treasurer under the *Financial Sector (Shareholdings) Act 1998* (Cth). This condition was satisfied on 1 June 2018.

    ii. Approval from the Australian Securities Exchange ("ASX") for the official quotation of GMY shares to be issued as consideration to Finsure shareholders.

- Finsure receiving all necessary regulatory approvals and waivers required to implement the transaction.
- Receipt of consent from Finsure lenders, which was satisfied on 12 March 2018.
- Finsure completing the acquisition of NHL in accordance with the terms of the share sale agreement between Finsure and NHL. This condition was satisfied on 31 January 2018.
- Receipt by GMY of various change of control consents from parties including Bendigo and Adelaide Bank Limited in relation to GMY's Receivables Acquisition and Servicing Agreement. This condition was satisfied on 25 January 2018.
- GMY shareholders providing all necessary approvals.

- No material adverse effect[2], or prescribed event, occurring in respect of Finsure or GMY prior to completion of the Proposed Transaction, neither of which had occurred at the date of this report.

The Proposed Transaction is also subject to exclusivity arrangements that prevent GMY from actively soliciting competing proposals or facilitating due diligence with any other party. Both GMY and Finsure have committed to using all reasonable endeavours to ensure all conditions precedent are satisfied or waived (where applicable) by 30 September 2018[3], subject to further extension by mutual agreement. In addition, during the period up to completion of the Proposed Transaction, both GMY and Finsure have agreed to conduct their respective businesses in the ordinary and usual course on a basis consistent with how they were being operated prior to the date of the Share Sale and Purchase Agreement.

If the Proposed Transaction is approved, the stated intention is for the GMY and Finsure businesses to remain operationally separate in order to ensure compliance by GMY with APRA regulatory requirements. Nonetheless, there is potential for enhanced distribution capabilities and funding benefits for GMY, and the merged group is expected to have the ability to rationalise duplicate functions and increase the scale, earnings and growth prospects of the combined group. Further details of the profile of the merged group are provided in section 6 of this report.

As a result of the Proposed Transaction and the conditional capital raise, if approved, and based on the current shareholdings in GMY and Finsure, the largest shareholder in the merged group will be John Kolenda and his associates[4] with between approximately 24.3% and 26.0% of the expanded GMY shares post the Proposed Transaction. John Kolenda has also joined the Board of Directors of GMY effective 13 March 2018. Depending on the number of shares issued in the conditional capital raise, both John Kolenda and Kar Wing Ng (together with their associated entities) will own between 33.7% and 35.6% of the merged group post the Proposed Transaction, of which approximately 19.0 million shares (representing between 23.2% and 24.7% of the merged group share capital) will be subject to escrow restrictions until the release of the GMY 31 December 2019 half year accounts, whereby they must not dispose of these GMY shares during this period. In addition, Resimac Limited and associated entities, will in aggregate hold between 5.4% and 5.8% of the expanded share capital of GMY, will also be subject to escrow restrictions for 12 months following completion of the Proposed Transaction.

As set out in the Explanatory Memorandum, each of the independent Directors of GMY intends to vote in favour of the Proposed Transaction, in the absence of a superior proposal and subject to the independent expert opining that the Proposed Transaction is fair and reasonable, or not fair but reasonable.

Further details of the terms and conditions relevant to the Proposed Transaction are included in the accompanying Explanatory Memorandum.

---

[2] Explanatory Memorandum - Reference to “material adverse effect” for GMY and Finsure (other than in reference to warranties) is a change, effect, matter or circumstance that individually or in aggregate has had or would with the lapse of time reasonably be expected to have a material adverse effect on the structure, business, assets, liabilities, operations, financial or trading position, performance or prospects of the other party, but excluding certain circumstances.

[3] GMY ASX announcement, 4 June 2018, Trading Update and Transaction Update (including receipt of FSSA approval)

[4] John Kolenda and his associates include 1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust, Daring Investment Pty Ltd, 1300Homeloan Pty Ltd ATF 1300HOMELOAN Trust, Koleet Pty Ltd as trustee for the Kolenda Family Trust, Noah James Investments Pty Ltd ATF The Rocco Veneziano Family Trust and Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund

2. Scope of this report

2.1 Purpose of the report

Under Section 606 of the *Corporations Act, 2001 (Cth)* (the "Act"), an entity is generally prohibited from increasing its interest in the voting shares of a company to greater than 20%. An exception to this prohibition is for the increase to be approved by shareholders of the company under Item 7 of Section 611 of the Act. Finsure's Managing Director, John Kolenda, and his associates currently hold 10.0% of the issued share capital of GMY. As a consequence of the Proposed Transaction, John Kolenda and his associates will hold between 24.3% and 26.0% of GMY's expanded share capital post the Proposed Transaction. As such, approval for the proposed issuance of the ordinary shares is required pursuant to Item 7 of Section 611 of the Act.

Item 7 of Section 611 requires that GMY shareholders are provided with all information that is material to the decision as to how to vote on the Proposed Transaction. The directors may satisfy their obligation to provide such analysis either by commissioning an independent expert's report or by undertaking a detailed examination of the proposal themselves and preparing a report for the shareholders. As such, whilst the Act does not explicitly require that an independent expert's report be prepared, it is common for directors of companies to commission an independent expert's report so as to present all relevant information to their shareholders.

In addition, Chapter 10 of the ASX Listing Rules requires the approval of the non-associated shareholders of a company if the company proposes to acquire or dispose of a substantial asset from a related party or a substantial holder. Chapter 10.1 of the ASX Listing Rules regulates acquisitions and disposals of substantial assets between companies and their related parties or substantial holders. ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration, is 5% or more of the equity interest of the entity as set out in the latest financial statements provided to the ASX. Based on ASX Listing Rule 10.1.3, a substantial holder is a person who has a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company. As Aura Funds Management Pty Ltd ATF Aura Special Opportunities Fund VIII ("Aura") currently holds 10% of the issued share capital of GMY, certain vendors of Finsure shares associated with that entity are considered substantial holders. Further, the vendors of Finsure shares who are associates of John Kolenda (a related party of GMY) are also within Listing Rule 10.1. In accordance with Chapter 10.10.2 of the ASX Listing Rules, the notice of meeting to be sent to the shareholders of GMY must include an independent expert's report. Chapter 10.10.2 of the ASX Listing Rules requires that the independent expert's report "must state whether the transaction is fair and reasonable to holders of the entity's ordinary securities", other than the parties to the transaction.

The Directors of GMY have therefore commissioned us to prepare an independent expert's report, the purpose of which is to state whether or not, in our opinion, the Proposed Transaction is fair and reasonable to GMY shareholders not associated with John Kolenda and Aura. This independent expert's report will be included in the Notice of Meeting and Explanatory Memorandum being sent to GMY shareholders in relation to the Proposed Transaction.

2.2 Meaning of fair and reasonable

The Act does not define the term 'fair and reasonable'. However in preparing this report, we have had regard to ASIC Regulatory Guide 111, *Content of expert reports* ("RG 111"). RG 111 provides some direction as to what matters an independent expert should consider when determining whether or not a particular transaction is fair and reasonable to shareholders. Regulatory Guide 74, *Acquisitions agreed to by shareholders* ("RG 74") and RG 111 issued by ASIC provide an outline of ASIC's view on the operation of Item 7 of Section 611 of the Act.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a 'control transaction'. RG 111 requires that where the outcome of the transaction being considered has a similar effect as a takeover bid then the transaction should be analysed as if it were a takeover bid. RG 111.24 provides specific examples of issuances of shares approved under item 7 of Section 611 that are comparable to takeover bids. This includes where a company issues securities to the vendor of another entity or to the vendor of a business and, as a consequence, the vendor acquires over 20% of the company incorporating the merged business. The vendor could have achieved the same or similar outcome by launching a scrip takeover for the company. Without qualification, RG 111 is suggesting that all transactions involving an entity increasing its shareholding in another entity to above 20% are control transactions and should be assessed as a takeover bid. As the Proposed Transaction will result in John Kolenda and his associates holding more than 20% of the expanded share capital of GMY post the Proposed Transaction, under RG 111.25 the Proposed Transaction should be analysed on a basis consistent with a takeover bid.

In the context of a takeover bid the meaning of "fair and reasonable" is outlined in RG 111 paragraphs 111.10 to 111.14. This guidance makes it clear that, in the context of a takeover bid, "fair" and "reasonable" are two distinct concepts. Under this approach:

- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- an offer is 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111.11 states that the comparison of the value of the consideration and the value of the securities that are the subject of a takeover bid is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares". In this instance, the value of the "consideration" would be taken to be the fair value of GMY shares prior to the Proposed Transaction on a control basis. If the fair value of one share in GMY after the Proposed Transaction (on a minority basis) is greater than the fair value of one share in GMY before (on a control basis), then the Proposed Transaction would be considered to be fair.

RG 111.78 provides that an independent expert should usually give a range of values for the securities that are the subject of the offer. If the value of the consideration offered falls within the range of values of the securities, the offer is considered to be fair.

2.3 Basis of evaluation

We have assessed whether the Proposed Transaction is fair by comparing the estimated fair value of one GMY share prior to the Proposed Transaction on a control basis, to the fair value of one GMY share after the Proposed Transaction on a minority basis. If the fair value of one share in GMY after the Proposed Transaction (on a minority basis) is greater than (or at least equal to) the fair value of one share in GMY before (on a control basis), then the Proposed Transaction would be considered to be fair.

In considering whether the Proposed Transaction is reasonable to the GMY shareholders not associated with John Kolenda and Aura, we considered likely advantages and disadvantages of the Proposed Transaction, including:

- The strategic rationale for the transaction and future intentions for the merged group.
- The liquidity of and prices at which GMY's shares have recently traded on the ASX.
- The impact of the Proposed Transaction upon GMY's business, future growth prospects and risk profile.
- The existence of alternatives to the Proposed Transaction and the consequences for GMY shareholders.
- The likelihood of a superior proposal being received.
- The likely impact on GMY's share price and other potential implications in the event that the Proposed Transaction is not approved.
- Other advantages and disadvantages that the non-associated shareholders should consider in assessing whether to approve the Proposed Transaction.

In undertaking our assessment of the Proposed Transaction, we have had regard to a number of references including ASIC Regulatory Guidelines, in particular RG 111 and Regulatory Guide 112, *Independence of Experts*, and relevant market valuation guidelines and generally accepted practices in the preparation of expert reports. This report has also been prepared in accordance with APES 225 *Valuation Services (revised)* issued by the Accounting Professional & Ethical Standards Board Limited in May 2012. In accordance with APES 225, this report is a valuation engagement, which is defined as *"an engagement where the valuer is free to choose the valuation approaches, methods and procedures as appropriate to the circumstances. The estimate of value that results is a conclusion of value."*

A glossary summarising the abbreviations we have used in this report is contained in Appendix F.

2.4 Fair value

We have assessed the value of GMY shares on a fair value basis. Fair value in this context is generally defined as *"The price at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer both acting at arm's length".*

Fair value does not incorporate any special value. Special value is the additional value, which may be in the form of synergistic benefits, which may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

2.5 Independence

Prior to accepting this engagement, we considered our independence with respect to GMY and Finsure with reference to ASIC Regulatory Guide 112, *Independence of Experts*.

Ernst & Young has previously provided professional services to both GMY and Finsure, and subsidiaries thereof. These professional services were of a compliance nature and in respect of matters not related to the Proposed Transaction. In addition, we provided an independent expert's report to GMY dated 3 November 2017 in respect of the previous on-market takeover offer for GMY from Firstmac. This offer was ultimately not accepted. Ernst & Young Transaction Advisory Services Limited and Ernst & Young have not provided any services to GMY or Finsure in relation to the Proposed Transaction. In addition, as part of our internal independence and risk management process, an additional review of the report was undertaken by an independent senior team member who was not involved in the preparation of the Firstmac independent expert's report. In our opinion, and given the processes put in place in respect of the preparation of this report, we are independent of GMY and Finsure.

2.6 Limitations and reliance on information

We have considered a number of sources of information in preparing this report as set out in Appendix E. In particular, the report is based upon financial and other information provided by GMY and Finsure. We have considered and relied upon this information. The information provided to us has been evaluated through analysis, enquiry and review for the purposes of forming our opinion as to whether the Proposed Transaction is fair and reasonable. However, we do not warrant that our enquiries have identified all of the matters that an audit, an extensive examination or due diligence and/or tax investigation might disclose. Preparation of this report does not imply that we have, in any way, audited the accounts or records of GMY or Finsure. It is understood that the accounting information that was provided was prepared in accordance with Australian equivalents to International Financial Reporting Standards. In addition, GMY has represented to us that to its knowledge the information provided is correct and that there are no material facts which have been omitted.

In forming our opinion we have also assumed that:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so, and that there are no material legal proceedings, other than as publicly disclosed

- the information set out in the Notice of Meeting and Explanatory Memorandum to be sent to GMY shareholders is complete, accurate and fairly presented in all material respects
- the publicly available information relied upon by us in our analysis was accurate and not misleading
- the Proposed Transaction will be implemented in accordance with its terms.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations and policies, we assume no responsibility and offer no legal opinion or interpretation on any issue.

Our opinion is also based on economic, market and other external conditions prevailing at the date of this report. These conditions can change over relatively short periods of time and these changes can be material. In particular there is currently a degree of risk and uncertainty as to any potential impact on the broader financial services sector of the current Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry ("Royal Commission"). The Royal Commission has resulted in a significant amount of media attention and points of view from different stakeholders, including the banks, mortgage broking businesses, political parties as well as the public. A final report of the Royal Commission is to be submitted by 1 February 2019. While any potential outcome and ramifications are currently unknown, this increases the uncertainty in the current environment.

The statements and opinions given in this independent expert's report are given in good faith and in the belief that such statements and opinions are not false or misleading. This report should be read in the context of the full qualifications, limitations and consents set out in Appendix A of this independent expert's report.

We provided draft copies of this report to the Directors and management of GMY for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of us alone. Amendments made as a result of this review have not changed the methodology or conclusions reached by us.

2.7 Shareholders' decisions

This independent expert's report has been prepared specifically for GMY shareholders not associated with John Kolenda and Aura, at the request of the Independent Directors of GMY and as required under Chapter 10 of the ASX listing rules. This report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of GMY shareholders. The decision to approve or not approve the Proposed Transaction is a matter for individual shareholders. GMY shareholders should consider the advice in the context of their own circumstances, investment objectives, preferences, risk profiles and expectations of future market conditions. Shareholders should also have regard to the Explanatory Memorandum prepared by the Directors and management of GMY in relation to the Proposed Transaction. GMY shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their own professional adviser.

Ernst & Young Transaction Advisory Services Limited has prepared a Financial Services Guide in accordance with the Act. The Financial Services Guide is included as Part 2 of this report.

3. Overview of GMY

3.1 Background

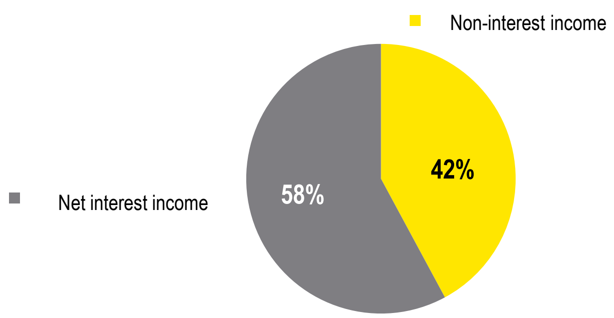
GMY is a Western Australian based authorised deposit-taking institution ("ADI") regulated by APRA. The Company offers a range of retail banking products, including loans, fixed term deposits and other banking services. As at 31 December 2017, GMY had net assets of $20.4 million[5].

The Company commenced operations in Kalgoorlie, Western Australia in 1982 as Goldfields Credit Union. Subsequently, the Company's members approved the demutualisation and listing on the ASX on 18 May 2012 changing its name to GMY. At the time of the initial public offering, the Company raised $9.0 million at a price of $1.00 per share. Since then GMY has completed additional equity issuances, including most recently in April 2018 raising $4.7 million at $1.40 per share. The equity issuances have assisted GMY in growing the business, broadening its customer base outside of Western Australia, and investing in a new core banking system to facilitate a digital offering.

GMY's principal activity is the provision of a range of retail banking services. The key products offered include a range of loans, principally home loans, as well as business and personal loans. The Company also offers cheque accounts, savings accounts, and business accounts. As an ADI, GMY also provides at call and term deposit accounts. As a reflection of its origins in Kalgoorlie, GMY principally operates in Western Australia, with branches in Kalgoorlie and Esperance, and a corporate office in Perth.

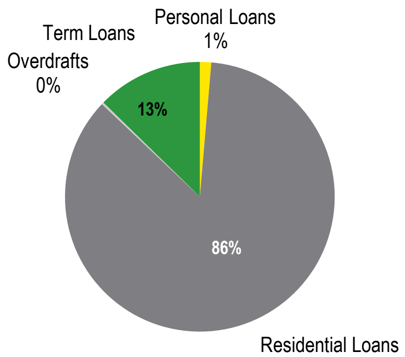
As set out in the charts below, the majority of GMY's revenue is derived from net interest income. For the half year ended 31 December 2017, net interest comprised 58% of revenues. This is predominantly derived from its growing residential loan book, and funded through its depositor base which provides a relatively cost effective source of funds. As at 31 December 2017, its loan portfolio was largely comprised of residential loans, with relatively low levels of loan losses experienced. Non-interest revenue constituted 42% of revenues in H1 FY18. This is largely comprised of fees and commissions such as bank fees, ATM bailment fees and commissions, and servicing fees from the management of loans originated by GMY and sold to third parties. It also includes lending fees, insurance income and the recovery of bad debts.

GMY H1 FY18 net income split



Source: GMY H1 FY18 Accounts

GMY loan portfolio 31 December 2017



Source: GMY H1 FY18 Accounts

The Company has entered into a number of alliances in order to support and grow its business. Loans are typically provided either direct to GMY's existing customer base or through alliances. These include a distribution arrangement whereby GMY issues Pioneer Credit branded personal loans to Pioneer Credit's customers. In addition, GMY has an agreement with a number of Aura Funds Management entities offering strata lending finance options. Through Aura Funds, GMY has a relationship with Finsure which has a significant broker aggregation platform (which we discuss in Section 4 of this report). GMY also provides white label loan

[5] GMY Half Year Report as at 31 December 2017

and deposit products for Firstmac. New business is generated through mortgage brokers, with around three quarters of GMY home loan approvals being broker sourced in H1 FY18. The Company also originates loans and subsequently sells them into a Bendigo and Adelaide Bank Limited facility in order to release capital. These relationships have been developed with the view to driving strong future loan growth and diversifying its funding options. We note that Pioneer Credit, Aura Funds Management and Firstmac are all shareholders in GMY.

GMY provides ATM bailment services in various locations across Australia through an agreement with Cashpoint Payment Solutions Pty Ltd ("Cashpoint" [6]). Under this arrangement, GMY supplies the cash to a large proportion of Cashpoint's ATM network under a service agreement, for a $10 million facility[7]. Cashpoint has the ability to increase the limit if required. GMY also recently agreed to provide cash convenience services to other ATM networks which were implemented in H1 FY18.

As an ADI, GMY funds the majority of its lending activities through its depositor base.

3.1.1 New core banking system

During 2017[8], the Company announced the proposed implementation of a new core banking system. As such, GMY has made significant investments in a new system, the Temenos T24 system, in order to facilitate the enhanced digitisation of the business and expand its product base and geographic reach. The T24 system is a software as a service offering which will streamline the banking process and is fully scalable and able to support the potential growth of GMY. The system was implemented in late April 2018.

3.1.2 Outlook

GMY has made significant investment across its business in recent years, most notably in its people and new core banking system. The new core banking system is expected by management to support its future growth initiatives with limited additional costs, given its scalability. Strong growth opportunities are expected through the inclusion of GMY on Finsure's mortgage broker platforms as well as further distribution and white labelling arrangements. Management of GMY has recently provided earnings guidance for the year ended 30 June 2018 indicating underlying net profit before tax of between $0.3 million and $0.6 million[9]. However, given the system and initiatives have only been implemented in early 2018, any material earnings impact will likely not be realised until at least the following financial year.

[6] Stargroup ASX Announcement *"Sale Completion"* dated 14 March 2018
[7] GMY ASX Announcement "*Goldfields Money enters into new bailment agreement with Stargroup Ltd"* dated 21 November 2017
[8] GMY ASX Announcement *"Update on Core Banking System Deployment"* dated 9 June 2017
[9] GMY ASX Announcement "*Trading and transaction update*" dated 26 July 2018

3.2 Financial performance

A summary of GMY's financial performance for the last three years ended 30 June 2017 and H1 FY18 is detailed below.

GMY income statement				
Currency $	Jun 15A	Jun 16A	Jun 17A	H1 FY18
Interest income	7,259,134	6,722,634	6,545,552	3,981,532
Interest expense	(4,318,923)	(3,612,759)	(3,788,690)	(2,510,967)
Net interest income	2,940,211	3,109,875	2,756,862	1,470,565
Non-interest income	404,209	507,865	1,475,909	1,070,221
Net income	**3,344,420**	**3,617,740**	**4,232,771**	**2,540,786**
Impairments write-back / (expense) on loans	(20,000)	(50,124)	(283,809)	22,590
Operating expenses	(3,234,359)	(3,784,756)	(5,284,987)	(2,470,401)
(Loss) / Profit before tax	**90,061**	**(217,140)**	**(1,336,025)**	**92,975**
Income tax (charge)/ benefit	49,890	121,953	339,569	(30,268)
(Loss) / Profit after tax	**139,951**	**(95,187)**	**(996,456)**	**62,707**
Other Comprehensive (Loss) / Income				
Revaluations of plant, property & equipment	-	-	(79,377)	-
Revaluation of available for sale financial assets	-	-	282,832	-
Income tax effect	-	-	(55,963)	-
Total Comprehensive (loss) / Income	**139,951**	**(95,187)**	**(848,964)**	**62,707**

Source: GMY annual report FY15, FY16 & FY17 and half year accounts H1 FY18

Key metrics				
Currency $	Jun 15A	Jun 16A	Jun 17A	H1 FY18
Loans	126,040,931	128,798,590	157,044,459	165,727,379
Loans in off balance sheet facility	19,751,001	26,035,307	26,355,626	34,750,504
Total loans under management	145,791,932	154,833,897	183,400,085	200,477,883
Deposits	143,214,317	138,665,272	194,134,305	205,493,559
Average net interest margin	1.87%	1.98%	1.83%	1.98%
Losses as % total loans	0.02%	0.06%	0.18%	n/a

Source: GMY annual report FY15, FY16 & FY17 and half year accounts H1 FY18

In relation to the historical financial performance we note:

- Interest income has declined over the last three years reflecting the prevailing low interest rate environment. This is despite growth in total loans averaging 12% per annum over the last three years to FY17. The net interest margin also declined over this period from 1.87% in FY15 to 1.49% for the year ended 30 June 2017 as a result of higher interest rates offered, particularly on term deposits. The higher rates offered were part of GMY's strategy to raise additional funds for the higher cash convenience requirements with Cashpoint's ATM network, on which it generates non-interest income. These cash requirements have since reduced and adjusting the net interest margin for this impact increases it to 1.83% at 30 June 2017. GMY's H1 FY18 net interest margin has increased back to a similar level to that of FY16.

- Non-interest revenue has increased significantly over the last three financial years. The substantial increase in FY17 is largely due to an increase in fees and commission income from ATM bailment services.

- The main expenses are operating expenses, which have increased significantly in recent years. In FY16, the 17% increase in expenses primarily relates to internal restructuring costs. The rise in FY17 reflects various non-recurring charges such as the contract termination fee payable to Ultradata as a result of the replacement of the core banking system and non-recurring re-branding costs. Expenses in H1 FY18 include non-recurring transaction costs associated with the Firstmac Offer and the Proposed Transaction.

► Loan impairments are relatively low, with losses as a proportion of total loans rising from 0.02% of loans, to 0.18% of loans in FY17.

As a result of the above factors, a loss after tax was recorded in both FY16 and FY17 and a profit after tax of $62,707 was recorded in H1 FY18. After adjusting for non-recurring items, the underlying profit in H1 FY18 was $0.4 million. No distributions have been paid by GMY since listing.

3.3 Financial position

A summary of GMY's financial position as at 30 June 2016, 30 June 2017 and 31 December 2017 is provided below.

GMY balance sheet			
Currency $	Jun 16A	Jun 17A	Dec 17A
Cash & equivalents	2,433,831	16,223,367	14,744,236
Due from other financial institutions	14,460,639	26,939,505	31,471,563
Loans & advances	128,798,590	157,044,459	165,727,379
Other financial assets	9,207,785	11,510,426	11,482,153
Other assets	305,844	1,647,097	1,038,399
Plant, property & equipment	716,718	787,812	867,135
Intangibles	225,524	450,167	1,155,003
Deferred tax assets	265,510	598,529	568,261
Total Assets	**156,414,441**	**215,201,362**	**227,054,129**
Deposits	138,665,272	194,134,305	205,493,559
Creditors & Other payables	655,914	633,832	922,970
Provisions	225,154	225,782	259,335
Total Liabilities	**139,546,340**	**194,993,919**	**206,675,864**
Net Assets	**16,868,101**	**20,207,443**	**20,378,265**
Equity			
Issued Capital	15,062,064	19,349,846	19,349,846
Other equity	1,830,600	1,830,600	1,830,600
Equity raising costs	(1,208,329)	(1,394,499)	(1,394,499)
Reserves	510,100	730,822	838,937
Retained Earnings	673,666	(309,326)	(246,619)
Total Equity	**16,868,101**	**20,207,443**	**20,378,265**
Number of shares	18,016,850	22,521,066	22,528,066
Net assets per share	0.936	0.897	0.905
Net tangible assets per share	0.924	0.877	0.853

Source: GMY annual report FY16 & FY17 and half year accounts H1 FY18

In relation to the historical financial position we note:

► The majority of its assets are loans and advances, which accounted for 73% of total assets as at 31 December 2017. GMY's on-balance sheet loan portfolio experienced strong growth in FY17 of 22% and a further 6% in the 6 months to 31 December 2017. Of its on-balance sheet portfolio at 31 December 2017, residential loans comprise 86% of the loan portfolio with the remainder consisting of personal loans, term loans and overdrafts.

- GMY's liquidity is strong with cash and amounts due from financial institutions rising in FY17 due to the capital raising in March 2017 and increases in deposits up to 31 December 2017.

- Other financial assets include investments in securities issued by other ADIs of $11.1 million. It also includes GMY's shareholding in Cuscal Limited ("Cuscal"), which was recorded at a fair value at 31 December 2017 of $0.4 million. The fair value is measured based on prices at which shares have transacted through Cuscal's off-market exchange which facilitates trades between shareholders.

- Property, plant and equipment includes land & buildings, office equipment, motor vehicles and computer equipment. Land & buildings were re-valued in FY17. The overall increase in PPE and intangibles during FY17 largely reflects investments made in IT equipment and computer software, associated with the new core banking system.

- GMY had deferred tax assets in the amount of $0.6 million as at 31 December 2017, the majority of which is comprised of carry forward tax losses.

- Liabilities are largely comprised of deposits. GMY's deposit portfolio is relatively short term, with only 25% of deposits being for maturities between 3 months and 12 months, and less than 1% greater than one year. The deposit base is its key source of funding. However, GMY also has an overdraft facility of $1.2 million provided by Cuscal, as well as $34.8 million of loans in an off-balance sheet facility with a further $25 million capacity in the off-balance sheet facility available.

- In March 2017, a placement of 4.5 million ordinary shares was undertaken at a price of $0.95 per share. The placement raised $4.3 million from new and existing investors, and was significantly oversubscribed. In April 2018 the Company undertook another capital raise, issuing 3.8 million ordinary shares at a price per share of $1.40, the impact of which is not reflected in the balance sheet shown on the previous page.

- GMY's net asset position has improved over the last three years to $20.4 million as at 31 December 2017. Net tangible assets were $19.2 million at this date.

3.4 Capital adequacy

As an ADI, GMY is regulated by APRA, and amongst other requirements, is subject to minimum capital requirements. As per the most recent advice from APRA, GMY is currently required to maintain a minimum capital adequacy ratio of 16.5%, which increases to 17.0% from 1 January 2020[10].

As set out in the table below, GMY's capital adequacy ratio has historically been above APRA's minimum target ratios.

GMY capital adequacy ratios

	Jun 15A	Jun 16A	Jun 17A	Dec 17A
CET 1 ratio	18.8%	20.5%	19.0%	n/a
Tier 1 ratio	18.8%	20.5%	19.0%	n/a
Total capital ratio	19.2%	20.9%	19.4%	17.9%

Source: GMY annual report FY15, FY16 & FY17 and half year accounts H1 FY18

[10] Strengthening banking system resilience – establishing unquestionably strong capital ratios issued by APRA 19 July 2017

3.5 Capital structure

As at 28 May 2018, GMY had 25,907,066 ordinary shares on issue. In addition, GMY had certain unlisted options and performance rights on issue as set out in the table below.

GMY – capital structure	
Security type	Number of shares
Ordinary shares	25,907,066
Unlisted options	4,500,000
Performance rights	1,940,000

Source: GMY Management

The ordinary shares on issue include the additional $4.7 million of capital raised in April 2018 through the issue of 3,379,000 ordinary shares at a price of $1.40 per share.

The 4,500,000 unlisted options were issued in 2012 at the time of GMY's listing along with certain ordinary shares. Each option entitles the holder to subscribe for one GMY share upon exercise. The options are unlisted, have an exercise price of $1.50 per share and can be exercised any time up to their expiry date of 11 May 2019[11].

As at the date of announcement of the Proposed Transaction GMY had on issue a total of 1,940,000 performance rights to certain key management personnel. The performance rights entitle the holder to a grant of shares subject to certain conditions being met[12]. Vested performance rights may be exercised up until 29 November 2021. However, in the event of a control event such as a takeover, the board of GMY may exercise its discretion to convert all or any of the performance rights to ordinary shares, whether or not the relevant performance conditions (if any) have been met, and/or remove any disposal restrictions, whether or not all requirements (if any) have been met.

3.6 Shareholders

GMY's shareholders include a number of companies with whom it has strategic alliances and distribution agreements. As a result of its status as an ADI and the requirements for approval from shareholders to hold greater than a 15% interest, no current shareholder holds more than 15% of GMY's share capital. The top four shareholders currently hold c.39% of GMY's share capital.

The current substantial beneficial shareholders are set out in the table below.

GMY - Substantial beneficial shareholders		
Shareholder	Number of shares	% of total shares on issue
Aoyin	2,997,049	11.6%
Firstmac	2,782,521	10.7%
Aura*	2,588,687	10.0%
Schebesta Family	1,609,553	6.2%

Source: Explanatory Memorandum
**John Kolenda is Chairman and an associate of Aura and is therefore considered a substantial shareholder in GMY*

3.7 Share price performance

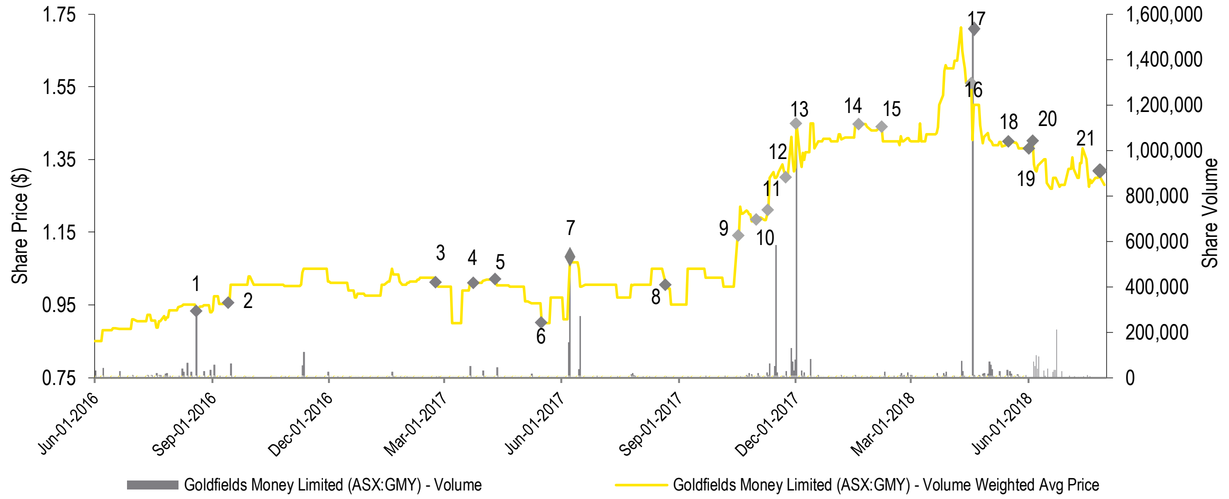
The chart on the following page shows the daily volume weighted average price ("VWAP") and volumes of GMY shares traded on the ASX for the previous two years.

Prior to the announcement of the Firstmac Offer on 16 October 2017, GMY's share price had reached a high of $1.05 at various dates, and a low of $0.80 per share. The share price on 15 October 2017, being the last

[11] GMY Annual Report 2017
[12] GMY ASX Announcement

trading day prior to the Firstmac Offer, was $1.00 per share. Subsequent to the announcement of the Firstmac Offer, the share price has traded between $1.14 and $1.71 per share. The share price on 1 August 2018 was $1.23 per share.

GMY VWAP 1 June 2016 to 1 August 2018



Source: S&P Capital IQ

GMY's share price has shown some fluctuation over the last two years, albeit the overall trend indicates a rise from around $0.90 to $1.00 per share over the two years prior to the Firstmac Offer. The share price fell in early 2016 which is broadly in line with the experience of other Australian lenders, possibly reflecting the regulators' increased focus on the residential loan market and responsible lending practices. Since then, GMY's share price rose to a high of $1.71 on 9 April 2018, after the announcement of the Proposed Transaction. Factors that may have impacted the share price are summarised below:

1. 19 August 2016: FY16 annual financial results are released.
2. 13 September 2016: GMY signs a 3 year $15 million Cash Convenience agreement with Stargroup, to supply cash to Stargroup's ATM network.
3. 13 February 2017: GMY announces the appointment of a new CFO and Company Secretary.
4. 21 March 2017: GMY successfully completes a fundraising round, raising $4.3 million at $0.95 per share.
5. 11 April 2017: GMY announces a memorandum of understanding with InstaRem to develop a cross border banking application for consumers and small to medium enterprises.
6. 18 May 2017: GMY increases the facility under the Cash Convenience agreement with Stargroup to $30 million, which was subsequently reduced to $10 million in November 2017.
7. 8 June 2017: Sequoia Financial Group subsidiary sells its entire shareholding, selling 435,334 shares for a total consideration of $465,807, implying a per share price of $1.07.
8. 21 August 2017: GMY announces FY17 annual results.
9. 16 October 2017: Firstmac announces an on-market takeover bid for GMY.
10. 3 November 2017: GMY releases their target's statement in relation to the Firstmac takeover offer. The target's statement recommends that GMY shareholders reject the offer from Firstmac and take no action.
11. 9 & 10 November 2017: Firstmac releases a supplementary bidder's statement increasing their initial offer price from $1.12 per share to $1.27 per share. All other terms of the offer remain unchanged. GMY release a supplementary target's statement recommending GMY shareholders to reject Firstmac's increased offer and take no action.
12. 23 November 2017: GMY announces its intention to merge with Finsure. GMY and Finsure sign a Process Agreement regarding the potential transaction.

13. 1 December 2017: Firstmac Offer period ceases.
14. 15 January 2018: GMY announces the execution of the Share Sale and Purchase Agreement with Finsure
15. 5 February 2018: GMY releases a trading update and confirm the completion of the acquisition of NHL by Finsure, a condition precedent to the Proposed Transaction.
16. 16 April 2018: GMY announces a trading halt in order to complete a $4.7 million capital raise. Prior to this announcement, the share price reached its highest point of $1.71.
17. 18 April 2018: Pioneer Credit Connect Pty Ltd ("Pioneer") sold over half of their 9.8% shareholding, reducing their holding to c.3.9%.
18. 15 May 2018: GMY announces the launch of its new core banking system.
19. 30 May 2018: GMY may now be referred to as a bank, as opposed to an ADI due to recent reform of section 66 of the Banking Act 1959.
20. 4 June 2018: GMY release a trading and transaction update.
21. 26 July 2018: GMY release full year FY18 guidance and trading update for the quarter ended 30 June 2018 for GMY and Finsure.

3.8 Trading volume

The following table summarises the monthly trading prices and volumes of GMY's shares on the ASX over the period 1 June 2017 to 31 July 2018.

Monthly trading volumes of GMY shares

Monthly trading - GMY						
Month	High (A$)	Low (A$)	Close (A$)	Average ($)	Monthly Volume ($)	Liquidity
Apr-17	1.02	1.00	1.00	1.01	47,803	0.21%
May-17	1.00	0.90	0.98	0.95	23,000	0.10%
Jun-17	1.05	0.91	1.01	1.01	1,010,686	4.49%
Jul-17	1.01	0.97	1.01	0.99	59,106	0.26%
Aug-17	1.05	0.95	0.95	1.00	30,509	0.14%
Sep-17	1.05	1.05	1.05	1.05	16,435	0.07%
Oct-17	1.22	1.00	1.19	1.14	93,012	0.41%
Nov-17	1.38	1.18	1.35	1.28	1,163,249	5.17%
Dec-17	1.45	1.32	1.40	1.38	1,660,707	7.37%
Jan-18	1.46	1.40	1.41	1.42	48,085	0.21%
Feb-18	1.44	1.38	1.40	1.40	125,080	0.56%
Mar-18	1.60	1.40	1.60	1.48	103,718	0.46%
Apr-18	1.71	1.39	1.40	1.54	1,726,001	6.66%
May-18	1.40	1.38	1.38	1.39	320,042	1.24%
Jun-18	1.40	1.27	1.28	1.31	768,558	2.97%
Jul-18	1.38	1.27	1.27	1.31	402,660	1.55%

Source: Bloomberg

Having regard to the period noted above, the shares have traded within the range of $0.91 to $1.71 per share. The monthly liquidity of GMY shares, measured as total volume traded divided by total shares on issue, over the same period ranged between 0.07% and 7.37%. The higher volumes in June 2017 were as a result of one former shareholder, Sequoia Financial Group, selling their entire holding of 435,334 shares. Liquidity increased in November and December 2017 which covers the period over which GMY made a number of announcements in relation to the Firstmac Offer and the current Proposed Transaction with Finsure. Share trading volumes were high in April 2018 as a result of the capital raise and Pioneer selling a large parcel of shares.

The overall trading volume of GMY shares over the last 12 months to 31 July 2018 was approximately 24.9% of the total shares on issue. As indicated in the table below, these volumes are lower than the average trading volumes of selected peers of 34.3%.

Liquidity of GMY shares compared to listed ADIs and non-ADIs

12 Month share volume		
Company	Volume	% of total shares
Auswide Bank Ltd	4,129,730	9.8%
Bank of Queensland Limited	412,492,320	104.0%
Heartland Bank Ltd	83,483,330	15.0%
Bendigo and Adelaide Bank Limited	384,512,260	79.0%
Australian Finance Group Limited	72,073,290	33.6%
Homeloans Limited	35,806,030	9.0%
Mortgage Choice Limited	60,159,440	48.6%
MyState Limited	15,563,520	17.2%
FSA Group Limited	9,719,490	7.8%
Yellow Brick Road Limited	52,688,370	18.7%
	Low	7.8%
	Average	**34.3%**
	Median	**17.9%**
	High	104.0%

Source: S&P Capital IQ

The relatively low levels of trading in GMY shares means that it may be difficult for shareholders to realise fair value for large volumes of shares in the open market, particularly without having a potential adverse impact on share prices.

3.9 Illiquidity of GMY shares

Our analysis of the movements in GMY's share price and trading volumes indicates that its shares are relatively illiquid. As such, we consider the share price may not be fully reflective of fair value for the following reasons:

- GMY's free float is approximately 25.6%[13]. The top 10 shareholders own approximately 57.0% of the issued share capital.
- The overall volume traded in the last 12 months to 31 July 2018 was approximately 24.9% of total issued shares. On average, the monthly volume traded as a proportion of total shares on issue over this period is 2.2%. GMY's shares are not well traded, nor traded on a daily basis albeit recent trading volumes have increased.
- GMY is a small company and is not a member of any ASX indices. The Company is not a member of the ASX All Ordinaries Index, which includes the largest 500 ASX listed companies. As a result many funds or investors are not required to, or may be restricted from, holding GMY shares.
- GMY is only followed by a small number of analysts and therefore there is limited analysis by brokers as to the Company's share price performance and prospects.

[13] S&P Capital IQ, free float excludes shares held by company employees, strategic investors and venture capital and private equity firms.

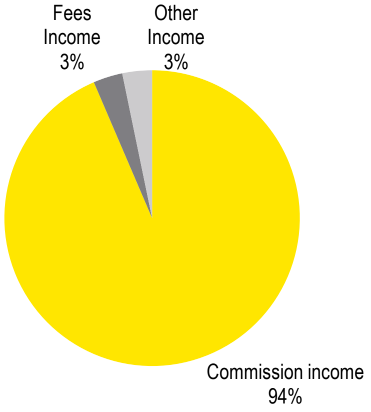
4. Overview of Finsure

4.1 Background

Finsure is a national mortgage aggregation and brokerage business based in Sydney providing finance aggregation services from a panel of financial product issuers to a network of loan writers across Australia. As of 30 June 2018, Finsure had 1,435 accredited loan writers who had settled around $12.3 billion in residential and commercial mortgages over the preceding year, with a historical book of approximately $33.2 billion[14]. Finsure commenced operations in 2011 and has experienced strong growth organically through increased loan writers, as well as through acquisitions.

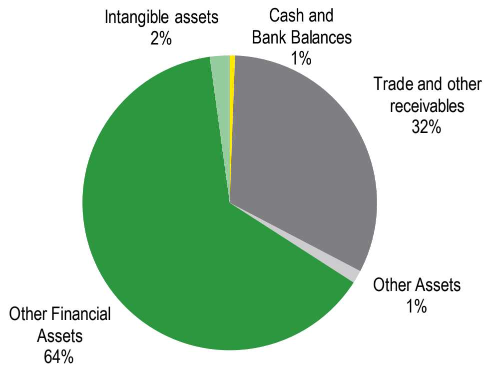
Finsure's principal activity is mortgage aggregation. Finsure supports a network of loan writers by providing a range of services including lead generation, compliance, marketing and training, supported by its proprietary software system. Leads are generated through a number of domains owned by Finsure, with Finsure currently estimated to hold around 6% of the mortgage broking market[15]. Finsure generates income through a number of sources including a share of upfront commission on loans settled by its loan writers, trail commissions as well as other fees from loan writers and software licence fees.

Finsure H1 FY18 revenue breakdown



Source: Interim financial report H1 FY18
Note 1: Other income represents interest, gain on acquisition and other non-specified income

Finsure total assets summary 31 December 2017

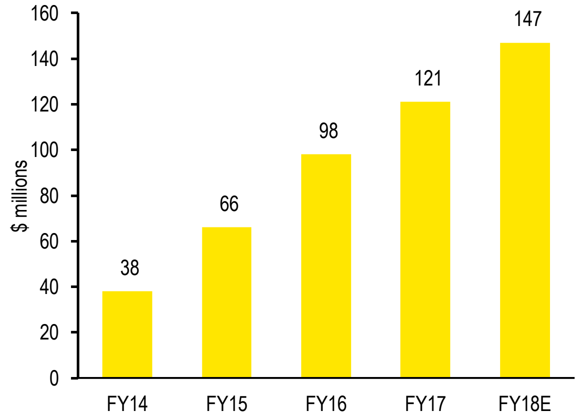


Source: Interim financial report H1 FY18
Note 1: Other financial assets consists primarily of the net present value of current future trailing commissions receivable

As set out in the charts above, the majority of Finsure's revenue is derived through commission income. For the half-year ended 31 December 2017, commission income contributed 94% of total revenue, and includes both up front and trail commissions on loans settled by Finsure loan writers and the net present value of future trailing commission income. Fee income contributed 3% of revenues in H1 FY18. Fee income represents a variety of fees, including software licence fees, loan processing fees, loan writer fees, sponsorship income and loan writer compliance fees.[16]

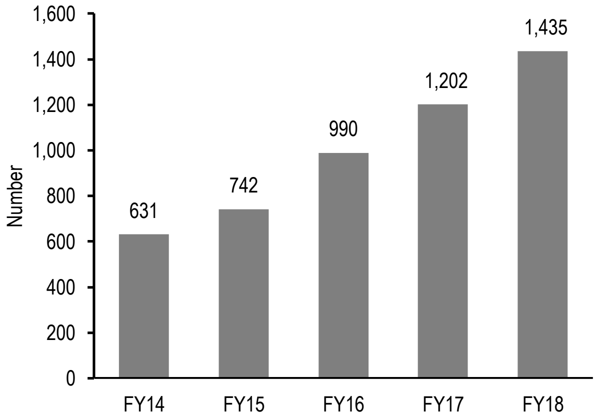
[14] GMY ASX Announcement "*Trading and transaction update*" dated 26 July 2018
[15] Finsure Management
[16] Finsure interim financial report H1 FY18

Finsure cash revenue



Source: GMY trading update 26 July 2018

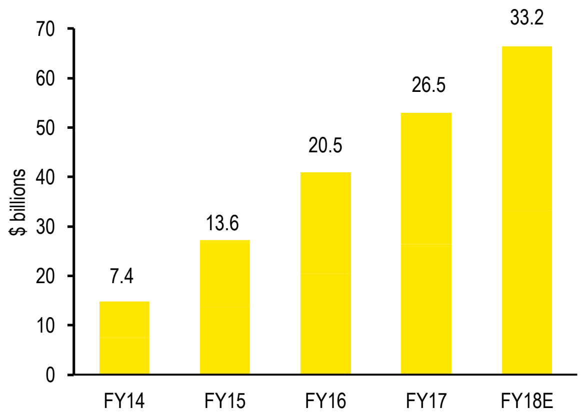
Finsure loan writers



Source: GMY trading update 26 July 2018

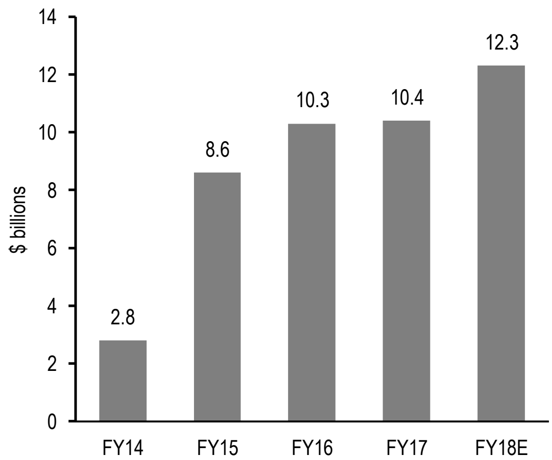
Finsure has developed a strong network of strategic alliances through a number of acquisitions and commercial partnerships growing its total number of active subscribed loan writers from 631 in FY14 to 1,435 as at 30 June 2018[17]. In order to enhance its software capabilities, Finsure acquired LoanKit in August 2013[18] from Mortgage Choice Limited. This software provides product comparison and electronic lodgement, customer relationship management, business analytics and marketing services for its clients. Finsure has since made a number of small acquisitions, including more recently of NHL in 2018. NHL is a mortgage manager, managing a white-labelled loan book of c.$725 million on which it generates commission income. Finsure has also entered into a number of alliances to generate loan broking leads. This is in addition to the lead generation assets owned by Finsure which include 1300HomeLoan, Homeloan.com.au, HomeLoanCalculator.com.au and CompareHomeLoans.com.au.

Finsure loan book size



Source: GMY trading update 26 July 2018

Finsure loan settlements



Source: GMY trading update 26 July 2018

[17] GMY ASX Announcement, *"Trading Update and Transaction Update"*, dated 26 July 2018
[18] https://www.finsure.com.au/our-business/news-media/finsure-acquires-competitor-aggregator

Finsure also operates a wholesale mortgage manager business whereby it provides white-label products under the Better Choice, Home Loans and MyLoan brands. These products allow Finsure to manufacture its own loan packages which are funded by an external third party or ADI.

4.1.1 Outlook

Finsure management has provided earnings guidance for the year ended 30 June 2018 of EBITDA in the range of $10 million to $11 million. In addition, recent acquisitions including NHL are expected to generate additional earnings for Finsure from FY18.

4.2 Financial performance

A summary of Finsure's financial performance for the last three years ended 30 June 2017, H1 FY18 and last twelve months ("LTM") to 31 December 2017 is detailed below.

Finsure income statement					
Currency $	Jun 15A	Jun 16A	Jun 17A	H1 FY18	LTM 31 Dec 17
Interest income	64,906	43,679	45,803	31,296	61,462
Commission income+	61,584,032	176,816,610	152,786,575	71,197,848	134,215,516
Fees income	3,724,924	5,852,741	8,204,447	2,441,643	9,620,131
Gain on dilution from investments in associates	-	-	614,522	-	-
Gain on acquisition	-	718,671	1,460,986	2,205,047	3,666,033
Other income	127,851	390,476	291,206	234,006	169,425
Total Revenue	**65,501,713**	**183,822,177**	**163,403,539**	**76,109,840**	**147,732,538**
Commission expense+	(60,388,070)	(166,722,384)	(140,688,532)	(63,216,355)	(121,626,725)
Other operating expenditure	(5,813,772)	(12,121,212)	(13,768,462)	(8,039,970)	(15,750,096)
Interest expense	(645,822)	(1,303,853)	(2,259,454)	(1,317,052)	(2,778,053)
Depreciation and amortisation	(354,252)	(430,909)	(654,449)	(385,854)	(740,142)
Total operating expenditure	**(67,201,916)**	**(180,578,358)**	**(157,370,897)**	**(72,959,231)**	**(140,895,017)**
(Loss) / Profit before tax	**(1,700,203)**	**3,243,819**	**6,032,642**	**3,150,609**	**6,837,521**
Net Profit/(loss) before income tax from associates*	-	(450,569)	-	-	
Income tax (charge)/ benefit	34,028	215,042	(1,820,709)	(1,675,850)	(2,595,280)
(Loss) / Profit after tax	**(1,666,175)**	**3,008,292**	**4,211,933**	**1,474,759**	**4,242,240**
Other Comprehensive income / (loss)	-	-	128,155	(85,438)	(85,438
Total Comprehensive income / (loss)	**(1,666,175)**	**3,008,290**	**4,340,087**	**1,389,321**	**4,156,802**
Profit/(loss) before tax	(1,700,203)	3,243,819	6,032,642	3,150,609	6,837,521
Net interest expense	580,916	1,260,174	2,213,652	1,285,756	2,716,591
Depreciation and amortisation	354,252	430,909	654,449	385,854	740,142
EBITDA	**(765,035)**	**4,934,902**	**8,900,743**	**4,822,219**	**10,294,254**

Source: Finsure annual report FY15, FY16 & FY17, half year report H1 FY18 and Management information
**relates to Finsure's share of the loss generated by its associate company, Ausnet Real Estate Services Pty Limited, (now known as The Agency Group Australia Ltd.)*
+Commission income and expense includes the impact of the movement in net present value from FY16 onwards
Note summing differences may arise as a result of rounding

In relation to the historical financial performance we note:

► Commission income largely consists of upfront commissions, trailing commissions and the change in the net present value of future trailing commission. Upfront commissions accounted for 34% of commission income in FY16 rising to 57% in H1 FY18, and is dependent on the volumes of loans settled each year. Overall commission income decreased by 14% in FY17 due to a decline in the net present value of future trailing commission income, whilst on a LTM basis to 31 December 2017 commission income approximates that of FY16. The net present value of the future trailing commissions is recognised in the Finsure financial accounts based on assumptions as to the expected future service costs, interest rates and run-off rates. These expected future cash flows to be received by Finsure are then discounted at a discount rate to reflect the risks associated with the future cash flows. We note that as the business was at a fairly early stage in FY15, insufficient historical information as to the expected run-off rates and other key assumptions was available in order to adequately assess the future trailing commissions at that time, and therefore no trailing commission receivable was recorded in the financial statements prior to FY16.

- Fee income has grown steadily over the last three years driven by an increasing number of loan writers both organically and through acquisitions. The significant increase in FY17 is driven by growth in software licensing fees, loan processing fees, loan writer compliance and other fees, which continued to be key drivers of performance in H1 FY18.

- The majority of operating expenses relate to commission expenses. Commission expenses decreased by 16% in FY17, which is broadly in line with the fall in total commission income over the same period.

- The significant increase in other operating expenses from $5.8 million in FY15 to $12.1 million in FY16 largely reflects an increase in employee expenses due to the significant increase in headcount as a result of acquisitions and growth in the business.

- Finsure's profitability has improved over the last three years, generating EBITDA of $10.3 million and an after tax profit of $4.2 million for the 12 months ended 31 December 2017.

4.3 Financial position

A summary of Finsure's financial position for the last two years ended 30 June 2017 and half year ended 31 December 2017 is detailed below.

Finsure balance sheet			
Currency $	Jun 16A	Jun 17A	Dec 17A
Cash & equivalents	601,097	2,955,263	968,994
Trade and other receivables	38,159,909	47,382,680	54,007,856
Other financial assets	68,317,939	102,390,089	107,233,546
Loans and advances	16,731	-	-
Property, plant and equipment	341,839	368,936	818,413
Intangible assets	2,249,574	4,002,418	3,666,411
Deferred tax assets	-	578,416	578,416
Other assets	487,311	1,315,013	1,000,596
Total Assets	**110,174,400**	**158,992,815**	**168,274,232**
Trade and other payables	34,253,589	43,649,027	51,010,824
Convertible notes	-	13,500,000	13,500,000
Provisions	280,795	444,692	778,455
Borrowings	16,845,437	11,457,580	7,221,673
Other financial liabilities	59,452,507	86,534,072	85,294,031
Deferred tax liabilities	860,413	3,271,140	4,946,990
Deferred revenue	166,051	-	3,000
Total Liabilities	**111,858,792**	**158,856,511**	**162,754,973**
Net Assets	**(1,684,392)**	**136,304**	**5,519,259**

Source: Finsure annual report FY16 & FY17 and half year report H1 FY18

In relation to the historical financial position we note:

- Other financial assets are the most material asset, accounting for 64% of total assets as at 31 December 2017. The majority of this balance is comprised of the net present value of the non-current portion of future trail commissions receivable. The value of this asset is ascertained by Management with the assistance of an external actuary, and is based upon assumptions as to future expected commission and run-off rates, discount rates, effective interest rate and a service cost reset rate. As noted earlier, no future trail commissions receivable were recorded prior to FY16 due to the lack of track record of the business. Finsure also hold an “available for sale” investment in the amount of $0.9 million in The Agency Group Australia Ltd for 7.27% of the issued capital in the company included in other financial assets.
- Trade and other receivables primarily consist of accrued revenue and future current trail commission receivable. The overall increase in trade and other receivables reflects increases in total loan settlements.
- The business is funded by convertible notes of $13.5 million, as well as loans from Aura Funds Management of $6.9 million. The remaining borrowings include loans from Bendigo and Adelaide Bank Limited, and post 31 December 2017 a loan from GMY and a short term loan facility. Finsure has gradually decreased borrowings in recent years.
- Liabilities are largely comprised of non-current future trail commissions payable and trade and other payables. We note the significant increases in this balance during 2017 are in line with the growth in future trail commission receivables.
- Finsure’s net asset position has improved over the last three years to 31 December 2017 to $5.5 million. Finsure’s net debt position as at April 2018 is $11.3 million.

4.4 Capital structure

Finsure has 133,503,653 ordinary shares on issue. In addition, Finsure has 135,000 convertible notes on issue as set out in the table below.

Finsure – capital structure	
Security type	Number
Ordinary Shares	133,503,653
Convertible Notes	135,000

Source: Finsure Management

The convertible notes have an issue price of $100 per note and are convertible into approximately 63,407,191[19] ordinary Finsure shares. The notes are convertible in various circumstances, including in the event that the Proposed Transaction is completed. In the event the notes are converted, the convertible note liability on the balance sheet will be extinguished through the issue of ordinary shares, and the ordinary shares on issue will increase to 196,910,844. This conversion is anticipated to occur immediately prior to the Proposed Transaction.

4.5 Shareholders

Finsure’s significant shareholders include its founders and their associates and a number of companies with whom it has strategic alliances. John Kolenda, a founder and the current MD of Finsure, is a beneficiary to 1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust, Daring Investment Pty Ltd, 1300Homeloan Pty Ltd ATF 1300HOMELOAN Trust, representing a combined total of 62,460,269 shares and 46.8% of the issued shares. Kar Wing Ng related entities include NG Capital Management Pte Ltd, Holding Corporation Pty Ltd ATF NG Family Super Fund and Ng Capital Management Pty Ltd ATF CNG Investment Trust, representing a combined total of 28,916,751 and 21.7% of the issued shares. The top five shareholders and their related entities currently hold 99% of the ordinary share capital in Finsure.

[19] Based on assumed conversion on 31 July 2018

The substantial beneficial shareholders of Finsure are set out in the table below. These shareholdings are presented excluding the conversion of any convertible notes.

Finsure - Substantial beneficial shareholders		
Shareholder	Number of shares	% of total shares on issue
Mr John Kolenda and related entities[20]	62,460,269	46.8%
Mr Kar Wing Ng and related entities[21]	28,916,751	21.7%
Resimac Limited and related entities[22]	21,595,386	16.2%
Rocco Veneziano and related entities[23]	8,916,938	6.7%
Koleet Pty Ltd ATF Kolenda Family Trust	8,919,136	6.7%

Source: Finsure Management

We note that in the last 18 months there have been a number of transactions in the share capital of Finsure. All transactions were undertaken at the same price per share of $0.0696. These include:

► Acquisition of 1300 Home Loans Holding Pty Ltd and Finsure Domain Names Pty Ltd. Finsure issued 10,793,022 shares as purchase consideration at a price of $0.0696 per share to acquire 100% of 1300 Home Loans Holdings Pty Ltd. In respect of Finsure Domain Names Pty Ltd., Finsure issued 7,183,908 shares as purchase consideration at a price of $0.0696 per share to acquire 100% of the company. We note these were both related party transactions.

► A buy back of 32,393,079 shares from Resimac for cash consideration of $2,253,583 in FY17. We understand from our discussion with Finsure management that the transaction with Resimac was part of an on-going business relationship and not representative of fair value.

► A rights issue as at 31 December 2017 to existing Finsure shareholders at an issue price of $0.0696 per share, resulting in an increase in the number of issued shares to 132,963,653[24]. The rights issue only included existing shareholders.

[20] John Kolenda related entities include:
1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust ACN 146 268 957
Daring Investment Pty Ltd ACN 059 818 807
1300Homeloan Pty Ltd ATF 1300HOMELOAN Trust ACN 118 495 140

[21] Kar Wing Ng related entities include:
NG Capital Management Pte Ltd UEN
Holding Corporation Pty Ltd ATF NG Family Super Fund ACN 617 153 616
Ng Capital Management Pty Ltd ATF CNG Investment Trust ACN 143 682 008

[22] Resimac related entities include:
Loan Packaging Australia Pty Ltd ACN 053 922 017

[23] Rocco Veneziano related entities include:
Noah James Investments Pty ATF The Rocco Veneziano Family Trust ACN 104 998 807
Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund ACN 123 829 087

[24] Interim financial report H1 FY18

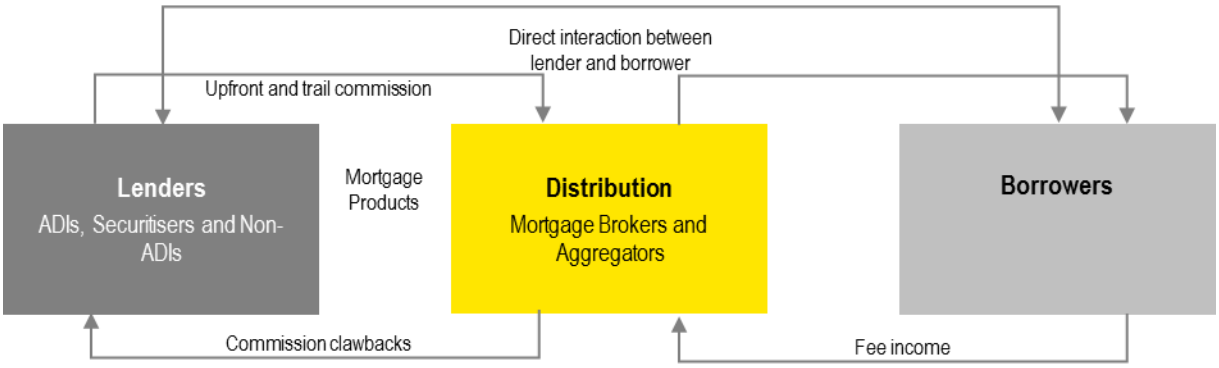
5. Industry overview

5.1 Overview

GMY currently provides a range of retail banking products and services in Australia. Its core business, and source of asset growth, is the provision of residential mortgages. Finsure operates as a mortgage aggregator and broker providing home loans, personal loans, commercial loans and asset finance across Australia. As such, we have focused our discussion on the primary drivers of the mortgage broking and mortgage lending industry in Australia.

Within the Australian financial services industry, the banks, credit unions, building societies, or ADIs, provide the majority of banking services to Australian households and businesses. The four major domestic banks dominate the retail and commercial banking sectors, each with national operations and significant branch networks. A number of regional banks also operate in Australia, focussing principally on their regional markets. Within this sector, the mortgage lending industry is comprised of banks (including mutual banks and credit unions), securitisers and non-ADIs, providing a range of services including distributing loan products to households and businesses, sourcing and originating loans, and aggregating and securitising lending through issuing registered mortgage backed securities. It is a highly competitive industry dominated by the major banks. GMY is a bank and operates principally as a residential mortgage lender generating the majority of new loans through direct channel mortgage lending and mortgage brokers.

Industry structure



Source: Ernst & Young Transaction Advisory Services Limited analysis

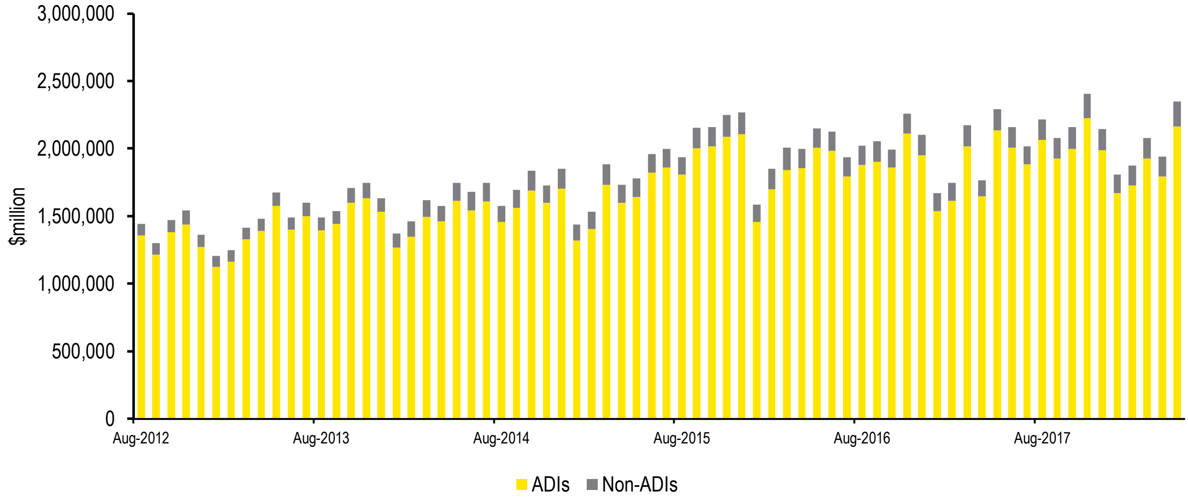
Mortgage brokers act as an intermediary between borrowers and lenders whereas mortgage aggregators act as an intermediary between lenders and mortgage brokers. Many brokers engage or join aggregators to access their network or panel of lenders and to take advantage of their business resources. An aggregator's primary function is to source products and negotiate better terms with mortgage lenders. However they also provide many additional support services to individual or small groups of brokers including software technology, general business support and back office administration to help meet compliance requirements and address regulatory requirements. The mortgage broking industry is dominated by Australian Finance Group Ltd, Aussie Homeloans (owned by Commonwealth Bank of Australia Limited) and Mortgage Choice Limited, collectively accounting for 45.1% of total market share[25]. Despite market share approaching 50% of the market through these three larger groups, the industry still remains highly competitive. Finsure operates primarily as a mortgage aggregator however is also involved in white label loan products which enables it to sell its own branded loans, funded and serviced by an external party.

Residential mortgages represent the largest lending exposure in the Australian market. Total loan growth in Australia has been strong in recent years and is heavily dependent on prevailing macro-economic conditions as well as regulation. As indicated in the chart on the following page, over the last five years, total residential loans outstanding have increased at a compound annual growth rate of 8.9%. Loans have increased from

[25] IBISWorld, 'Mortgage Broking in Australia' (2018)

approximately $1.4 trillion in August 2012 to $2.3 trillion in May 2018, with ADIs representing $2.2 trillion[26] of outstanding loans.

Total residential loans outstanding



Source: Australian Bureau of Statistics

The key drivers of loan growth include:

► *Residential housing loan rates* – the official cash rate in Australia has continued to decline over the last five years, and remains at record low levels of 1.50% as at August 2018. This is also reflected in the key benchmark rate for borrowers, being the bank bill swap rate, as indicated in the chart on the following page. While low interest rates may support growth in new loans provided, this also has a negative effect on the revenue of mortgage lenders through lower interest revenues. Recently, various bank and non-bank lenders have increased interest rates and pricing of interest-only mortgages as a result of the growth caps imposed by APRA.

► *Economic activity* – higher levels of economic growth generally result in higher demand for financing of investment activities as well as wage increases. Higher disposable incomes assist in providing the income required to service the loans. The Australian economy currently maintains a relatively low, but stable level of growth, with low unemployment rates.

► *Property prices* – property prices have trended higher across all Australian major capital cities over the past five years providing attractive investment opportunities. In particular, Sydney and Melbourne have experienced the largest price increases, growing at compound annual growth rates of 11.7% and 8.4% respectively[27] from 2012 to 2017. However, after a long period of growth in property values there are signs of a cooling off in major capital cities in recent months.

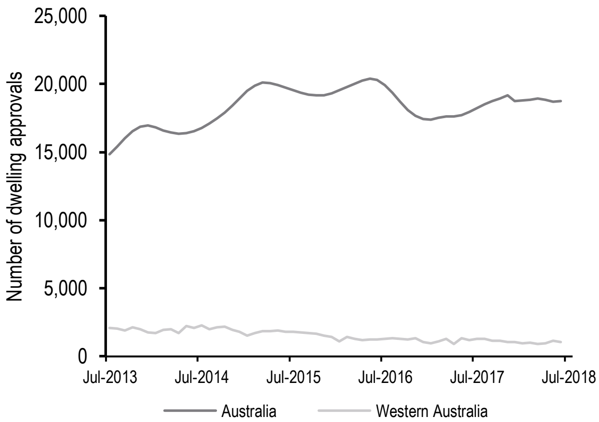
► *Population growth* – an increase in population will typically lead to an increase in demand for housing, particularly in urban areas. In the last five years New South Wales, Queensland and Victoria have experienced the highest growth in population and the largest increases in median house prices[28] out of the Australian states and territories. New dwelling approvals have helped fuel mortgage demand growth as shown by the upward trend in Australian housing approvals in the chart on the following page. In Western Australia, new dwelling approvals remain relatively flat.

[26] Australian Bureau of Statistics (ABS), '5609.0 Housing Finance, Australia' (2018)
[27] Australian Bureau of Statistics (ABS), Property Price Index, Australia' (2017)
[28] Australian Bureau of Statistics (ABS), '6416.0 Residential Property Indexes: Eight Capital Cities' (2017)

Historical interest rates

Source: S&P Capital IQ

Monthly housing approvals



Source: Australian Bureau of Statistics

ADIs are corporations which are authorised under the Banking Act 1959[29]. ADIs include banks, mutual banks, credit unions and building societies and are subject to prudential standards enforced by APRA. The key advantage for registered ADIs is the ability to fund their operations through deposits raised from their retail and corporate customers. Depositor protection up to a maximum of $250,000 per ADI per customer is guaranteed by the Australian Government pursuant to the Financial Claims Scheme. Recent reforms to the Banking Act 1959 allow ADIs to now refer to themselves as “banks”[30], however for the purposes of our report we refer to all banks as ADIs.

Credit unions and building societies mainly source their funds from retail deposits and securitisation programs before being redistributed as personal, commercial and housing loans. APRA allows credit unions with more than $50 million in Tier 1 capital to convert to mutual bank status. Although mutual banks have similar prudential regulations to other ADIs, the branding benefits in acquiring new customers have driven many credit unions and building societies to convert to bank status as customers perceive banks to be a safer institution[31].

Non-ADIs refer to financial institutions which are not authorised under the Banking Act 1959. Non-ADIs typically raise funds through wholesale channels, which are largely funded by the major banks. Non-ADIs are primarily regulated by ASIC but only to the extent of the ASIC Act. However greater industry regulation changes are currently being proposed to allow APRA to implement “reserve powers” over non-ADI lenders to safeguard the stability of the system[32].

As the ADI licencing process requires significant resources and capabilities, APRA now have two routes available to become an ADI, the direct route and the restricted route. Under the direct route, previously the only route, the applicant must demonstrate it meets the prudential framework and be ready to commence banking business. Whereas the new restricted route, which was announced in 2017, enables eligible applicants with a restricted licence to operate for a maximum of two years before they must meet the prudential framework in full. It allows them to conduct limited banking business while developing their capabilities and resources, facilitating entry into the banking sector. In May 2018 APRA granted its first restricted licence under the restricted ADI scheme. The restricted licence was issued to Volt Bank Limited (“Volt”) which will enable Volt to accept deposits worth a total of up to $2 million enabling it to focus on testing its systems, with the aim of obtaining a full banking licence by the end of this year[33].

[29] Australian Prudential Regulation Authority
[30] GMY ASX Announcement, *“Goldfields now officialy a bank”,* 30 May 2018
[31] IBISWorld, ‘Credit Unions in Australia’ (2017)
[32] IBISWorld, ‘Non-Depository Financing in Australia’ (2017)
[33] https://www.smh.com.au/business/banking-and-finance/volt-bank-first-to-get-restricted-banking-licence-20180507-p4zds7.html

5.2 Regulations

Australia's financial regulation framework is governed by three main agencies:

- APRA is responsible for prudential regulation and supervision of individual financial institutions
- ASIC is responsible for regulating Australian companies, financial markets, financial services organisations and professionals who deal in investments; and
- The Reserve Bank of Australia is responsible for monetary policy, overseeing financial system stability and oversight of the payments system.

APRA is the primary regulator of the mortgage lending sector and has developed a regulatory framework for ADIs. The framework aims to enhance the ability of institutions to identify, measure and manage the various risks in their business. APRA requires an ADI to hold a minimum level of capital that is considered by the regulatory body as adequate for the type of activities it undertakes. In terms of capital adequacy, an ADI requirement is categorised within two tiers:

- Tier 1 capital – comprises of the highest quality capital elements which meet all the essential characteristics of capital such as ordinary shares, retained earnings and reserves.
- Tier 2 capital – includes other elements of capital which are of varying degrees of quality to Tier 1 Capital however contribute to the strength of an institution.

In July 2017, APRA announced its intention to raise minimum Tier 1 capital ratio requirements for the major Australian banks to 10.5%, including a 1.0% capital conservation buffer. This is considered by APRA as necessary to improve the resilience to a systematic decline in credit conditions. The revised minimum Tier 1 capital requirements are expected to take effect in early 2020[34]. In respect of GMY, the Company's Board approved minimum regulatory capital ratio requirement is 17.5% and the APRA minimum requirement is 16.5%.[35] However the minimum ratio increases to 17.0% in January 2020.

In addition to the capital requirements, in April 2017 APRA introduced additional measures with the aim of softening demand for housing loans, particularly around the use of interest only products, given the concentration of risk in various banks' loan portfolios. This action reflected concerns over the rise in loan arrears of the major banks over the last 12 months and the risks perceived by APRA in the housing market which is expected to lead to further increases in non-performing loans[36]. The additional measures recently introduced by APRA include, amongst others:

- New interest only loans limited to 30% of total new residential mortgages
- Volumes of interest only loans with a loan-to-value ratio exceeding 80% are subject to banks' internal limits, with those exceeding 90% required to be closely scrutinised
- Growth in housing investment loans as a proportion of total new mortgages should remain below 10%

Following this, in April 2018 APRA announced that it will remove the 10% cap on housing investment loan growth and replace it with a more permanent measure to strengthen lending standards. At the time of writing this report these measures were in the process of being defined[37]. In addition to these measures, APRA announced that it expects ADIs to develop internal portfolio limits on the proportion of new lending at very high debt-to-income levels, and policy limits on maximum debt-to-income levels for individual borrowers.

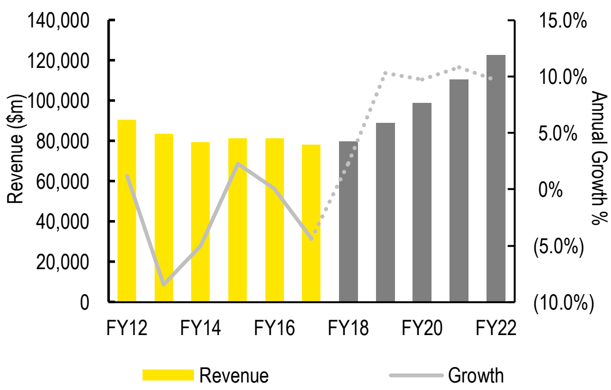
[34] Moody's Investor Services, 'Increasing capital buffers and stable profitability offset risks' (2017)
[35] GMY H1 FY18 report
[36] IBISWorld, 'Credit Unions in Australia' (2017)
[37] http://www.apra.gov.au/MediaReleases/Pages/18_16.aspx

5.3 Industry performance and outlook

5.3.1 Australian mortgage lending

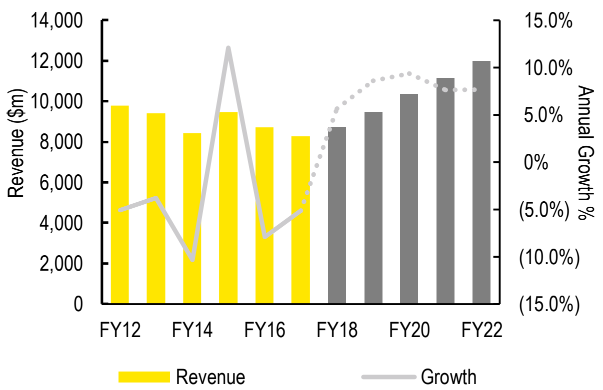
The graphs below illustrate the historical and forecast performance of the Australian ADI mortgage lending industry and the non-ADI financing sub-sector.

Australian ADI mortgage revenue



Source: IBISWorld

Australian non-ADI financing revenue



Source: IBISWorld

As indicated above, the overall revenues of ADIs have decreased at a compound annual growth rate of 1.5% over the five year period to 2018[38]. The continuous reduction in the cash rate combined with high funding margins has negatively impacted net interest margins, and therefore revenue, despite an increase in total loans over this period. Similar trends are observed in the non-ADI sector.

Interest only lending

APRA announced in 2017 additional measures to limit interest only loans at 30% of total new mortgage lending. It is believed that interest only loans represented approximately 40% of residential lending by ADIs in March 2017[39]. Following the introduction of the regulations in April 2017, the share of interest only loans fell to 30% in the June 2017 quarter. Following this in April 2018 APRA announced it will remove its 10% cap on investor loan growth and replace it with more permanent measures to strengthen lending standards.

Outlook

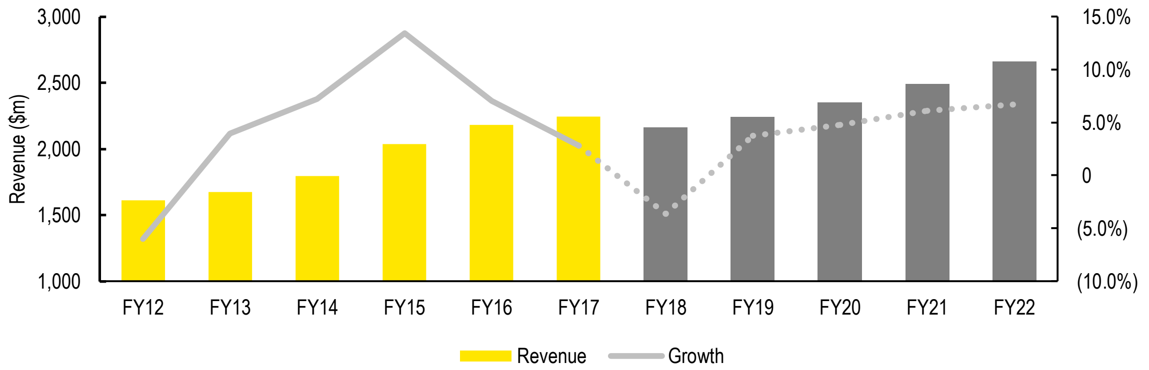
Overall revenues are forecast to rise with Australian ADI mortgage revenue forecast to increase at a compound annual growth rate of 1.5%[40] over the next five years to 2022-23. Australian non-ADI revenue is forecast to increase at a higher compound average rate of 7.8%[41] over the same period. Interest rate movements will likely continue to be the key driver of industry performance over the next five years. The industry is expected to benefit from the significant increases in total loan balances in recent years and potential increases in interest income from future forecast cash rate rises. However, this may be partly offset should there be a significant slowdown in residential housing growth, especially on the east coast of Australia.

[38] IBISWorld, 'Mortgages in Australia' (2018)
[39] AFR, 'APRA takes on Australia's dangerous addiction – interest-only home loans' (31/03/2017)
[40] IBISWorld, 'Mortgages in Australia' (2018)
[41] IBISWorld, 'Non-depository Financing in Australia' (2017)

5.3.2 Australian mortgage broking

The graph below illustrates the historical and forecast performance of the Australian mortgage broking industry.

Australian mortgage brokerage revenue



Source: IBISWorld

As shown above, the overall revenues of the mortgage broking industry increased at a CAGR of 6.8% over the past five years to FY17 due to increasing volume of mortgages originated through brokers combined with a greater proportion of loans sourced by brokers[42]. Additionally, the upward trend in residential property prices across Australia over this period significantly increased the size of average loans, boosting industry income from commissions.

Mortgage brokers settled $52.2 billion in residential home loans representing 53.6% of all Australian home loans during the December 2017 quarter, up from 51.9% in the previous year, indicating a continuing shift from traditional bank lenders towards distribution through mortgage brokers and aggregators[43]. The availability of a wide range of complex products is supporting the need for brokers in the mortgage market as consumers require advice on the suitability of the range of products on offer.

Outlook

As indicated above, industry growth is expected to continue to slow in the short term growing at a CAGR of 2.8% from FY18 to FY23 due to an anticipated slowdown in residential property prices and potential interest rate rises in coming years [44]. Lower residential lending activity over the period is anticipated to reduce demand for industry services however brokers' market share is expected to remain strong. This trend in broker market share is similar to the rising trend observed in other markets in Europe and the US.

[42] IBISWORLD, "Mortgage Brokers in Australia" (2018)
[43] MFAA, https://www.mfaa.com.au/consumer-support-for-brokers-continues-to-grow-strongly (February 2018)
[44] IBISWORLD, "Mortgage Brokers in Australia" (2018)

5.3.3 ASIC report into mortgage broker remuneration

In November 2015, ASIC was requested by the Australian government to undertake a review of the mortgage broking market to determine the effect of current remuneration structures on the quality of consumer outcomes.

In March 2017, ASIC handed down its review into mortgage broker remuneration. The report covered four years of data drawn from 19 lenders and 14 aggregators. ASIC analysed over 1.4 million individual home loans equating to $550 billion of new loan approvals. In addition, ASIC interviewed consumers to better understand their perceptions and experiences with mortgage brokers. The report provided six key recommendations for further consultation. In response to these proposals the mortgage broking industry established the Combined Industry Forum ("CIF") which brought together over 30 different stakeholders including industry associations, brokers, aggregators, lenders, consumer advocacy groups and independent legal advisors. The industry, via CIF, has agreed a number of principles, in line with the ASIC recommendations, around changes to broker commission structures, changes to tiered service models and eligibility of non-monetary benefits, implementing the new ownership disclosure and public reporting framework and commencing work on an industry code of conduct and governance framework.

At the date of this report, we understand that Finsure has considered and implemented the relevant recommendations around commission structures.

5.3.4 The Royal Commission

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was established on 14 December 2017[46]. The Commissioner, the Honourable Kenneth Madison Hayne AC QC, is required to submit an interim report no later than 30 September 2018, and provide a final report by 1 February 2019[47].

As at the date of this report, the Royal Commission had heard ASIC's submissions and the principles for reform proposed by the CIF as well as the closing submissions from the first round of public hearings. These hearings have highlighted a range of practices and produced a significant amount of media attention and points of view from different stakeholders, including the banks, mortgage broking businesses, political parties and the public.

At the date of this report, there are no known impacts on GMY or Finsure businesses as a result of the Royal Commission. It is currently unclear what findings and thus impacts may result from the Royal Commission which causes continued uncertainty around the effect it may have on the banking, mortgage broking and broader financial services industry. While any potential outcome and any ramifications are currently unknown, this increases the uncertainty in the current environment.

[46] https://financialservices.royalcommission.gov.au/Pages/default.aspx
[47] https://financialservices.royalcommission.gov.au/Pages/default.aspx

Building a better working world

6. Overview of the merged group

6.1 Strategy and potential synergies

Should the Proposed Transaction be approved and completed in accordance with the proposed terms, Finsure will become a wholly owned subsidiary of GMY. While it is intended that the businesses will remain operationally separate in order to comply with APRA regulatory requirements, the merged group may benefit from being a larger, more diversified business with the potential for additional growth opportunities. In particular, the key strategic benefits of the merged group may include:

- More diversified revenue streams.
- An increase in scale and geographical expansion across Australia.
- Increased loan volumes through the inclusion of GMY's products on Finsure's panel of lenders. In relation to this, GMY may be able to fund some wholesale / white label products such as MyLoan and Better Choice.
- Existing GMY transaction and deposit account products may be provided to Finsure settled borrowers. An increase in deposit accounts in particular would provide a more cost effective source of funding for GMY.
- The potential for some cost rationalisation of certain back office functions, credit assessment and project expenses.

If the Proposed Transaction is approved, GMY's current intentions are for GMY to continue to operate as a listed entity on the ASX, make no material changes to the business operations, and to aim to achieve the benefits stated above as a result of the Proposed Transaction. The financial and dividend policies are proposed to remain unchanged, and GMY will continue to undertake capital raisings based on its capital requirements in the future. Further details on the merged group are provided in section 8 of the Explanatory Memorandum.

6.2 Management and Board composition

The composition of the combined group board is intended to be as follows:

Name	Position
Mr Peter Wallace	Non-executive Chairman
Mr Simon Lyons	Executive Director and CEO
Mr Derek La Ferla	Non-executive Director
Mr Peter Hall	Non-executive Director
Mr John Kolenda	Executive Director and Finsure Managing Director

We note the founder and MD of Finsure, John Kolenda has already been appointed as an executive director on the board of GMY and will remain as Finsure Managing Director subsequent to the completion of the Proposed Transaction. No material changes to the senior management of the respective businesses are envisaged given they will remain operationally separate.

6.2.1 Financial position

The pro forma statement of financial position for the merged group, based on the financial positions of each company as at 31 December 2017, is set out in section 4.3 of the Explanatory Memorandum. A summary of the pro forma financial position as at 31 December 2017 is provided on the following page:

Merged group balance sheet 31 December 2017*				
Currency $	GMY	Finsure	Pro forma adjustments	Merged Group
Assets				
Cash & equivalents	14,744,236	968,994	12,561,799	28,275,029
Loans and advances	197,198,942	-	-	197,198,942
Trade and other receivables	-	54,007,856	-	54,007,856
Other financial assets	11,482,153	107,233,546	-	118,715,699
Other assets	1,038,399	1,000,596	-	2,038,995
Property, Plant and Equipment	867,135	818,413	-	1,685,548
Intangibles	1,155,003	3,666,411	-	4,821,414
Goodwill	-	-	43,528,551	43,528,551
Deferred tax assets	568,261	578,416	189,884	1,336,561
Total Assets	**227,054,129**	**168,274,232**	**56,280,234**	**451,608,595**
Liabilities				
Deposits	(205,493,559)	-	-	(205,493,559)
Trade and other payables	(922,970)	(51,010,824)	5,103,959	(46,829,835)
Convertible notes	-	(13,500,000)	13,500,000	-
Provisions	(259,335)	(778,455)	-	(1,037,790)
Borrowings	-	(7,221,673)	(1,500,000)	(8,721,673)
Other financial liabilities	-	(85,297,031)	-	(85,297,031)
Deferred tax liabilities	-	(4,946,990)	459,447	(4,487,543)
Total Liabilities	**(206,675,864)**	**(162,754,973)**	**17,563,406**	**(351,867,431)**
Net Assets	**20,378,265**	**5,519,259**	**73,843,640**	**99,741,164**

Source: Finsure and GMY H1 FY18 Reports and Explanatory Memorandum
**Reflects balance sheets of GMY and Finsure at 31 December 2017 adjusted for items identified by GMY to reflect the impact of the Proposed Transaction as if it had occurred at that date and assuming the conditional capital raise occurs at the lower end of the range, raising $15.3 million.*
Note summing differences may arise as a result of rounding.

The pro forma balance sheet shown above assumes the conditional capital raise of $15.3 million. In the event the conditional capital raise is $20.0 million this would increase the cash and number of shares resulting in net assets of $104.2 million. Further detail on this pro forma balance sheet is set out in section 4.3 of the Explanatory Memorandum.

In summary, the key pro forma adjustments impacting the financial position include goodwill that is likely to be recognised as part of the Proposed Transaction, the conversion of Finsure convertible notes to GMY equity, the acquisition of NHL and net proceeds of between $18.7 million and $23.1 million representing the $4.7 million GMY capital raise completed on 26 April 2018 plus the proposed capital raise (assumed to raise a gross amount of between $15.3 million and $20.0 million, at a price per share in the range of $1.30 to $1.50) which is conditional upon the approval of the Proposed Transaction.

The net tangible assets of the merged group are expected to be between $51.4 million and $55.9 million as summarised in the table below. We note this includes assets associated with the acquisition of NHL.

Merged group net tangible assets	Capital raise at $15.3 million	Capital raise at $20.0 million
$		
Merged group net assets	99,741,164	104,224,501
Merged group intangible assets	48,349,965	48,349,965
Merged group net tangible assets	**51,391,199**	**55,874,536**

Source: Finsure and GMY H1 FY18 Report and Explanatory Memorandum

6.3 Capital structure and shareholders

Should the Proposed Transaction be approved, GMY will issue a total of 40.75 million GMY ordinary shares to Finsure shareholders. This includes the Finsure shareholders that will be issued Finsure shares upon conversion of the convertible notes into ordinary Finsure shares immediately prior to the Proposed Transaction.

Based on the current number of shares and performance rights issued by GMY, as well as the shares to be issued as a result of the Proposed Transaction (including the conditional capital raise) and performance rights, the total number of GMY securities assumed to be on issue post the Proposed Transaction is set out in the table below:

Merged group issued capital		
	Number of shares	
	Low	High
Existing GMY ordinary Shares	25,907,066	25,907,066
New GMY ordinary shares issued to Finsure shareholders	40,750,000	40,750,000
Add: Performance rights	970,000	1,940,000
Add: Conditional capital issuance	15,385,000	10,200,000
Total GMY merged group shares	**83,012,066**	**78,797,066**
GMY options	4,500,000	4,500,000

Source: Ernst & Young Transaction Advisory Services analysis and GMY ASX announcements

Based on the level of performance rights typically converted in a transaction of this nature we consider that approximately 50% to 100% of the GMY performance rights will convert to ordinary shares in the event that the Proposed Transaction is approved. We do note however that no final decision had been made by the GMY Board on the number of GMY performance rights to be converted at the date of this report, if any. As such, the above table includes this range in assessing the number of ordinary shares likely to be outstanding and on issue.

The conditional capital raise is expected to result in the issue of between 10.2 million and 15.4 million shares at a price per share in the range of $1.30 to $1.50. Further details on the conditional capital raise and the range we apply in our valuation analysis are provided in section 9.5 and 9.7.

Following the completion of the Proposed Transaction and the conditional capital raise, and based on the current shareholdings in GMY and Finsure, the largest beneficial shareholder in the merged group will be John Kolenda and his associates[48] with between approximately 24.3% and 26.0% of the ordinary shares in the merged group post the Proposed Transaction.

48 John Kolenda and his associates include 1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust, Daring Investment Pty Ltd, 1300Homeloan Pty Ltd ATF 1300HOMELOAN Trust, Koleet Pty Ltd as trustee for the Kolenda Family Trust, Noah James Investments Pty Ltd ATF The Rocco Veneziano Family Trust and Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund.

7. Valuation approach

As discussed in Section 2 of this report, we have considered whether the Proposed Transaction is fair by comparing our assessed value of a GMY share, on a controlling interest basis, prior to the Proposed Transaction with the fair value of one share in GMY after the Proposed Transaction (on a minority basis). If the value of a GMY share post the Proposed Transaction is greater than the fair value of one share in GMY before (on a control basis), then the Proposed Transaction would be considered to be fair.

7.1 Valuation methodologies adopted

7.1.1 Value of GMY shares prior to the Proposed Transaction

The most commonly adopted valuation approaches for a financial services business, such as GMY, is to assess the value of the company based on the future earnings stream expected to be generated, or using an asset based approach assuming a going concern basis. In recent years, GMY has undertaken significant investments in its business including the implementation of the new banking system. These costs and its current small size have impacted its earnings as the business invests to increase its capacity and the efficiency with which it operates. The Company has also been in discussions with various additional third parties for distribution and white labelling arrangements including the proposed inclusion on one of the largest Australian mortgage broker platforms. While the business currently lacks scale, these initiatives, supported by a digital banking platform, are key to any future growth. As such, we do not consider an earnings approach adequately reflects the current value of GMY. As primarily a lending business, we have instead focussed on GMY's ability to grow its asset base.

We have therefore based our valuation of GMY prior to the Proposed Transaction using a net tangible assets ("NTA") methodology. We consider this approach appropriate as:

- A NTA based approach is a widely used methodology in valuing banks and other ADI's.
- These multiples are able to be assessed with recent evidence from trading companies and acquisitions of broadly similar companies.
- Net tangible assets and liabilities of banks are generally reported on a fair value, or mark-to-market basis. As goodwill is not able to be revalued under current accounting standards in the absence of a business combination, we consider NTA multiples more appropriate than relying on the value of all net assets (i.e. unadjusted for intangible assets).
- Long term forecasts have been prepared by Management however these do not meet the presentation requirements of prospective information for this purpose, are preliminary in nature and commercially sensitive. These were used solely by us to understand the potential growth, capital and funding requirements under a number of scenarios.

In applying this approach we relied upon the latest financial position of GMY as at 31 December 2017 in assessing the net tangible assets. We then applied an appropriate NTA multiple reflective of a controlling interest basis. We have separately assessed the fair value of GMY's minority equity investment in Cuscal Limited. We then assessed a value per share based on the number of shares in GMY expected to be outstanding immediately prior to the Proposed Transaction.

Prior to finalising our valuation of GMY, we considered the reasonableness of our assessed valuation ranges using the market approach by comparison with market evidence including the traded price of GMY's shares both prior to and following the announcement of the Proposed Transaction. However, we have not placed significant reliance on the share price due to the limited liquidity of GMY shares. We also considered the price achieved in recent capital raisings by GMY as well as the recent on-market takeover offer for GMY by Firstmac.

7.1.2 Value of GMY shares after the Proposed Transaction

Given the differences in the GMY and Finsure businesses, and the profile of the merged group post the Proposed Transaction, we have adopted a sum of the parts approach to value GMY after the Proposed Transaction. Our value also includes the potential impact of the proposed capital raising given it is inter-conditional upon the approval of the Proposed Transaction. We discuss the basis of the sum of the parts valuation method below.

Consistent with the approach outlined above we have based our valuation of GMY's current business using a multiple of NTA, whereby we consider the latest reported net assets, making adjustments where we consider necessary to reflect the NTA. We consider this approach appropriate for the reasons outlined in section 7.1.1. In this instance the multiple applied for GMY's existing business is reflective of a non-controlling interest and excludes any synergies.

We have considered the value of the Finsure business using the capitalisation of maintainable earnings (EV/EBITDA) approach. We consider this approach appropriate as:

► Finsure is a broking business, rather than a lender, and therefore its earnings rather than assets are a key driver of value. We therefore considered a different set of companies as being comparable to Finsure, focusing on businesses more reliant on fees and commission, rather than interest income.

► These earnings multiples are able to be assessed with recent evidence from trading companies and acquisitions of broadly similar companies.

► As Finsure is not as reliant as GMY on its asset base in order to generate future earnings, we do not consider an NTA approach to be appropriate in valuing Finsure on a standalone basis.

► Long term forecasts have been prepared by GMY's advisors however these do not meet the presentation requirements of prospective information for this purpose, are preliminary in nature and commercially sensitive. These were used solely by us to understand the potential growth of the business under a number of scenarios.

In applying this approach we relied upon the latest financial results for Finsure as at 31 December 2017 in assessing the future maintainable earnings. We then applied an appropriate EBITDA multiple reflective of a non-controlling interest basis and excluding any synergistic benefits. We also considered the discounted cash flow approach ("DCF") in order to cross check our value range for the Finsure business.

In addition to this, in order to arrive at the value of GMY after the Proposed Transaction, we have:

► Separately included the fair value of Finsure's minority equity investment in The Agency Group.

► Considered the value of the expected synergies to be realised as a result of the Proposed Transaction. These were added separately as the values of GMY and Finsure discussed above are exclusive of any synergistic benefits.

► Deducted the transaction costs expected to be incurred as a result of the Proposed Transaction.

► Considered the additional capital likely to be raised as part of the Proposed Transaction and any dilutionary impact of options in issue.

► Assessed a value per share based on the expanded number of shares in GMY expected to be outstanding should the Proposed Transaction proceed.

Prior to finalising our valuation of GMY post the Proposed Transaction, we considered the reasonableness of our assessed valuation range by comparison of overall valuation metrics with market evidence such as the implied multiple of NTA of the merged group as well as the share price of GMY post announcement of the Proposed Transaction.

8. Value of GMY before the Proposed Transaction

8.1 Valuation methodology

As discussed in Section 7 of this report, our fair valuation of a GMY share prior to the Proposed Transaction has been conducted on a controlling interest basis primarily using a multiple of NTA. When considering the value of one GMY share, we have performed the following:

- An assessment of the net tangible assets of GMY as of 31 December 2017 as adjusted for the capital raise undertaken in April 2018
- An assessment of an appropriate NTA multiple to apply to GMY's NTA in order to derive an equity value for the business of GMY on a control basis
- Considered any surplus assets or other adjustments to arrive at the equity value
- Calculated the total number of GMY shares assumed to be outstanding to arrive at a fair value per GMY share on a controlling interest basis.

8.2 Net tangible assets

The table below summarises the NTA of GMY for the half year ended 31 December 2017.

Balance sheet	
Currency $	Dec 17A
Net assets	20,378,265
Add: Net proceeds from capital raise 26 April 2018	4,494,070
Less: Intangible assets	1,155,003
Net tangible assets	**23,717,332**
Less: Cuscal equity investment	424,800
Adjusted net tangible assets	**23,292,532**

Source: Ernst & Young Transaction Advisory Services Limited analysis, Half Year Report as at 31 December 2017
**26 April 2018 capital raise net of fees which represented $236,530 or 5% of the capital raised*

In arriving at our estimate of NTA, we have had regard to the following factors:

- GMY had reported net assets of $20.4 million as at 31 December 2017. Subsequently on 26 April 2018 GMY undertook a capital raise which raised net proceeds of $4.5 million (after costs). While no subsequent financial information or guidance has been announced by GMY, we understand that the current net assets are not materially different to the position at 31 December 2017, after adjusting for the April 2018 capital raise.
- We have deducted the intangible assets which were reported on the balance sheet as at 31 December 2017. These principally include software assets which are recognised at amortised cost. While we would typically make adjustments for intangible assets other than software, as detailed breakdowns of intangible assets were not available for all listed companies, we instead adjusted for all intangible assets so as to ensure the calculation for GMY and other companies are comparable.
- We have deducted the book value of the equity investment in Cuscal and valued this separately.
- We considered adjusting the NTA for the one-off transaction expenses incurred up to 31 December 2017 however as we have not adjusted for one-off items for the comparable companies we have also not adjusted GMY's NTA for these expenses.

Based on the above information, the adjusted NTA is $23.3 million.

8.3 NTA multiples

We have capitalised the calculated NTA at a multiple that we consider reasonably reflects the business and growth prospects of GMY as well as the potential synergistic benefits available to potential acquirers. In assessing appropriate NTA multiples we considered the current trading multiples of companies that may be considered broadly comparable to GMY. In addition, we analysed the multiples implied from recent acquisitions of companies with similar operations.

8.3.1 Trading multiples

Presented in the table below are the trading multiples of the selected comparable companies. These multiples are based on the observed share prices of minority parcels of shares as at 30 July 2018 and NTA at each respective reporting date. Further information on these companies is provided in Appendix C.

Comparable company trading multiples - ADIs				
Company	Market cap ($m)	FY16 P/NTA	FY17 P/NTA	H1 FY18 P/NTA
Goldfields Money Limited	33	2.0x	1.7x	1.4x
Bank of Queensland Limited	4,403	1.6x	1.5x	1.5x
Heartland Bank Limited	949	2.2x	1.9x	1.7x
Auswide Bank Ltd	233	1.4x	1.4x	1.3x
Bendigo and Adelaide Bank Limited	5,677	1.6x	1.5x	1.5x
MyState Limited	441	2.0x	2.0x	1.9x
Suncorp Group Limited	19,443	2.5x	2.4x	2.4x
Min		**1.4x**	**1.4x**	**1.3x**
Median		**2.0x**	**1.7x**	**1.5x**
Mean		**1.9x**	**1.8x**	**1.7x**
Max		**2.5x**	**2.4x**	**2.4x**

Source: S&P Capital IQ, Company Annual Accounts
** Includes 26 April 2018 capital raising net of expenses*
+All market capitalisations are in AUD excluding Heartland Bank Limited which is NZD

While we consider the ADIs to be more similar to GMY, we also present the trading multiples of other financial companies which are involved, to various degrees, in providing mortgages or other types of loans.

Comparable company trading multiples - Other financial companies				
Company	Market cap ($m)	FY16 P/NTA	FY17 P/NTA	H1 FY18 P/NTA
Australian Finance Group Limited	321	3.7x	3.0x	2.9x
Mortgage Choice Limited	189	2.0x	1.9x	1.9x
Yellow Brick Road Holdings Limited	28	0.8x	0.7x	0.7x
Homeloans Limited	209	2.6x	1.8x	1.6x
FSA Group Limited	178	2.4x	2.2x	2.1x
Money3 Corporation Limited	374	2.7x	2.3x	2.2x
Thorn Group Limited	94	0.5x	0.5x	0.5x
FlexiGroup Limited	865	4.1x	3.7x	3.3x
Min		**0.5x**	**0.5x**	**0.5x**
Median		**2.5x**	**2.1x**	**2.0x**
Mean		**2.3x**	**2.0x**	**1.9x**
Max		**4.1x**	**3.7x**	**3.3x**

Source: S&P Capital IQ, Company Annual Accounts

8.3.2 Transaction multiples

The table below summarises the transaction multiples implied in recent transactions involving companies with operations broadly comparable to those of GMY. While ideally we would consider acquisitions of ADIs with a similar business mix to be the most comparable, many of these transactions occurred more than five years ago in very different market conditions and are therefore not presented below. As such, there are very few recent relevant transactions. Accordingly our listing of acquisitions includes a broad range of financial services providers. Some of these listed below are not overly comparable and have more diversified revenue streams than GMY currently. Further details regarding the transactions are presented in Appendix D.

Transaction multiples

Acquirer	Target	Transaction value ($m)	Percentage acquired (%)	Price/NTA
Realestate.com.au Pty Ltd.	Smartline Home Loans Pty Ltd	67	80	n/a
KKR Credit Advisors (US) LLC	Pepper Group Limited	635	100	1.6x
HNA Group Co., Ltd	UDC Finance Limited	660	100	1.6x
Somers Limited	Homeloans Limited	89	79	1.4x
Homeloans Limited	RESIMAC Limited	135	100	*1.6x
Auswide Bank Ltd	Qld Professional Credit Union	32	100	1.2x
Yellow Brick Road Holdings Limited	Vow Financial Pty Ltd	18	100	1.6x
Yellow Brick Road Holdings Limited	Resi Mortgage Corporation Pty Ltd	36	100	1.4x
MyState Limited	Rock Building Society Ltd	68	100	1.3x
Low				**1.2 x**
Median				**1.5 x**
Mean				**1.5 x**
High				**1.6 x**

Source: Ernst & Young Transaction Advisory Services Limited analysis, MergerMarket, S&P Capital IQ
**Note: The RESIMAC transaction multiple reflects a minority basis through the issuance of shares in the merged group*

8.3.3 Assessment of NTA multiples

In assessing an appropriate range of NTA multiples to apply in valuing GMY, we considered the following factors:

► GMY has shown strong consistent growth in its loan book since FY15, with annual loan book growth averaging around 12% per annum which is above the rate of growth of the larger comparable ADIs.

► GMY has made significant investments across its business during 2016 and 2017, most notably in its people and the new core banking system. Successful implementation of this system and the inclusion on one of the largest mortgage broker platforms, as well as further distribution and white labelling arrangements, are expected by management to support GMY’s future growth initiatives. We note that Auswide Bank Limited is larger than GMY and has recently implemented new loan origination and e-banking platforms.

► Non-interest income currently represents around 42% of GMY revenues. These revenue streams are generally less asset intensive albeit are factored into APRA’s overall assessment of risk in setting minimum capital adequacy requirements. In considering the NTA multiples of listed companies and multiples implied in recent transactions, we placed greater reliance on companies with a similar mix of interest and non-interest income to GMY. We placed lower reliance on less asset intensive companies and non-ADIs due to their differing business models to GMY.

► GMY is significantly smaller, in terms of both market capitalisation and loans and advances, than the selected trading companies and the majority of recently acquired companies. With a relatively fixed cost base associated with businesses of this nature, scale benefits may result in increased profitability as the business grows.

- We have principally relied on the trading multiples of ADIs given their more similar business model to GMY and reliance on interest income. Of these, we consider Auswide Bank as reasonably comparable given the relative size to GMY and recent new system implementation, but also note the more positive growth outlook for GMY compared to broker estimates for Auswide.

- We included the other financial companies set of multiples as they are involved, to varying degrees, in providing mortgages or other loans. However we placed less reliance on their multiples given many of these companies have very different business models and are less asset intensive in their operations. These multiples were considered by us largely to demonstrate the impact of differing business models on the NTA multiples, with asset intensive interest earning businesses typically trading on lower NTA multiples than less asset intensive non-interest earning businesses.

- Funding availability is key to achieving growth. As an ADI benefitting from depositor protection under the Financial Claims Scheme, GMY has demonstrated its ability to raise additional funds relatively cost efficiently. We note that over the years FY15 to FY17, GMY generated net interest margins similar to the selected listed ADIs.

- Certain of the listed companies, such as Homeloans Limited have relatively low levels of trading in their shares, which we have taken into consideration when analysing their implied multiples.

- We view the Homeloans Limited merger with RESIMAC Limited as broadly similar based on its operations. The transaction was a merger between RESIMAC (an unlisted entity) and Homeloans (an ASX listed entity). The merger was a scrip transaction with RESIMAC shareholders collectively holding more than 72% of the enlarged group post completion. The merger created a large non-bank lender with a combined portfolio exceeding $13 billion and was expected to generate significant synergies.

- Based on our analysis of the NTA of comparable companies and transactions, ADIs and non-ADIs are currently trading at a premium to their NTA.

- Prior to the announcement of the Firstmac Offer, GMY's share price (on a minority interest basis) implied a FY17 P/NTA multiple of 1.0x[49]. This is significantly lower than the mean of the selected comparable trading ADIs of 1.7x.

- The trading multiples presented are based on the prices for minority parcels of shares (except where indicated) and therefore do not include a premium for control. A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as:

    - The ability to realise some synergistic benefits, for example by merging the operations with those of the acquiring entity and generating revenue synergies and/or funding synergies such as through an ADI. In the case of GMY we consider that the potential funding synergies as an ADI could be significant to a non-ADI

    - Access to cash flows and payment of dividends

    - Access to tax benefits

    - Control of the board of directors and the direction of the company

- Historically, control premiums on successful takeovers in Australia have frequently been in the range of 20% to 40% with the premium varying significantly from circumstance to circumstance. Control premiums in the current environment have been observed to approximate 30%, or even higher where there is the potential for significant synergies to be realised by a particular purchaser. This view is supported by the Mergerstat control premium study at 31 December 2017, with the median 12 month control premium observed for transactions globally in the financial services sector of 24%. This compares to the 12 month control premium observed for all transactions globally of 26%. We note that in this case we would view

[49] On an undiluted basis assuming 22.5 million shares outstanding

the high end of this range as more reflective of the attractiveness as an ADI offering potential funding synergies.

After considering the above factors we have selected a NTA multiple range of 1.60x to 1.75x on a control basis to apply to the selected NTA of GMY.

Selected multiple range – Control basis	NTA	
	Low	High
Selected multiple range	1.60x	1.75x

Source: Ernst & Young Transaction Advisory Services Limited analysis

8.4 Other assets and liabilities

GMY holds a minority interest in the ordinary equity of Cuscal. The investment was recorded at fair value at 31 December 2017 at $0.425 million. The fair value is measured based on prices at which shares have recently transacted through Cuscal's off-market exchange which facilitates trades between shareholders. We have reviewed this transaction price and shareholding information which was provided to us by GMY and considered the value recorded in GMY's accounts as being materially reflective of current fair value.

Management of GMY has advised that as at the date of this report, there are no other significant surplus assets or liabilities which require inclusion within the valuation.

8.5 Transaction costs

We understand that GMY is expected to incur transaction costs in the range of $0.9 million to $1.0 million regardless of whether the Proposed Transaction proceeds. Of this, $0.35 million was incurred in the period to 31 December 2017 and is captured in the valuation through a reduction in NTA. We have therefore deducted only the balance of transaction costs of $0.55 million to $0.65 million from the valuation.

8.6 Unlisted options

We have also considered the 4,500,000 unlisted options and have performed calculations to ascertain their fair value and therefore if they are likely to be exercised. We note that the options have an expiry date of 11 May 2019 and exercise price of $1.50 per share. We understand that $1.50 per share is payable to GMY on the exercise of the options. We have valued these options under a range of scenarios, and based on our analysis we have concluded on a value range of $280,000 to $700,000. We have therefore deducted the value of these options in arriving at the equity value in order to reflect their dilutionary impact.

8.7 Number of shares on issue

As detailed in section 3.5 of this report, GMY currently has 25,907,066 ordinary shares outstanding.

As at the date of this report, there were 1,940,000 performance rights on issue. In the event of a control event such as a takeover, the board of GMY may exercise its discretion to convert all or any of the performance rights to ordinary shares, whether or not the relevant performance conditions (if any) have been met, and/or remove any disposal restrictions, whether or not all requirements (if any) have been met. We have assumed that this discretion is exercised and that the Board of GMY would resolve to vest and convert all outstanding performance rights into ordinary shares in the event of a takeover. As such on a diluted basis, the number of ordinary shares assumed to be outstanding for the purposes of our valuation analysis is therefore 27,847,066.

8.8 Summary of values

We have valued GMY using a range of NTA multiples on a controlling interest basis. Our valuation is summarised in the following table.

GMY– Valuation summary P/NTA multiple valuation		NTA Basis	
$	Reference	Low	High
Net tangible assets	Section 8.2	23,717,332	23,717,332
Less: Cuscal equity investment	Section 8.4	424,800	424,800
Adjusted net tangible assets		23,292,532	23,292,532
Assessed multiple (Control basis)	Section 8.3	1.60x	1.75x
Equity value of GMY (Control basis)		37,268,051	40,761,931
Add: Cuscal equity investment	Section 8.4	424,800	424,800
Less: One off transaction costs	Section 8.5	(550,000)	(650,000)
Less: Fair value of options	Section 8.6	(280,000)	(700,000)
Fair value of equity		**36,862,851**	**39,836,731**
Number of shares on issue	Section 3.5	27,847,066	27,847,066
Fair value of a GMY share (Control basis) ($)		**1.32**	**1.43**

Source: Ernst & Young Transaction Advisory Services Limited analysis

Accordingly, we assessed the value of each GMY share to be between $1.32 and $1.43 on a controlling basis.

8.8.1 Valuation cross check to recent Firstmac Offer

We considered our value range in comparison to the recent on-market takeover offer from Firstmac of $1.12 per share, which was subsequently increased to $1.27 per share. The Firstmac Offer was not successful and lapsed on 1 December 2017. At the time that the on-market takeover offer was made, we provided an independent expert's report which assessed the value of GMY shares to be in the range of $1.27 to $1.39 per share, on a controlling interest basis. Our current views on value differ largely reflecting the updated NTA, the capital raising in April 2018 at $1.40 per share, updated fair value of the options, higher number of shares on issue as well as higher transaction costs due to the Proposed Transaction.

8.8.2 Valuation cross check using GMY share price

We have also compared our assessed valuation range for GMY to the prices at which the shares have traded both prior to and since announcement of the Firstmac Offer on 16 October 2017. We have selected this period as arguably since announcement of the Firstmac Offer, GMY's share price is reflective of a bid premium. Prior to the announcement of the Firstmac Offer, the 1 week, 1 month and 3 month VWAP was $1.00, $1.03 and $1.01, respectively. These prices reflect a minority share price and our valuation conclusion reflects a controlling basis. Our value range implies a premium to the previous VWAP range discussed above of between 28% and 43%. However as we are assessing GMY on a control basis, we have assumed that the performance rights would vest and convert into ordinary shares. As such this may reflect a higher level of assumed outstanding shares. If we adjusted our fair value per share to exclude the dilutive effect of all performance rights this would imply a premium to the VWAP prior to the announcement of between 38% and 54%. We consider that this significant premium is supported given the potential funding synergies which may be achieved by an acquirer of an ADI.

We also note that as at 31 July 2018, GMY's share price implies a 1 week, 1 month and 3 month VWAP of $1.28, $1.29 and $1.42 respectively. We note that this is similar to our valuation range and is also consistent with the most recent capital raise in April 2018 at $1.40 per share. Whilst the listed share price represents a minority parcel of shares, arguably if the shares were considered liquid, the current share price should reflect the likelihood and value of the shares post the Proposed Transaction. Our assessed value range of $1.32 to $1.43 per share implies a premium to NTA outlined in section 8.2 of between 55% and 68% which is at the upper end of the P/NTA multiples implied by similar transactions. We consider this reasonable, reflecting GMY's progress in achieving its strategic initiatives and potential synergies available to an acquirer.

9. Value of GMY post the Proposed Transaction

9.1 Valuation methodology

As discussed in Section 7 of this report, our fair valuation of GMY post the Proposed Transaction has been conducted on a minority interest basis primarily adopting a sum of the parts approach. When considering the value of one GMY share post the Proposed Transaction, we have performed the following:

- ► Assessed the value of GMY as a standalone business based on an NTA methodology, consistent with the approach utilised in Section 8 of this report, whereby we consider the latest reported net assets, making adjustments where we consider necessary to reflect the NTA. We consider this approach appropriate for the reasons outlined in section 7.1.1. The key difference to the value of GMY arrived at in section 8 of this report, is that the valuation of GMY assessed in this section is on a non-controlling basis and therefore excludes any synergistic benefits.

- ► Considered the value of the Finsure business based on the capitalisation of future maintainable earnings (EV/EBITDA) approach. We consider this approach appropriate for the reasons outlined in section 7.1.2. However in order to support our value range we also applied the discounted cash flow methodology. The value assessed for Finsure is also on a non-controlling basis and excludes any synergistic benefits.

- ► Separately assessed the potential value of synergies that may be realised as a result of the Proposed Transaction.

- ► Considered the impact of the proposed capital raise which is conditional upon, and therefore considered as part of, the Proposed Transaction.

- ► Fair valued the GMY options and the potential dilutionary impact on value.

- ► Considered transaction costs expected to be incurred.

- ► Calculated a value per share based on the expanded number of GMY shares expected to be outstanding should the Proposed Transaction proceed.

Prior to finalising our valuation of GMY post the Proposed Transaction, we considered the reasonableness of our assessed valuation range by comparison with market evidence including the implied multiple of NTA of the merged group as well as the trading price of GMY shares post announcement of the Proposed Transaction.

9.2 Valuation of GMY business

As discussed above, we applied a sum of the parts approach in order to value GMY post the Proposed Transaction. Firstly, we applied an NTA multiple approach to assess the standalone value of the GMY business.

9.2.1 GMY net tangible assets

The table below summarises the NTA of GMY on a standalone basis for the period ended 31 December 2017. This is the same as set out in section 8.2 of this report.

Balance sheet	
Currency $	Dec 17A
Net assets	20,378,265
Add: Net proceeds from capital raise 26 April 2018	4,494,070
Less: intangible assets	1,155,003
Net tangible assets	**23,717,332**
Less: Cuscal equity investment	424,800
Adjusted net tangible assets	**23,292,532**

Source: Ernst & Young Transaction Advisory Services Limited analysis, Half Year Report as at 31 December 2017
**26 April 2018 capital raise net of fees which represented $236,530 or 5% of the capital raised.*

9.2.2 NTA multiple assessment

We have capitalised the selected NTA at a multiple that we consider reasonably reflects the business and growth prospects of GMY, on a minority interest basis. In assessing appropriate NTA multiples we considered the current trading multiples of companies that may be considered broadly comparable to GMY. The trading multiples are set out in section 8.3.1. In addition, we analysed the multiples implied from recent acquisitions of companies with similar operations, which are set out in section 8.3.2. We note that the transaction multiples set out earlier are generally for controlling interests whereas we are considering a minority interest basis for GMY standalone post the Proposed Transaction.

In assessing an appropriate range of NTA multiples (on a minority basis) to apply in valuing GMY on a standalone basis, we considered the factors discussed in section 8.3.3. In addition to those factors, we also considered that GMY's banking business may benefit from loan growth associated with being part of a larger more diversified group post the Proposed Transaction. We separately considered any potential earnings growth from cost savings in our assessment of potential synergies.

After considering the above factors we have selected an NTA multiple range of 1.35x to 1.50x on a minority basis to apply to the selected NTA of GMY. This is lower than the multiples assessed for GMY in section 8 of this report as these reflect a non-controlling interest basis. The selected multiple range does not include consideration of any revenue or cost synergies that may arise as a result of the Proposed Transaction.

Selected multiple range – GMY minority basis	P/NTA	
	Low	High
Selected minority multiple range	1.35x	1.50x

Source: Ernst & Young Transaction Advisory Services Limited analysis

9.2.3 GMY valuation summary

The table below summarises the fair value of GMY's business (before transaction costs) on a standalone and minority basis taking into consideration the assessed NTA multiple discussed above. This includes the adjustment for GMY's equity investment in Cuscal which was discussed in section 8.4.

GMY– Valuation summary P/NTA multiple valuation		NTA Basis	
$	Reference	Low	High
Net tangible assets	Section 8.2	23,717,332	23,717,332
Less: Cuscal equity investment	Section 8.2	424,800	424,800
Adjusted net tangible assets		23,292,532	23,292,532
Assessed multiple (minority basis)	Section 9.2.2	1.35x	1.50x
Equity value of GMY (minority basis)		31,444,918	34,938,798
Add: Cuscal equity investment	Section 8.4	424,800	424,800
Fair value of equity (minority basis)		**31,869,718**	**35,363,598**

9.3 Valuation of Finsure business

In order to assess a value for Finsure's business on a minority and standalone basis, we applied an EBITDA multiple approach, as discussed below.

9.3.1 Finsure EBITDA

The reported EBITDA of Finsure is set out in section 4.2 of this report. The LTM EBITDA of Finsure is $10.3 million with Management having provided earnings guidance for FY18 of EBITDA of between $10.0 and $11.0 million.

In order to assess a maintainable level of earnings for Finsure we have adjusted the LTM EBITDA as at 31 December 2017 for various items which we consider to be "one-off" in nature or not reflective of operating earnings. These include:

► $1.5 million gain on the acquisition of 1300 Home Loans Holding Pty Ltd as well as a gain on the acquisition of NHL of $2.2 million.

► $1.2 million EBITDA for NHL[50], the acquisition of which completed on 31 January 2018 and is therefore not included in earnings at 31 December 2017. This amount represents current run-rate cash EBITDA for managing a c.$725 million loan book, and excludes the NPV of future trail income.

► Transaction costs of $0.1 million which are one-off in nature and were incurred by Finsure in the period to 31 December 2017.

Finsure EBITDA summary	
Currency $	**LTM 31 Dec 17**
Finsure reported EBITDA	10,294,254
Less: Gains on bargain purchase	(3,666,033)
Add: NHL EBITDA	1,200,000
Add: Transaction costs	131,992
Adjusted EBITDA	**7,960,213**

Source: Ernst & Young Transaction Advisory Services Limited analysis, Finsure Annual Report and Half Year Report as at 31 December 2017

Based on the above, we have assessed the future maintainable EBITDA for Finsure to be $8.0 million.

9.3.2 EBITDA multiple assessment

In assessing an appropriate range of earnings multiples (on a minority basis) to apply in valuing the Finsure business on a standalone basis, we considered the following factors:

► Finsure has historically experienced strong growth in earnings, both organically and through acquisitions. Its organic growth has included significant increases in loan writers from 631 in FY14 to 1,435 as at 30 June 2018. Loan writers increased by 33% in FY16, 21% in FY17 and a further 19% in the year to 30 June 2018. As a result of its loan writer growth and the mortgages written, this has resulted in EBITDA rising from a loss of $0.8 million in FY15 to EBITDA of $10.3 million for the last twelve months to 31 December 2017. Given there is generally a lag between growth in loan writers and growth in commissions, the additional loan writers are expected to support future growth.

► Finsure has also made a number of recent acquisitions which have supported its historical growth. These acquisitions, and associated benefits from the greater scale of the business, are expected to support growth at levels above the industry average in the short term. As discussed in section 5, the mortgage broking sector is forecast to grow at a rate of 2.8%[51] per annum over the next five years to FY23 as

[50] GMY ASX announcement, Trading Update & Satisfaction of Conditions, 5 February 2018
[51] IBISWorld, "Mortgage Brokers in Australia" (2018)

mortgage brokers are expected to gain increased market share. However, historically Finsure has achieved growth at rates well above the market.

- Recent transactions, such as the NHL acquisition have provided additional scale with little additional expenditure forecast which is expected to assist in improving volume and therefore earnings.

- We note that companies which have higher levels of forecast growth tend to trade at higher multiples. Based on our analysis of Finsure and the comparable companies we note that Finsure's historical revenue and earnings growth is above that of the majority of close comparables and Finsure's historic EBITDA growth is significantly higher than close comparables.

- Most of the ASX listed mortgage brokers and aggregators are much larger than Finsure and may enjoy greater scale benefits. Australian Finance Group Limited ("AFG") and Mortgage Choice Limited ("Mortgage Choice") are both larger in terms of market capitalisation, however we note that Mortgage Choice is smaller in terms of loan writer numbers and annual settlements. In relation to these two companies we also contrasted the outlook for AFG and Mortgage Choice to Finsure. In relation to this we undertook analysis as to the loan writer growth, loans settled and revenue and earnings growth both on a historic basis and also based on forecast broker estimates.

- The trading multiples of the "other financial companies" which are broadly comparable to Finsure, are set out in the table below and reflect a minority basis consistent with the basis of value for GMY post the Proposed Transaction. We note trading multiples for comparable companies are reported on different bases, some including the NPV of future trail income and others excluding the NPV of future trail commissions. We assessed the multiples on both bases however as we do not adjust for the NPV of future trail commissions in our assessment of Finsure EBITDA we have presented the unadjusted multiples.

Comparable company trading multiples - Other financial companies

Company	Market cap ($m)	FY16 EBITDA multiple	FY17 EBITDA multiple	LTM Dec17 EBITDA multiple
Australian Finance Group Limited	321	10.2x	5.8x	5.3x
Mortgage Choice Limited	189	6.1x	5.4x	5.4x
Yellow Brick Road Holdings Limited	28	n/a	5.7x	5.8x
Homeloans Limited	209	10.0x	7.5x	5.7x
FSA Group Limited	178	10.2x	7.4x	7.6x
Money3 Corporation Limited	374	11.2x	8.5x	8.5x
Thorn Group Limited	94	4.4x	5.8x	7.7x
FlexiGroup Limited	865	10.3x	6.2x	*24.7x
Min		**4.4x**	**5.4x**	**5.3x**
Median		**10.2x**	**6.0x**	**6.7x**
Mean		**8.9x**	**6.5x**	**8.8x**
Max		**11.2x**	**8.5x**	**24.7x**

Source: S&P Capital IQ, Company Annual Accounts
*Note: * The LTM Dec17 EBITDA multiple is 6.7x if adjusted for the one off intangible asset impairment of $94.7 million*

- AFG is a large listed Australian mortgage broker group. AFG derives the majority of its revenue from mortgage broking services however is significantly larger than Finsure.

- Mortgage Choice provides mortgage broking services and operates a franchise network of mortgage brokers in Australia. Mortgage Choice derives the majority of its revenue from mortgage broking services, albeit is larger than Finsure with reference to market capitalisation[52].

- In addition to the multiples set out above related to Mortgage Choice and AFG, we also reviewed the available broker reports for their forecast estimates. Based on their forecast earnings estimates, the

[52] Mortgage Choice half year report as at 31 December 2017

Building a better working world

prospective EBITDA multiples range between 6.5x and 8.0x. We note however that these companies are not well covered by brokers.

The transaction multiples set out in section 8.3.2, typically reflect the acquisition of 100% of a company, and therefore reflect a controlling basis. In relation to broadly comparable transactions for which sufficient information is available, we note:

- In June 2017 realestate.com.au Pty Ltd announced its intention to acquire 80.3% of Smartline Home Loans Pty Ltd ("Smartline"). Smartline is an Australian mortgage broking business which settles c.$6.0 billion in loans each year[53]. The transaction consideration was for the amount of $67 million in cash and completed on 31 July 2017. The implied EBITDA multiple from this transaction was 8.5x and was reflective of a controlling interest transaction. Insufficient information was available to calculate an adjusted multiple for this transaction.

- On 16 September 2016 Somers Limited agreed to acquire a 79% stake in Homeloans Limited ("Homeloans") for $88.5 million. Homeloans is an ASX listed non-bank lender and alternative provider of residential mortgage finance. Homeloans sells residential mortgages through external third party mortgage brokers as well as its own branded broker relationships. We note Homeloans is larger than Finsure, generating net income of $13.0 million in FY16 and $15.8 million in FY17. The implied EV/EBITDA multiple from the transaction was 8.3x.

After considering the factors discussed above we have selected an EBITDA multiple range of 8.5x to 9.5x on a minority basis to apply to the selected earnings of Finsure. As the selected earnings to which the multiple is applied are historical earnings, any future growth is necessarily reflected in the assessment of appropriate multiple. Prior to finally assessing the multiple range, we also undertook an indicative DCF in order to consider the reasonableness of the multiples applied. This is discussed in the next section. We also note that this selected multiple range does not include consideration of any revenue or cost synergies that may be generated from the Proposed Transaction.

Selected multiple range – Finsure minority basis	EV/EBITDA	
	Low	High
Selected multiple range	8.5x	9.5x

Source: Ernst & Young Transaction Advisory Services Limited analysis

Our selected multiple range implies an enterprise valuation for Finsure in the range of $68.0 million to $76.0 million.

9.3.3 Finsure valuation cross check – indicative DCF

In considering the value range indicated above we also performed an indicative DCF analysis, as additional support for our valuation analysis of Finsure based on the capitalised earnings approach. We note that Finsure does not typically prepare long term projections for its business. However, we were provided with some illustrative analysis which was prepared for the purpose of the Proposed Transaction. This analysis is considered preliminary in nature and therefore for the purposes of our indicative DCF we undertook the following:

- Considered the preliminary information provided by Finsure and discussed with Management the prospects for the business and associated risks.

- Considered market information as to growth rates as well as historical trends in the business.

We then considered the actual results for Finsure and applied various market based assumptions in our DCF. The key assumptions are discussed below.

[53] Smartline website, www.smartline.com.au/about-smartline/the-smartline-story/

- *Revenue* – revenue forecasts are based on the LTM revenue for Finsure adjusted to include the additional revenues from the NHL transaction. We then assumed growth beyond FY19 of 3.5% based on growth for the sector, as sourced from IBISWorld[54].

- *Operating expenditure* – operating expenditure as a percentage of revenue was assumed at between 93% and 96% of revenues. This reflects that the commission expenses, which are the largest expenses, typically change in line with the revenues. The net operating margin is in line with industry peers and Finsure's historic average.

- *Capital expenditure and working capital* – capital expenditure and working capital movements are based on historical trends for Finsure, albeit are not material for businesses of this nature.

- *Tax* – tax is assumed at the Australian corporate tax rate of 30%.

- *Discount rate* – we applied a weighted average cost of capital range of 10.5% to 12.5%.

- *Terminal value* – we applied the Gordon Growth model in order to value Finsure cash flows into perpetuity. We assume a long term growth rate of 2.5% in our terminal value calculation, which approximates the long term inflation forecast for Australia.

- *Minority discount* – we applied a discount to our indicative DCF valuation in order to adjust to a minority basis.

The resultant value range of $67.9 million to $85.4 million supports the range calculated under our primary methodology.

Sensitivity analysis

We performed sensitivity analysis on the key assumptions used in the indicative DCF valuation of Finsure, summarised in the following table. The sensitivities are not intended to present a range of potential values for Finsure but to show the sensitivity of our valuation assessment to movement in certain variables.

Sensitivity analysis summary	Low $	High $	Low % change	High % change
Finsure value on minority basis using DCF valuation approach	67,893	85,354		
Long term growth rate				
+ 1%	74,074	95,743	9.1%	12.2%
- 1%	62,836	77,273	-7.4%	-9.5%
Discount rate				
+ 1%	61,555	75,649	-9.3%	-11.4%
- 1%	75,649	97,843	11.4%	14.6%
Revenue growth in FY19				
+ 5%	70,623	88,782	4.0%	4.0%
- 5%	65,163	81,926	-4.0%	-4.0%

9.3.4 Finsure other assets and liabilities

Finsure owns a minority interest in the ordinary equity of The Agency Group Australia Ltd. The investment was recorded at fair value at 31 December 2017 at $0.897 million or around $0.02 per share. This value was supported by a capital raising which took place in December 2017 at $0.02 per share. We note that the latest trading price is $0.009 per share as at 31 July 2018, which is below the capital raising price. While we consider

[54] IBISWorld, "Mortgage Brokers in Australia" (2018)

that the shares are illiquid we have applied the current share price at the low end of the range and earlier capital raise price at the high end of the range, resulting in a value of between $385,000 and $855,000.

Finsure has net debt of $11.3 million as at April 2018. Of this, $3.1 million is NHL debt from GMY which was drawn by Finsure on completion of the NHL transaction. A further $1.5 million of this balance represents a short term facility.

Management of Finsure has advised that as at the date of this report, there are no other significant surplus assets or liabilities which require inclusion within the valuation.

9.3.5 Finsure valuation summary

The table below summarises the fair value of Finsure (before transaction costs) on a minority standalone basis taking into consideration the assessed EBITDA multiple discussed above.

Finsure valuation summary EBITDA valuation			
	Reference	Low	High
Normalised EBITDA	Section 9.3.1	8,000,000	8,000,000
Selected EBITDA multiple	Section 9.3.2	8.5x	9.5x
Finsure valuation (minority basis) (rounded)		68,000,000	76,000,000
Add: Finsure surplus asset	Section 9.3.3	385,000	855,000
Less: Net debt	Section 9.3.3	(11,282,362)	(11,282,362)
Finsure valuation (minority basis)		**57,102,638**	**65,572,638**

This analysis indicates a valuation range for Finsure on a minority standalone basis is $57.1 million to $65.6 million.

9.4 Potential synergies

We have also considered the fair value of potential synergies expected to be realised as a result of the Proposed Transaction. We discussed with GMY the potential revenue synergies such as the potential for GMY to leverage the Finsure broker platform and possible improvements in net interest margin through funding loans and increased deposit accounts. However, as many of these synergies are difficult to accurately quantify we have not explicitly placed value on these strategic benefits.

However, GMY and Finsure management have undertaken an indicative assessment of the expected cost savings that may be achieved over time, even maintaining operational separation of the businesses. These cost savings are estimated by GMY management at around $1.0 million per annum. These cost synergies include savings from the removal of two directors from the Finsure board in order to form the merged group board and a reduction in staff and contractors in some areas across both the GMY and Finsure businesses. We note that whilst the reasonableness of these synergies has not been independently reviewed, GMY and Finsure management expect these synergies to be relatively low risk and achievable within 12 months after the completion of the Proposed Transaction.

We considered the reasonableness of the expected synergies by comparing the types of synergies identified by GMY and Finsure management to those achieved in other similar transactions. We consider the types of savings targeted are in line with those typically identified and realised by other companies following an acquisition. In our experience, cost synergies identified and realised for similar transactions typically range from 15% to 25% of the target's cost base for financial services companies. For comparison purposes, if we consider GMY as the smaller organisation as the "target", management's identified synergies of $1.0 million per annum equate to around 19% of operating costs. We note the identified synergies represent only around 5% of the merged group FY17 operating expenditure. We consider the cost savings would be lower than in some other acquisitions due to the requirement to remain operationally separate.

We have also considered any one-off implementation costs and dis-synergies. We consider that any one-off implementation costs would be broadly offset by the cost savings expected in FY18 and therefore any net cost savings would only be available from FY19.

As the valuations of GMY and Finsure are based on historical earnings they exclude any potential cost savings that may be generated as a result of the Proposed Transaction. We therefore have valued separately these potential cost synergies. We assessed the value of the synergies of $1.0 million per annum by applying a lower multiple than applied for the overall business, of 6.0x to 7.0x. In arriving at the multiple range of 6.0x to 7.0x we considered the following:

- The above multiple range of 6.0x to 7.0x implies a discount of between 26% and 29% to the multiple applied to the Finsure valuation of 8.5x to 9.5x which we consider reasonable given the relative risk in achieving the potential synergies.
- We further cross checked the value derived utilising a DCF calculation to reflect the quantum and timing of the expected realisation of the synergies. In doing so, we assumed synergies of $1.0 million per annum, inflated at 2.5% per annum and discounted at the Finsure midpoint discount rate outlined above in section 9.3.3 of 11.5%. This calculation implies a value of $9.7 million, which should be discounted to reflect a minority basis, resulting in a value on a non-controlling basis of around $7.5 million. This is above the range indicated using our range of multiples and therefore supports the value range.

Based on the above, we have assessed the value of potential synergies to be in the range of $6.0 million to $7.0 million.

9.5 Capital raise

As noted previously GMY intends to undertake a capital raise which is conditional on the Proposed Transaction completing. As at the date of this report the specific terms of the capital raise were unknown. GMY management has provided us with an expected range of capital to be raised to meet the APRA capital adequacy requirements and some additional growth capital, along with the price per share range at which this is expected to occur. GMY management expect to raise between $15.3 million and $20.0 million through the issue of between 10.2 million shares and 15.4 million shares, at a price per share in the range of $1.30 to $1.50. As the capital raise is not underwritten, there is uncertainty over these assumptions and the final amount to be raised. If the price per share achieved in the capital raise, or the amount of capital raised, differs to this range it may impact on our valuation conclusions.

In our analysis we have assumed GMY will raise between $15.3 million and $20.0 million at a price per share of $1.30 to $1.50, resulting in the issue of between 10.2 million and 15.4 million shares.

9.6 Fair value of unlisted options

GMY has 4,500,000 unlisted options in issue, discussed in Section 3.5 of this report. Each option entitles the holder to subscribe for one GMY share upon exercise. The options are unlisted, have an exercise price of $1.50 per share and can be exercised any time up to their expiry date of 11 May 2019.

We have undertaken an indicative valuation analysis of the unlisted options utilising the Black Scholes option pricing model and consider the value to be between $0.35 million to $0.92 million.

9.7 Number of shares on issue

Based on the current number of shares, the performance rights expected to convert to ordinary shares and the issuance of shares by GMY for the Proposed Transaction, the total number of securities assumed to be on issue, and included in our valuation analysis, is set out in the table below:

Merged group issued capital		
	Number of shares	
	Low	Mid
Existing GMY ordinary Shares	25,907,066	25,907,066
New GMY ordinary shares issued to Finsure shareholders	40,750,000	40,750,000
Add: Performance rights	970,000	1,940,000
Add: Conditional capital issuance	15,385,000	10,200,000
Total GMY merged group shares	**83,012,066**	**78,797,066**
GMY options	4,500,000	4,500,000

Source: Ernst & Young Transaction Advisory Services Analysis and GMY/Finsure Proposed Transaction Overview

We have assumed that 50% to 100% of the GMY performance rights convert to ordinary shares under the Proposed Transaction.

9.8 Transaction costs

As set out in the Explanatory Memorandum transaction expenses in relation to the Proposed Transaction are expected to be in the range of $2.5 million to $2.6 million. Of this we understand that approximately $0.35 million were incurred prior to 31 December 2017 and already included in our valuation. The transaction costs include the contingent (approximately $1.3 million) and non-contingent transaction costs which are estimated to be incurred by GMY and Finsure if the Proposed Transaction is completed. As a result we have deducted the total costs less those incurred by GMY to 31 December 2017 of approximately $0.35 million.

9.9 Summary of valuation analysis

We have valued the merged group using a sum of the parts approach (on a minority interest basis). Our valuation is summarised in the following table.

Merged group valuation summary		
	Low	High
GMY equity value (minority basis)	31,869,718	35,363,598
Finsure equity value (minority basis)	57,102,638	65,572,638
Merged group valuation	**88,972,356**	**100,936,236**
Add: Value of cost synergies	6,000,000	7,000,000
Add: Capital raise (net of costs)	18,680,467	14,290,200
Less: Dilutive impact of options	(350,000)	(920,000)
Less: Transaction costs	(2,150,000)	(2,250,000)
Merged group valuation	**111,152,823**	**119,056,436**
Merged group number of shares	83,012,066	78,797,066
Merged group value per share ($)	**1.34**	**1.51**

Source: Ernst & Young Transaction Advisory Services Limited analysis

Accordingly, we assessed the value of a GMY share after the Proposed Transaction to be between $1.34 and $1.51 on a minority basis. While we recognise this is a relatively wide range, this partly reflects the uncertainty surrounding the actual price and number of shares that may be issued as part of the capital raise.

We also sensitised the value range assuming the capital is raised at the value ranges indicated by our valuation, which results in a slight uplift in the value per share. However, as there is uncertainty as to the actual price that may be achieved in the conditional capital raise, we present the following table which illustrates the resultant low end of the value per share at different capital raise prices. We have applied the same maximum number of shares to be raised for each capital raise price assumed. This indicates that the price achieved in the conditional capital raise would need to be less than $1.20 per share for the low end of our value range to be below $1.32 per share, being the low end of the value range assessed for a GMY share on a controlling interest basis.

		Conditional capital raise price ($)					
		1.15	1.20	1.25	1.30	1.35	1.40
Conditional capital no. shares	15,385,000	1.31	1.32	1.33	1.34	1.35	1.36

Source: Ernst & Young Transaction Advisory Services Limited analysis
Note: The above sensitivity table assumes the low end of the calculated range above to illustrate the sensitivity range of the conditional capital raise based on the issue price and the number of shares issued.

9.10 Valuation cross checks

We have cross checked our assessed value range by comparing the NTA multiples implied by our value to companies with a broadly similar mix of interest and non-interest income. Our valuation range indicates an NTA multiple of between 2.1x and 2.2x, as shown in the table below.

Merged group net tangible assets	Capital raise at $15.3 million	Capital raise at $20.0 million
$		
Merged group net assets	99,741,164	104,224,501
Merged group intangible assets	48,349,965	48,349,965
Merged group net tangible assets	**51,391,199**	**55,874,536**
Implied NTA multiple	2.2x	2.1x

We analysed the NTA multiples of the comparable companies and note that companies with lower levels of non-interest income tend to trade on higher NTA multiples than those with higher levels of interest income (i.e. traditional banks). Based on the H1 FY18 earnings of GMY and Finsure, the merged group earnings comprise 2% of net interest income and 98% of commission and fee income. We therefore focussed more on companies with a similar composition of earnings when analysing the implied multiples. The more similar companies are trading on NTA multiples in the range of 1.9x to 2.9x on a minority basis, as detailed in the table below. Our implied NTA multiple range is marginally above the median of our comparable multiples but below AFG.

Comparable company trading multiples - Other financial companies				
Company	Market cap ($m)	FY16 P/NTA	FY17 P/NTA	H1 FY18 P/NTA
Australian Finance Group Limited	321	3.7x	3.0x	2.9x
Mortgage Choice Limited	189	2.0x	1.9x	1.9x
Yellow Brick Road Holdings Limited	28	0.8x	0.7x	0.7x
Homeloans Limited	209	2.6x	1.8x	1.6x
FSA Group Limited	178	2.4x	2.2x	2.1x
Money3 Corporation Limited	374	2.7x	2.3x	2.2x
Thorn Group Limited	94	0.5x	0.5x	0.5x
FlexiGroup Limited	865	4.1x	3.7x	3.3x
Min		**0.5x**	**0.5x**	**0.5x**
Median		**2.5x**	**2.1x**	**2.0x**
Mean		**2.3x**	**2.0x**	**1.9x**
Max		**4.1x**	**3.7x**	**3.3x**

In this respect we also note:

- Finsure has experienced strong historical growth through increases in loan writers as well as acquisitions.
- GMY post the Proposed Transaction has the potential for increased earnings growth through the realisation of cost synergies as well as potential revenue synergies.

The estimated proportion of net interest income to fee and commission income of the merged group is similar to AFG, which is trading on an implied H1 FY18 NTA multiple of 2.9x on a minority basis. GMY post the Proposed Transaction would be smaller than AFG and therefore may support a multiple at a discount to this level. However we also note that the recent historic growth noted above is higher than that of AFG and the other market comparables. Based on our analysis we consider that the implied NTA multiple of 2.1x to 2.2x is supported by the aforementioned factors.

We also considered the reasonableness of our value range in comparison to the trading price of GMY shares following announcement of the Proposed Transaction. Subsequent to the announcement of the Proposed Transaction, GMY shares have traded between $1.23 and $1.71 per share with the share price at 1 August 2018 implying a 1 week, 1 month and 3 month VWAP of $1.28, $1.29 and $1.42 respectively. We note the current share price at 1 August 2018 is $1.23. However as noted earlier, in our view, GMY shares do not have high levels of liquidity and have continued to trade on very low volumes over the last few months.

10. Evaluation of the Proposed Transaction

10.1 Overview

In forming our opinion as to whether or not the Proposed Transaction is fair and reasonable to the non-associated shareholders of GMY, we have considered a number of factors, including:

- whether the estimated value of a GMY share, on a controlling interest basis, is higher or lower than the fair value of a GMY share, on a minority interest basis, post the Proposed Transaction
- the strategic rationale for the transaction and future intentions and strategy with respect to GMY.
- the existence of alternatives to the Proposed Transaction and the consequences for GMY shareholders.
- the likelihood of an alternative superior proposal being received.
- the likely market price and liquidity of GMY shares in the event that the Proposed Transaction is not approved.
- other advantages and disadvantages that GMY shareholders should consider in assessing whether to approve the Proposed Transaction.

10.2 Fairness

In determining whether the Proposed Transaction is fair, we have compared the assessed value of a GMY share, on a controlling interest basis, to the fair value of a GMY share post the Proposed Transaction, on a minority interest basis. The following table summarises this comparison:

GMY – Comparison of values			
$/share	Reference	Low	High
Fair value of a GMY share on a controlling interest basis prior to the Proposed Transaction	Section 8.8	1.32	1.43
Fair value of a GMY share post the Proposed Transaction on a minority interest basis	Section 9.9	1.34	1.51

Source: Ernst & Young Transaction Advisory Services Limited analysis

The assessed value of a GMY share prior to the Proposed Transaction on a controlling interest basis is between $1.32 and $1.43 per share. Our assessed fair value of a GMY share post the Proposed Transaction on a minority interest basis is in the range of $1.34 to $1.51 per share. While we recognise that the value range post the Proposed Transaction is a relatively wide range, this partly reflects the uncertainty surrounding the actual price and number of shares that may be issued as part of the capital raise.

As the value range for a GMY share post the Proposed Transaction is within and slightly above the value range prior, the Proposed Transaction is fair. While our value ranges do overlap, to the extent that the growth in GMY and Finsure's businesses exceed that reflected in our valuation, or the cost savings achieved are higher, this may provide additional upside to the values post the Proposed Transaction.

10.3 Reasonableness

Under the guidance provided by RG 111, as we consider the terms of the Proposed Transaction to be fair, we also consider the terms to be reasonable.

Notwithstanding the above conclusion that the terms of the Proposed Transaction are fair and reasonable, we have also considered other factors that GMY shareholders not associated with John Kolenda and Aura should consider in forming their views as to whether or not to approve the Proposed Transaction.

Advantages of the Proposed Transaction

The Proposed Transaction will create a larger, more diversified business

The Proposed Transaction will result in the creation of a larger, more diversified business with greater geographic spread compared with GMY currently. GMY currently operates as an ADI with significant concentration of customers and mortgages in Western Australia. The merged group is expected to benefit from greater diversification in its earnings and significantly less reliance on net interest income. In addition, its customer base will have a much greater national focus. This may improve the ability of GMY to withstand short term volatility in the future, and reduces its reliance on the performance of the Western Australian economy.

The Proposed Transaction implies a premium over the trading price prior to the Firstmac Offer

Our assessment of the fair value of a GMY share on a minority interest basis post the Proposed Transaction of between $1.34 and $1.51 per share represents a premium to the 1 week, 1 month and 3 month volume weighted average price of GMY shares prior to the announcement of the Firstmac Offer of between 30% and 51%. The 1 week, 1 month and 3 month volume weighted average share price of GMY shares was $1.00, $1.03 and $1.01, respectively.

Our assessed fair value range is also above the final offer from Firstmac in its on-market takeover offer, which lapsed on 1 December 2017, of $1.27 per share.

The Proposed Transaction may enable GMY to achieve a re-rating above that reflected in our fair value

As a result of becoming a larger, more diversified financial services business and ADI, GMY may be able to achieve growth through selling existing products to the larger combined customer base, further increase its scale, and enable access to capital at more attractive pricing, than GMY currently. These benefits may, over time, be reflected in its earnings multiple being more in line with some of its larger peers, and above those reflected in our current fair values.

The increase in market capitalisation is expected to provide better access to capital markets

The increase in GMY's market capitalisation as a consequence of the capital raise, and potential future growth in the combined business, is expected to provide GMY better access to the capital markets. This is necessary in order to support the future growth and continue to meet its APRA regulatory capital requirements. The recent capital raisings, and book build undertaken to support the Proposed Transaction, have demonstrated interest in GMY's shares from a broader pool of investors than prior to the announcement of the Proposed Transaction. In addition, a number of brokers have recently initiated coverage of GMY shares, providing the market with more information on the business for investors to make informed investment decisions.

The Proposed Transaction may result in greater synergistic benefits than reflected in the current value

Our assessed value of the merged group reflects that certain cost savings are likely to be achieved over time. However to the extent that these cost savings exceed our estimated values, this could positively impact on the GMY share price.

In addition, there may be opportunities for additional earnings growth, such as GMY funding some of the white-label loans (Better Choice and MyLoan) settled by Finsure brokers, GMY achieving higher loan growth through inclusion of GMY's products on the Finsure NextGen broker platform, as well as funding benefits for GMY through additional transaction accounts. These synergies are not able to be reliably forecast and have not been explicitly included in our value assessment. While these growth opportunities have partly been considered in our fair value range through assumed higher growth rates, and therefore multiples, to the extent that the growth opportunities achieved are greater than assumed in our valuation, this could positively impact on the GMY share price in future.

Disadvantages of the Proposed Transaction

There is a decreased likelihood of any future takeover offer

If the Proposed Transaction is approved and following the conditional capital raise, the largest beneficial shareholder of GMY will be John Kolenda (and his associates) with between approximately 24.3% and 26.0% of the ordinary shares in the merged group, depending on the final terms of the conditional capital raise. In addition, the five largest shareholders (and their associates) are estimated to hold between approximately 45.3% and 47.9% of the ordinary shares. Such high ownership concentrated amongst a limited number of shareholders may deter any other bidders for GMY. This therefore decreases the likelihood of a takeover bid or other control transaction in the future, and therefore the potential for shareholders to receive a controlling interest price for their shares.

Other factors

Potential for alternative superior proposals to emerge

Firstmac made an on-market takeover bid on 16 October 2017 which lapsed in December 2017 with a final offer price of $1.27 per share, and more recently a further unsolicited, non-binding, indicative and conditional proposal to invest $20 million at a price per share of $1.40, which lapsed on 2 August 2018. It is therefore possible that an alternative superior proposal may emerge, however no other superior offers have been received other than the Proposed Transaction with Finsure. Any assessment of the likelihood of a superior proposal being received prior to the completion of the Proposed Transaction is highly subjective, however we note the following factors:

► There are exclusivity arrangements in place such that GMY may not solicit or engage in discussions with any other parties.

► During the period since announcement of the Proposed Transaction more than six months have passed and no other superior proposal has emerged, other than the unsolicited, non-binding, indicative and conditional proposal from Firstmac.

► Regulatory approvals are required in order to acquire a greater than 15% interest in an ADI. However, as Firstmac gained conditional approval as part of its on-market takeover offer, it is not unreasonable to assume that APRA may provide approval to qualifying bidders.

► The existence of two major shareholders, each currently holding more than 10% of the current (pre-transaction) GMY share capital and having various distribution and white labelling agreements with GMY, may deter some bidders.

If the Proposed Transaction does not proceed, the price of a GMY share may fall below current trading levels

If the Proposed Transaction does not proceed, and in the absence of an alternative superior proposal, GMY will continue to operate in its current form and be listed on the ASX. As a consequence, GMY shareholders will maintain ownership of GMY shares. In these circumstances there is a risk that the price of GMY shares may fall back towards levels experienced prior to the offer from Firstmac, as the share price since then has arguably been reflective of some premium for control or merger synergies.

The liquidity of the merged group may still be low relative to listed diversified financial companies

After the completion of the Proposed Transaction, the largest five shareholders (and their associates) in GMY will hold between approximately 45.3% and 47.9% of GMY's shares on issue. This compares to the current largest five shareholders who hold approximately 42% prior to the Proposed Transaction. However taking into account the increased number of shares in issue post the Proposed Transaction, the shares available to trade, on an absolute basis, will be higher than currently.

However, we also note that John Kolenda and Kar Wing Ng (together with their associated entities) are required to maintain part of their shareholdings totalling between 33.7% and 35.6% of GMYs share capital in escrow until the release of the GMY 31 December 2019 half year accounts. In addition, Resimac Limited and associated entities, who will in aggregate hold approximately between 5.4% and 5.8% of the expanded share capital of GMY, will also be subject to escrow restrictions for twelve months following completion of the Proposed Transaction. This may limit any material liquidity improvements in the shares in the merged group. This may also cause some volatility in the share price to the extent that large amounts of shares are transacted following the release of shares from escrow.

GMY shareholders may not wish to be exposed to the broking aggregation market

As a result of the Proposed Transaction, GMY will be exposed to both the lending and broker aggregation market as opposed to the risks inherent in an ADI which typically relate more to net interest income. As such the business will be exposed to different risks than currently, and in particular to the current uncertainty and potential changes in the mortgage broking market as a result of the Royal Commission. However, even if shareholders approve the Proposed Transaction, GMY shareholders still have the option to sell their shares on market, if they do not wish to be exposed to such risks.

If the Proposed Transaction proceeds the amount of capital raised and the price at which it is raised may differ to the assumptions reflected in our valuation

At the date of this report, the terms of the conditional capital raise were not certain. The pricing assumed in our fair valuation is based on market soundings and a preliminary book build but is not underwritten, and therefore not certain. As the capital raise will be undertaken based on the actual GMY share price leading up to the date of completion of the Proposed Transaction, the price and capital to be raised are not certain. As such we have assumed a range from $15.3 million to $20.0 million. If the price or amount of capital to be raised materially differs from the range we have adopted in our valuation analysis this may have a material impact on the valuation conclusions.

Transaction expenses

As set out in the Explanatory Memorandum transaction expenses of approximately $2.6 million are expected to be incurred in respect of the Proposed Transaction. Around half of these have already been incurred or will be incurred irrespective of whether or not the Proposed Transaction is approved.

Uncertainty around share price post the Proposed Transaction

We note that our assessment of the fair value of a GMY share post the Proposed Transaction may not reflect the price at which a GMY share will trade on completion of the Proposed Transaction. This price may be influenced by a number of factors which include the performance of the merged group, macro-economic factors, and the level of free float and liquidity post the Proposed Transaction. However, we note that the volume weighted average share price of GMY three months prior to 1 August 2018 was $1.42 which is within our fair value range.

10.4 Conclusion

Taking into consideration the matters detailed in this report, in our opinion the Proposed Transaction is fair and reasonable to GMY shareholders not associated with John Kolenda and Aura.

This report has been prepared specifically for GMY shareholders. Neither Ernst & Young Transaction Advisory Services Limited, Ernst & Young, nor any employee thereof undertakes responsibility to any person, other than GMY shareholders, in respect of this report, including any errors or omissions howsoever caused.

This report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of GMY shareholders. The decision as to whether to approve the Proposed Transaction is a matter for individual GMY shareholders. GMY shareholders should have regard to the Explanatory Memorandum prepared by GMY's directors and management. GMY shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their own professional adviser.

Appendices

Appendix A Statement of qualifications and declarations

Ernst & Young Transaction Advisory Services Limited, which is wholly owned by Ernst & Young, holds an Australian Financial Services Licence under the Corporations Act and its representatives are qualified to provide this report. The representatives of Ernst & Young Transaction Advisory Services Limited responsible for this report have not provided financial advice to GMY or Finsure.

Prior to accepting this engagement, we considered our independence with respect to GMY and Finsure with reference to Regulatory Guide 112: *Independence of experts*. While Ernst & Young, and its global affiliates, have previously provided professional services to GMY and Finsure, these services were of a compliance nature. Ernst & Young, and its global affiliates have not provided any services in connection with the Proposed Transaction. In addition, we provided an independent expert's report to GMY dated 3 November 2017 in respect of the previous on-market takeover offer from Firstmac Holdings Limited for GMY. This offer was ultimately not accepted. Ernst & Young Transaction Advisory Services Limited and Ernst & Young have not provided any services to GMY or Finsure in relation to the Proposed Transaction. In addition, as part of our internal independence and risk management process, an additional review of the report was undertaken by an independent senior team member who was not involved in the preparation of the Firstmac independent expert's report. In our opinion, and given the processes put in place in respect of the preparation of this report, we are independent of GMY and Finsure.

This report has been prepared specifically for the shareholders of GMY not associated with John Kolenda and Aura in relation to the Proposed Transaction. Neither Ernst & Young Transaction Advisory Services Limited, Ernst & Young, nor any member or employee thereof, undertakes responsibility to any person, other than the shareholders of GMY, in respect of this report, including any errors or omissions howsoever caused.

The statements and opinions given in this report are given in good faith and the belief that such statements and opinions are not false or misleading. In the preparation of this report we have relied upon and considered information believed after due inquiry to be reliable and accurate. We have no reason to believe that any information supplied to us was false or that any material information has been withheld from us. We have evaluated the information provided to us by GMY, its advisors, as well as other parties including Finsure, through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base our report. We do not imply and it should not be construed that we have audited or in any way verified any of the information provided to us, or that our inquiries could have verified any matter which a more extensive examination might disclose.

GMY has provided an indemnity to us for any claims arising out of any mis-statement or omission in any material or information provided to us by them in the preparation of this report.

We provided draft copies of this report to the directors and management of GMY for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of us alone. Changes made to this report as a result of this review by the directors and management of GMY have not changed the methodology or conclusions reached by us.

We will receive a professional fee based on time spent in the preparation of this report estimated at approximately $132,000 (inclusive of GST). We will not be entitled to any other pecuniary or other benefit whether direct or indirect, in connection with the preparation of this report.

This report has been jointly prepared by Ms Julie Wolstenholme and Mr Stuart Bright, both being directors and representatives of Ernst & Young Transaction Advisory Services Limited and partners of Ernst & Young. Both have the necessary experience and professional qualifications appropriate to the advice being offered.

The preparation of this report has had regard to ASIC Regulatory Guides and APES 225 *Valuation Services* issued by the Accounting Professional and Ethical Standards Board Limited in July 2012. It is not intended that the report should be used for any other purpose other than to accompany the Notice of Meeting and Explanatory Memorandum to be sent to GMY shareholders. In particular, it is not intended that this report should be used for any other purpose other than as an expression of our opinion as to whether or not the Proposed Transaction is fair and reasonable to the shareholders of GMY not associated with John Kolenda and Aura.

Any forward looking information prepared by GMY and Finsure and used as a basis for the preparation of this report reflects the judgement of GMY and Finsure management based on the present circumstances, as to both the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the relevant future period will almost always differ from the forward looking information and such differences may be material. To the extent that our conclusions are based on such forward looking information, we express no opinion on the achievability of that information.

We consent to the issue of this report in the form and context in which it is included in the Explanatory Memorandum.

Appendix B Valuation approaches

Most valuation approaches can be categorised under one or more of the following broad approaches:

- The income approach under which an asset is valued as the present value of the future net economic benefits that are expected to accrue to the owner from the use or sale of the asset.
- The market approach under which an asset is valued by reference to evidence (if any) of prices obtained in sales of interests in the asset that is the subject of the valuation, or by reference to the value of comparable assets related to some common variable such as earnings, cash flow or revenue.
- The cost approach under which an asset is valued by reference to its historical cost or replacement cost.

Each of these approaches is appropriate in certain circumstances. The decision as to which approach and methodology to utilise generally depends on the availability of appropriate information and type of business.

Income approach

The most common methodology within the income approach is the DCF methodology. The DCF methodology involves calculating the net present value of cash flows that are expected to be derived from future activities. The forecast cash flows are discounted by a rate that reflects the time value of money and the risk inherent in the cash flows.

This methodology is particularly appropriate in valuing projects, businesses and companies that are in a start-up phase and are expecting considerable volatility and/or growth in earnings during the growth phase, as well as businesses with a finite life. The utilisation of this methodology generally requires management to be able to provide long term cash flows for the company, asset or business.

Market approach

The main methodology within the market approach is the capitalisation of earnings methodology. This involves capitalising the earnings of a business at an appropriate multiple, which reflects the risks underlying the earnings together with growth prospects. This methodology requires consideration of the following factors:

- Estimation of normalised earnings having regard to historical and forecast operating results, abnormal or non-recurring items of income and expenditure and other factors. The normalised earnings are generally based on net profit after tax, EBIT, EBITA or EBITDA.
- Determination of an appropriate earnings multiple reflecting the risks inherent in the business, growth prospects and other factors. Multiples may be derived from listed comparable trading companies as well as implied from recent acquisitions of similar companies.
- Earnings multiples applied to net profit after tax are known as price earnings multiples and are commonly used in relation to listed public companies. Earnings multiples applied to EBIT, EBITA or EBITDA are known, respectively, as EBIT, EBITA or EBITDA multiples, and are commonly used in respect of companies comprising a number of businesses where debt cannot be precisely allocated or in acquisition scenarios where the purchaser is likely to influence the capital structure.
- An adjustment for financial debt, in the event that maintainable earnings are based on EBIT, EBITA or EBITDA.
- An assessment of any surplus assets and liabilities, being those which are not essential to the generation of the future maintainable earnings.

This methodology is appropriate where a company or business is expected to generate a relatively stable record of earnings.

Cost approach

The main method within the cost approach is the net realisable value of assets methodology. This involves the determination of the net realisable value of the assets of a business or company, assuming an orderly realisation of those assets. This value includes a discount to allow for the time value of money and for reasonable costs of undertaking the realisation. It is not a valuation on the basis of a forced sale, where assets may be sold at values materially different to their fair value.

This methodology is appropriate for asset intensive businesses, or where a business does not generate an adequate return on its assets.

Appendix C Trading multiples and data

Comparable company trading multiples

The table below summarises current trading multiples of listed companies operating in the financial services sector in Australia. We have however excluded the major banks due to their significantly larger size. These companies are split into ADIs and other financial companies including mortgage brokers and aggregators. The multiples are calculated based on the observed share prices of minority parcels of shares as at 30 July 2018 and NTA and EBITDA at each respective reporting date.

Comparable company trading multiples - ADIs

Company	Market cap ($m)	FY16 P/NTA	FY17 P/NTA	H1 FY18 P/NTA
Goldfields Money Limited	33	2.0x	1.7x	1.4x
Bank of Queensland Limited	4,403	1.6x	1.5x	1.5x
Heartland Bank Limited	949	2.2x	1.9x	1.7x
Auswide Bank Ltd	233	1.4x	1.4x	1.3x
Bendigo and Adelaide Bank Limited	5,677	1.6x	1.5x	1.5x
MyState Limited	441	2.0x	2.0x	1.9x
Suncorp Group Limited	19,443	2.5x	2.4x	2.4x
Min		**1.4x**	**1.4x**	**1.3x**
Median		**2.0x**	**1.7x**	**1.5x**
Mean		**1.9x**	**1.8x**	**1.7x**
Max		**2.5x**	**2.4x**	**2.4x**

Source: S&P Capital IQ, Company Annual Accounts
**Includes 26 April 2018 capital raising net of expenses*
+All market capitalisations are in AUD excluding Heartland Bank Limited which is NZD

Comparable company trading multiples - Other financial companies

Company	Market cap ($m)	FY16 EBITDA multiple	FY17 EBITDA multiple	LTM Dec17 EBITDA multiple	FY16 P/NTA	FY17 P/NTA	H1 FY18 P/NTA
Australian Finance Group Limited	321	10.2x	5.8x	5.3x	3.7x	3.0x	2.9x
Mortgage Choice Limited	189	6.1x	5.4x	5.4x	2.0x	1.9x	1.9x
Yellow Brick Road Holdings Limited	28	n/a	5.7x	5.8x	0.8x	0.7x	0.7x
Homeloans Limited	209	10.0x	7.5x	5.7x	2.6x	1.8x	1.6x
FSA Group Limited	178	10.2x	7.4x	7.6x	2.4x	2.2x	2.1x
Money3 Corporation Limited	374	11.2x	8.5x	8.5x	2.7x	2.3x	2.2x
Thorn Group Limited	94	4.4x	5.8x	7.7x	0.5x	0.5x	0.5x
FlexiGroup Limited	865	10.3x	6.2x	*24.7x	4.1x	3.7x	3.3x
Min		**4.4x**	**5.4x**	**5.3x**	**0.5x**	**0.5x**	**0.5x**
Median		**10.2x**	**6.0x**	**6.7x**	**2.5x**	**2.1x**	**2.0x**
Mean		**8.9x**	**6.5x**	**8.8x**	**2.3x**	**2.0x**	**1.9x**
Max		**11.2x**	**8.5x**	**24.7x**	**4.1x**	**3.7x**	**3.3x**

Source: S&P Capital IQ, Ernst & Young Transaction Advisory Services Limited analysis

*Note: * the LTM Dec17 EBITDA multiple is 6.7x if adjusted for the one off intangible asset impairment of $94.7 million*

Description of comparable companies

A brief overview of the comparable companies is provided below:

ADIs

Bank of Queensland Limited

Bank of Queensland Limited ("BOQ") is a regional Australian bank with more than 190 branches across Australia. It offers a diverse range of products for personal and business customers, leveraging a number of its brands including Virgin Money, BOQ Finance, BOQ Specialist and St. Andrews Insurance. As at 28 February 2018 BOQ had $44.3 billion in loans and advances outstanding.

Heartland Bank Limited

Heartland Bank Limited ("Heartland") is a New Zealand registered bank with operations in New Zealand and Australia. Heartland provides various financial services to small-to-medium sized businesses, farmers, and families in New Zealand and Australia. It operates through households, business and rural segments. The company offers a range of products including term, transactional, and savings accounts, residential and reverse mortgage lending products, motor vehicle and consumer finance, and term debt, plant and equipment finance, commercial mortgage lending, working capital solutions and insurance products. As at 31 December 2017 Heartland had NZ$3.8 billion in loans and advances outstanding.

Auswide Bank Ltd

Auswide Bank Ltd ("Auswide") is a licenced credit and financial services provider and ADI. It provides finance (principally mortgage finance), investment opportunities and associated banking, insurance and financial services to business and consumer customers in Australia. As at 31 December 2017 Auswide had $2.8 billion in loans and advances outstanding.

Bendigo and Adelaide Bank Limited

Bendigo and Adelaide Bank Limited ("BAB") is an Australian retail bank. It provides a range of banking and other financial services, including retail banking, mortgage distribution through third-parties, business banking and commercial finance, funds management, treasury and foreign exchange services, superannuation, financial advisory and trustee services. As at 31 December 2017 BAB had $61.6 billion in loans under management.

MyState Limited

MyState Limited ("MyState"), through its subsidiaries, provides a range of financial products and services in Australia. It operates through banking, wealth management and corporate and consolidation divisions. The company offers banking products, including transactional savings accounts and fixed term deposits, lending, such as home loans, personal, overdraft, line of credit, and commercial products and insurance products. As at 31 December 2017 MyState had a loan portfolio of $4.3 billion.

Suncorp Group Limited

Suncorp Group Limited ("Suncorp") provides insurance, banking and wealth products and services to consumers and businesses in Australia and New Zealand. The company serves c.9 million customers across its regions. Suncorp's product offering includes insurance products, home loans, personal loans, small business loans, savings and transaction accounts and financial planning services. As at 31 December 2017 Suncorp had $57.6 billion in loans and advances outstanding.

Other financial companies

Australian Finance Group Limited

AFG, together with its subsidiaries, provides mortgage broking services in Australia. The company operates in two segments, AFG wholesale mortgage broking and AFG home loans. It offers residential mortgages, AFG branded and securitised products, such as home loans, and business loans. AFG was formerly known as Australian Finance Group Pty Ltd. The company was founded in 1994 and is headquartered in Perth. As at 31 December 2017 AFG had a residential mortgage trail book of $133.6 billion.

Mortgage Choice Limited

Mortgage Choice primarily runs a franchise network of mortgage brokers and provides mortgage broking services in Australia. It operates through segments: Mortgage Choice Franchised Mortgage Broking, Mortgage Choice Financial Planning, and Help Me Choose Health Fund and Mortgage Comparison Website. The company offers assistance in determining the borrowing capacities of borrowers, assessment of a range of home loans and other products, and submission of loan applications on behalf of borrowers. It also provides car loans, credit cards, and financial planning and business lending services. As at 31 December 2017 Mortgage Choice's loan book totalled $54.0 billion.

Yellow Brick Road Holdings Limited

Yellow Brick Road Holdings Limited ("YBR") operates as a wealth management company in Australia. YBR provides mortgage broking, aggregation and financial advice services to its customers, offering home loans, financial planning, insurance, superannuation and investment products. As at 31 December 2017 YBR's loan book totalled $46.1 billion.

Homeloans Limited

Homeloans is one of Australia's largest mortgage broking groups and is a non-bank lender, mortgage manager and mortgage broker with a nationwide presence. As a non-bank lender and mortgage manager, Homeloans sells residential mortgage loans through external third party mortgage brokers as well as its own branded mortgage broker relationships. In October 2016 Homeloans merged with RESIMAC Limited, a provider of home loan solutions in Australia and New Zealand. As at 31 December 2017, Homeloans had $11.1 billion assets under management.

FSA Group Limited

FSA Group Limited ("FSA Group") operates in Australia and provides direct consumer lending and debt solutions services to customers. FSA Group operates under two segments, "services" and "consumer lending". The services segment offers debt agreement and personal insolvency solutions to customers. The consumer lending segment provides home and personal loans and brokerage services. At 31 December 2017 FSA Group operated a loan pool of $377.4 million and generated a net profit of $7.5 million during the first half of FY18.

Money3 Corporation Limited

Money3 Corporation Limited ("Money3") operates in Australia and provides secured and unsecured personal loans to customers unable to access funding from traditional lenders. Money3 primarily offers car and personal loans under two different brands; Money3 and Cash Train. The company serves its customers through three channels; broker, branch and online. Money3 currently operates a network of 55 branches. As at 31 December 2017 Money3's gross loan book totalled $292.8 million.

Thorn Group Limited

Thorn Group Limited (“Thorn”) operates as a financial service provider in Australia for both consumers and businesses. The company’s service offering includes loans, leasing, invoice discounting and other financial services. As at 30 September 2017 Thorn held receivables of $535.8 million.

FlexiGroup Limited

FlexiGroup Limited (“FlexiGroup”) provides finance products and payment solutions to consumers and businesses through a network of retail and business partners in Australia, New Zealand and Ireland. FlexiGroup offers a range of consumer and commercial leasing services as well as interest free finance. The company has made a number of strategic acquisitions historically, most recently acquiring Fisher & Paykel Finance in New Zealand. As at 31 December 2017 FlexiGroup held receivables of $2.2 billion.

Appendix D Recent transactions

The table on the following page summarises the multiples implied in recent transactions involving companies with operations broadly comparable to those of GMY and Finsure. While ideally we would consider acquisitions of ADIs with a similar business mix to be the most comparable to GMY, many of these transactions occurred more than five years ago in very different market conditions and, for this reason, are not presented below. We also note few transactions which would be considered comparable to Finsure have sufficient publicly available information. As such, there are very few recent relevant transactions, and our listing of acquisitions therefore includes a broad range of financial services providers. Some of these listed below are not overly comparable and have more diversified revenue streams than GMY and Finsure currently.

A brief overview of recent transactions is provided below:

- On 4 August 2017 Commonwealth Bank of Australia Limited agreed to acquire the remaining 20% stake in AHL Investments Pty Ltd, which traded as Aussie Homeloans, from John Symonds. Under the terms of the transaction, the purchase consideration was paid in the form of Commonwealth Bank of Australia Limited shares. The transaction completed on 5 September 2017 for approximately $170 million. AHL is a non-bank lender with more than $76.0 billion in loans as at the end of 2016.

- In June 2017 realestate.com.au Pty Ltd announced its intention to acquire 80.3% of Smartline Home Loans Pty Ltd for $67 million in cash. Under the terms of the transaction realestate.com.au Pty Ltd has the ability to acquire the remaining shares after a four year period if certain performance targets are not met. The transaction completed on 31 July 2017.

- On 7 May 2017 KKR Credit Advisors (US) LLC announced its intention to acquire 100% of Pepper Group Limited for $635 million. Pepper is principally a specialist residential mortgage and consumer lending and loan servicer, operating in targeted segments in Australia, New Zealand and internationally. Under the terms of the transaction the shareholders of Pepper could elect to receive payment by way of $3.70 per share in cash or retain an equity interest in the combined group. The scheme of arrangement was implemented on 4 December 2017 and Pepper was officially removed from the ASX listing on 5 December 2017.

- On 11 January 2017 HNA Group Co., Ltd. entered into an agreement to acquire UDC Finance Limited from ANZ Bank New Zealand Limited for NZ$660 million. UDC is New Zealand's largest non-bank lender with NZ$2.6 billion in loans in 2016. HNA is China's largest non-bank leasing company with 410,000 employees across Asia, North America and Europe.

- On 16 September 2016 Somers Limited agreed to acquire a 79% stake in Homeloans for $88.5 million. Homeloans is an ASX listed non-bank lender and alternative provider of residential mortgage finance. Homeloans sells residential mortgages through external third party mortgage brokers as well as its own branded broker relationships.

- On 20 July 2016 Homeloans, an ASX listed entity entered into a scheme implementation agreement with RESIMAC Limited. The merger was undertaken as a scrip transaction with shareholders in the unlisted RESIMAC collectively holding more than 72% of the enlarged group post completion. The merger created a large non-bank lender with a combined portfolio exceeding $13 billion and was expected to generate significant synergies.

- On 22 December 2015 Auswide Bank Ltd announced its intention to merge with Queensland Professional Credit Union Ltd (trading as Your Credit Union). Under the terms of the merger the total consideration was $32 million, representing a P/BV multiple of 1.2x.

- On 29 August 2014 Yellow Brick Road Holdings Limited entered into a conditional agreement to acquire 100% of Vow Financial Pty Ltd ("Vow"), a mortgage aggregator, for $17.6 million in cash and stock. The transaction implied a P/NTA multiple of 1.6x.

- On 8 July 2014 Yellow Brick Road Holdings Limited entered into a conditional agreement to acquire 100% of Resi Mortgage Corporation Pty Ltd for $36.2 million in cash and stock. Resi Mortgage was a non-bank lending specialist focusing on the origination and management of residential home loans and commercial loans. The transaction implied a P/NTA multiple of 1.4x.

- In August 2011 MyState Limited announced its intention to acquire 100% of Rock Building Society Limited ("Rock"). The transaction consideration was share based, with Rock shareholders receiving 7.75 MyState shares for every 10 Rock shares held. This implied a value of $68 million for Rock and a price to NTA of 1.3x. The transaction completed on 12 December 2011.

- On 26 October 2010 BAB announced its intention to acquire the remaining 40% stake in Rural Bank Limited it did not own from Elders Limited. The transaction consideration was $165 million. The implied P/NTA multiple for the transaction was 1.2x.

Transaction multiples

Acquirer	Target	Transaction value (mm)	Percentage acquired (%)	Price/NTA
Realestate.com.au Pty Ltd.	Smartline Home Loans Pty Ltd	67	80	n/a
KKR Credit Advisors (US) LLC	Pepper Group Limited	635	100	1.6x
HNA Group Co., Ltd	UDC Finance Limited	660	100	1.6x
Somers Limited	Homeloans Limited	89	79	1.4x
Homeloans Limited	RESIMAC Limited	135	100	1.6x
Auswide Bank Ltd	Qld Professional Credit Union	32	100	1.2x
Yellow Brick Road Holdings Limited	Vow Financial Pty Ltd	18	100	1.6x
Yellow Brick Road Holdings Limited	Resi Mortgage Corporation Pty Ltd	36	100	1.4x
MyState Limited	Rock Building Society Ltd	68	100	1.3x
Low				**1.2 x**
Median				**1.5 x**
Mean				**1.5 x**
High				**1.6 x**

Source: Capital IQ, comparable company announcements, Ernst & Young Transaction Advisory Services Limited analysis
**Note: The RESIMAC transaction multiple reflects a minority basis through the issuance of shares in the merged group*

Appendix E Sources of information

In arriving at our views, we have had regard to the following sources of information:

- Audited annual financial statements and investor presentations of GMY and Finsure for FY15, FY16, FY17 and half year to 31 December 2017
- GMY draft Explanatory Memorandum
- Final Due Diligence Report prepared by KPMG on Finsure
- Financial Model for the merged group prepared by Azure Capital
- ASX announcements issued by GMY for the period from 2015 to 2018
- Company websites for GMY and Finsure and other listed companies in the sector
- Market data obtained from sources including ThomsonOne, S&P Capital IQ, IBIS World, Datanalysis, Bloomberg, Mergermarket, Moodys Investor Services, Factiva and the Australian Bureau of Statistics
- Annual Internal Capital Adequacy Assessment Process report to APRA dated June 2017
- Prospectus lodged by GMY in 2012 (then known as Goldfields Credit Union Limited)
- Regulatory data obtained from APRA

In addition we held discussions with various members of senior management of GMY and Finsure.

Appendix F Glossary

Glossary	
Abbreviation	Full Title / Description
$	Australian dollars
ABS	Australian Bureau of Statistics
Act	Section 606 of the Corporations Act, 2001 (Cth)
ADI	Authorised deposit-taking institution (including institutions referred to as “banks”)
AFG	Australian Finance Group Limited
ASIC	Australian Securities and Investments Commission
APRA	Australian Prudential Regulation Authority
ASX	Australian Securities Exchange
Aura	Aura Funds Management Pty Ltd ATF Aura Special Opportunities Fund VIII
Auswide	Auswide Bank Ltd
BAB	Bendigo and Adelaide Bank Limited
Better Choice	Iden Loan Services Pty Ltd rebranded as Better Choice
BOQ	Bank of Queensland
B2B	Business to Business
CAGR	Compound annual growth rate
Capex	Capital expenditure
Cashpoint	Cashpoint Payment Solutions Pty Ltd
CET1	Common equity tier 1 capital
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIF	Combined Industry Forum
Company	Goldfields Money Limited or GMY
Corporations Act	Corporations Act 2001
Cuscal	Cuscal Limited
DCF	Discounted cash flow
EBIT	Earnings before interest & tax
EBITA	Earnings before interest, tax and amortisation
EBITDA	Earnings before interest, tax, depreciation and amortisation
EV	Enterprise Value
Finsure	Finsure Holding Pty. Ltd.
FlexiGroup	FlexiGroup Limited
FSA Group	FSA Group Limited
FSG	Financial Services Guide
Future Financial	Future Financial Pty Ltd
FY	Financial Year
GMY	Goldfields Money Limited
Heartland	Heartland Bank Limited
Homeloans	Homeloans Limited
IER	Independent Expert's Report
Independent Directors	The directors of GMY other than John Kolenda

LTM	Last 12 months
LTV	Loan to value
NIM	Net interest margin
Money3	Money3 Corporation Limited
Mortgage Choice	Mortgage Choice Limited
MyState	MyState Limited
Non-ADI	Non-authorised deposit-taking institutions
NPAT	Net profit after tax
NPV	Net present value
NTA	Net tangible assets
Opex	Operating expenses
P/BV	Price to book value multiple
P/E	Price to earnings
P/NTA	Price to net tangible assets multiple
Pepper	Pepper Group Limited
PPE	Property, plant and equipment
Proposed Transaction	Proposed acquisition by GMY of 100% of the diluted shares in Finsure via the issue of GMY shares
Proposed Agreement	Proposed agreement between GMY and Finsure outlining the key commercial terms of the proposal under which GMY will acquire 100% of Finsure.
RG 74	Regulatory Guide 74: *Acquisition agreed to by shareholders*
RG 111	Regulatory Guide 111: *Content of expert reports*
RG 112	Regulatory Guide 112: *Independence of experts*
Rock	Rock Building Society Limited
Royal Commission	Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry
Smartline	Smartline Home Loans Pty Ltd
Suncorp	Suncorp Group Limited
Stargroup	Stargroup Limited
Thorn	Thorn Group Limited
Vow	Vow Financial Pty Ltd
VWAP	Volume weighted average price
YBR	Yellow Brick Road Holdings Limited
YoY	Year-on-year

Part 2 – Financial Services Guide

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT EXPERT'S REPORT

3 August 2018

1. Ernst & Young Transaction Advisory Services Limited

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Expert's Report ("Report") in connection with a financial product of another person. The Report is set out in Part 1.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in our Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of our Report having regard to your own objectives, financial situation and needs before you act on the advice in our Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is $132,000 (inclusive of GST).

Ernst & Young Transaction Advisory Services Limited is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, Ernst & Young Transaction Advisory Services Limited, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

5. Associations with product issuers

Ernst & Young Transaction Advisory Services Limited and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

6. Responsibility

The liability of Ernst & Young Transaction Advisory Services Limited, if any, is limited to the contents of this Financial Services Guide and the Report.

7. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

8. Compensation Arrangements

Ernst & Young Transaction Advisory Services Limited and its related entities ("EY") hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the EY's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by EY satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services	**Contacting the Independent Dispute Resolution Scheme:**
AFS Compliance Manager Ernst & Young 200 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

ANNEXURE B: NOTICE OF MEETING

TIME AND PLACE OF MEETING

Notice is given that a General Meeting of Goldfields Money Shareholders will be held in the Conference Room at 235 St Georges Terrace, Perth WA 6000 at 11:00am (AWST) on 7 September 2018.

Defined terms used in this Notice of Meeting have the meanings given to them in the Glossary in Section 9 of the Explanatory Memorandum.

Information on the Resolutions is set out in the Explanatory Memorandum of which this Notice forms part.

YOUR VOTE IS IMPORTANT

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

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form each form part of this Notice of Meeting.

Voting eligibility

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 7:00pm AEST on 5 September 2018.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, place and date set out above.

VOTING BY PROXY

In accordance with section 249L of the Corporations Act, members are advised that:

(a) each member has a right to appoint a proxy;

(b) the proxy need not be a member of the Company; and

(c) a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of these sections, as they will apply to this Meeting. Broadly, the sections mean that:

(a) if proxy holders vote, they must cast all directed proxies as directed; and

(b) any directed proxies which are not voted will automatically default to the chair of the Meeting, who must vote the proxies as directed.

Further details on these legislative requirements are set out below.

Proxy vote if appointment specifies way to vote

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

(a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

(b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and

(c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

(d) if the proxy is not the chair of the meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

If:

(a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and

(b) the appointed proxy is not the chair of the meeting; and

(c) at the meeting, a poll is duly demanded on the resolution; and

(d) either of the following applies:

  (i) the proxy is not recorded as attending the meeting; or

  (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11:00am (AWST) on 5 September 2018. Any Proxy Form received after that time will not be valid for the Meeting.

By hand: Advanced Share Registry Services, 110 Stirling Highway, Nedlands WA 6009

By mail: Share Registry – Advanced Share Registry Services, PO Box 1156, Nedlands, WA, 6909

By fax: +61 8 9262 3723

Electronic: admin@advancedshare.com.au

BUSINESS OF THE MEETING

Resolution 1 – Issue of Consideration Shares to Finsure Vendors

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

"That, subject to the passing of each other Resolution, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 40,750,000 Shares to the Finsure Vendors on the terms and conditions set out in the Explanatory Memorandum."

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

Resolution 2 – Approval of the acquisition of a Relevant Interest in Shares

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

"That, subject to the passing of each other Resolution, for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, approval is given to the Company to issue and allot up to 17,386,274 Shares to the Kolenda Associated Vendors and to enter into voluntary escrow deeds in respect of 23,481,296 Shares with the Escrowed Vendors, as a result of which:

(a) the Kolenda Associated Vendors will acquire a Relevant Interest in the Shares of the Company resulting in the voting power of Kolenda Associated Vendors and their Associates increasing to up to approximately 39.7%; and

(b) Goldfields Money will acquire a Relevant Interest in its Shares resulting in the voting power of Goldfields Money and its Associates increasing to up to approximately 30.6%,

on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by the Kolenda Associated Vendors and any Associates of the Kolenda Associated Vendors and Goldfields Money. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by Ernst & Young Transaction Advisory Services Limited at Annexure A for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the Finsure Transaction to the non-associated Shareholders of the Company and concludes that the Finsure Transaction is **fair and reasonable** to those non-associated Shareholders.

Resolution 3 – Approval for the acquisition of Finsure Shares from, and issue of Goldfields Money Shares to, the Associated Vendors

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

"That, subject to the passing of each other Resolution, for the purposes of Listing Rule 10.1 and for all other purposes, approval is given to the Company to:

(a) acquire 109,941,104 Finsure Shares held and to be held by the Associated Vendors; and

(b) issue 22,751,920 Shares to the Associated Vendors, as consideration for the Company's acquisition of 109,941,104 Finsure Shares from the Associated Vendors,

on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a party to the Finsure Transaction and any of their Associates.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by Ernst & Young Transaction Advisory Services Limited at Annexure A for the purposes of the Shareholder approval required under Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the Finsure Transaction to the non-associated Shareholders of the Company and concludes that the Finsure Transaction is **fair and reasonable** to those non-associated Shareholders.

Resolution 4 – Issue of Shares to Daring Investments Pty Ltd

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

"That, subject to the passing of each other Resolution, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 3,976,667 Shares to Daring Investments Pty Ltd ATF Kolenda Family Trust on the terms and conditions set out in the Explanatory Memorandum."

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

Resolution 5 – Issue of Shares to 1800Homeloans Pty Ltd

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

"That, subject to the passing of each other Resolution, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 7,832,475 Shares to 1800Homeloans Pty Ltd ATF Phoenix Aggregation Unit Trust on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by 1800Homeloans Pty Ltd and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6 – Capital Raising

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

"That, subject to the passing of each other Resolution, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 15,385,000 Shares at an issue price of between $1.30 and $1.50 per Share on the terms and conditions set out in the Explanatory Memorandum."

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

Resolution 7 – Issue of Shares to Daring Investments Pty Ltd

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

"That, subject to the passing of each other Resolution, for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 769,231 Shares to Daring Investments Pty Ltd, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Daring Investments Pty Ltd (and its Associates). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

Resolution 8 – Issue of Shares to Simon Lyons

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

"That, subject to the passing of each other Resolution, for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 384,615 Shares to Simon Lyons, a Director of the Company, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Simon Lyons (and his Associates). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

By Order of the Board

Malcolm Cowell

Company Secretary 6 August 2018

ANNEXURE C:
ADDITIONAL INFORMATION FOR THE RESOLUTIONS

RESOLUTION 1 – ISSUE OF CONSIDERATION SHARES TO THE FINSURE VENDORS

1.1 General

Resolution 1 seeks Shareholder approval for the allotment and issue of up to 40,750,000 Shares (being the "**Consideration Shares**") in consideration for the acquisition of the Finsure Shares on issue at Completion.

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

The effect of Resolution 1 will be to allow the Company to issue the Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- The maximum number of Shares to be issued is 40,750,000;
- The Shares will be issued on the date of Completion and in any event, no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;
- The Shares will be issued at a deemed issue price of $1.50 per Share;
- The Shares will be allotted and issued to the Finsure Vendors (as detailed in Annexure D), none of whom (other than Daring Investments Pty Ltd and 1800Homeloans Pty Ltd, who are entities controlled by John Kolenda, a Director and who are the subject of the approvals sought in Resolutions 4 and 5) is a related party of the Company;
- Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- No funds will be raised from the issue of the Consideration Shares as the Consideration Shares are being issued in consideration for the acquisition of the Finsure Shares on issue at Completion.

1.3 Dilution

Assuming no Options are exercised or other Shares issued (other than those contemplated under the Capital Raising) and the maximum number of Consideration Shares are issued, the number of Shares on issue would increase from 25,907,066 (being the number of Shares on issue as at the Preparation Date) to between 76,857,066 and 82,042,066 (40,750,000 due to the Finsure Transaction and between 10,200,00 and 15,385,000 due to the Capital Raising) and the shareholding of existing Shareholders would be diluted by between ~66.3% and ~68.4% (ignoring any participation by existing Shareholders in the Capital Raising).

1.4 Independent Directors' recommendation

The passing of Resolution 1 is conditional upon, and subject to, each other Resolution begin approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 1, you should also vote in favour of each other Resolution.

The Independent Directors recommend Shareholders vote in favour of this Resolution.

RESOLUTION 2 – APPROVAL OF THE ACQUISITION OF A RELEVANT INTEREST IN SHARES

2.1 Corporations Act prohibition

The general prohibition

Section 606(1) of the Corporations Act provides that a person must not acquire a Relevant Interest in issued voting shares in a company if:

- The company is a listed company;
- The person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person; and
- Because of the transaction, that person's or someone else's voting power in the company increases from 20% or below to more than 20% or from a starting point that is above 20% and below 90%.

Relevant Interest

Generally, under section 608 of the Corporations Act, a person has a Relevant Interest in securities if they:

- Are the holder of the securities; or
- Have power to exercise, or control the exercise of, a right to vote attached to securities; or
- Have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the Relevant Interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Voting power

The voting power of a person is determined under section 610 of the Corporations Act. It involves calculating the number of voting shares in the company in which the person and the person's Associates have a Relevant Interest. A person (second person) will be an "Associate" of the other person (first person) if:

- The first person is a body corporate and the second person is:
  - (i) A body corporate the first person controls;
  - (ii) A body corporate that controls the first person; or
  - (iii) A body corporate that is controlled by an entity that controls the first person;
- The second person has entered or proposes to enter into a relevant agreement with the first person for the purposes of controlling or influencing the composition of the company's board or the conduct of the company's affairs; and
- The second person is a person with whom the first person is acting, or proposing to act, in concert in relation to the company's affairs.

Exceptions to the section 606(1) prohibition

There are various exceptions to the prohibition in section 606(1) of the Corporations Act. Section 611 of the Corporations Act contains a table setting out circumstances in which acquisitions of Relevant Interests are exempt from the prohibition. Item 7 of this table provides an exception where the acquisition is approved by a resolution passed at a general meeting of the company before the acquisition is made. Votes cast on the resolution by the parties involved in the acquisition and their Associates are disregarded.

Shareholder approval

Resolution 2 approves, for the purposes of item 7 of section 611 of the Corporations Act;

a) The issuance by Goldfields Money of a total of up to 17,386,274 Shares to the Kolenda Associated Vendors, comprising 16,617,043 Consideration Shares issued to the Kolenda Associated Vendors and up to 769,231 Shares to be issued to Daring Investments Pty Ltd (a Kolenda Associated Vendor) pursuant to the Capital Raising; and
b) the Escrowed Vendors entering into voluntary escrow deeds in respect of 23,481,296 Shares,

as a result of which:

- the Kolenda Associated Vendors, John Kolenda, and Milenka Kolenda (the spouse of, and an Associate of, John Kolenda); and
- Goldfields Money,

will each acquire a Relevant Interest in Goldfields Money Shares on the terms and conditions and in the manner set out in this Explanatory Memorandum.

2.2 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

The following table sets out information required to be provided to Goldfields Money Shareholders under item 7 in the table in section 611 of the Corporations Act and ASIC Regulatory Guide 74.

Goldfields Money Shareholders are also referred to the Independent Expert's Report set out in Annexure A.

As a result of the voluntary escrow arrangements that will be entered into with the Escrowed Vendors on Completion of the Finsure Transaction, Goldfields Money will be deemed to have acquired a Relevant Interest in its own Shares as a result of its ability to prevent the disposal of those escrowed Shares. Because the Kolenda Associated Vendors and their Associates will have voting power of more than 20% in Goldfields Money, they will be deemed to acquire the same Relevant Interest that Goldfields Money acquires in its own Shares, to the extent they do not separately have a Relevant Interest in those Shares.

As a result, on Completion:

a) If the minimum number of 10,200,000 Shares are issued under the Capital Raising:
   - The voting power of the Kolenda Associated Vendors and their Associates in Goldfields Money will increase from ~10.0% to up to ~39.7% [26]; and
   - The voting power of Goldfields Money and its Associates in Goldfields Money will increase from zero to ~30.6%.
b) If the maximum number of 15,385,000 Shares are issued under the Capital Raising:
   - The voting power of the Kolenda Associated Vendors and their Associates in Goldfields Money will increase from ~10.0% to up to ~37.2% [27]; and
   - The voting power of Goldfields Money and its Associates in Goldfields Money will increase from zero to ~28.6%.

[26] Of this, up to 26.0% arises from the holdings of the Kolenda Associated Vendors and their Associates of Shares following implementation of the Finsure Transaction and the Capital Raising and the remaining 13.7% arises from the deemed further Relevant Interests of those persons in those of the Escrowed Shares which they do not hold.
[27] Of this, up to 24.3% arises from the holdings of the Kolenda Associated Vendors and their Associates of Shares following implementation of the Finsure Transaction and the Capital Raising and the remaining 12.9% arises from the deemed further Relevant Interests of those persons in those of the Escrowed Shares which they do not hold.

The tables below illustrates how the Relevant Interests will be acquired, noting the below:

A: Shares held in Merged Group by each respective Shareholder.

B: Escrowed shares held in Merged Group by each respective Shareholder.

C: Deemed Relevant Interest due to Escrowed Shares = Total Escrowed Shares less B.*

D: Total Relevant Interest = A + C.

a) If the minimum number of 10,200,000 Shares are issued in the Capital Raising:

		A	B	C	D
		Post Finsure Transaction			
Shareholder	Current Shares held	Shares held in Merged Group	Escrowed Shares held in Merged Group	Deemed Relevant Interest[28]	Total Relevant Interest
Aura Funds Management 1 Pty Ltd, One Managed Investment Funds Ltd[29]	2,588,687	2,588,687	-	23,481,296	26,069,983
	10.0%	*3.4%*	*n.a.*	*30.6%*	*33.9%*
1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust[29]	-	7,832,475	7,832,475	15,648,821	23,481,296
	-	*10.2%*	*n.a.*	*20.4%*	*30.6%*
Daring Investments Pty Ltd[29],[30]	-	3,976,667	3,976,667	19,504,629	23,481,296
	-	*5.2%*	*n.a.*	*25.4%*	*30.6%*
- Participation in the Capital Raising	-	Up to 769,231[31]	-	-	Up to 24,250,527[31]
	-	*Up to 1.0%[31]*	*n.a.*	*n.a.*	*Up to 31.6%[31]*
1300Homeloan Pty Ltd ATF 1300HOMELOAN Trust	-	1,116,789	1,116,789	22,364,507	23,481,296
	-	*1.5%*	*n.a.*	*29.1%*	*30.6%*
Koleet Pty Ltd as trustee for the Kolenda Family Trust	-	1,845,783	-	23,481,296	25,327,079
	-	*2.4%*	*n.a.*	*30.6%*	*33.0%*

[28] Deemed to acquire a Relevant Interest in the Shares in which Goldfields Money itself has a Relevant Interest and in which the entity does not separately have a Relevant Interest, as a result of the entity, together with its Associates, having voting power of more than 20% in Goldfields Money.

[29] John Kolenda will also have a Relevant Interest in these Shares by virtue of controlling, or having voting power of greater than 20%, in the Shareholder.

[30] Milenka Kolenda (being the spouse of, and an Associate of, John Kolenda) will also have a Relevant Interest in these Shares by virtue of having voting power of greater than 20%, in Daring Investments Pty Ltd.

[31] Daring Investments Pty Ltd has committed to subscribe up to 769,231 Goldfields Money Shares under the Captial Raising. The number of Goldfields Money Shares issued will depend on the take-up by other investors under the Capital Raising. See Section 3.2 for further details.

a) If the minimum number of 10,200,000 Shares are issued in the Capital Raising:

		A	B	C	D
		Post Finsure Transaction			
Shareholder	Current Shares held	Shares held in Merged Group	Escrowed Shares held in Merged Group	Deemed Relevant Interest[28]	Total Relevant Interest
Noah James Investments Pty Ltd ATF The Rocco Veneziano Family Trust	-	1,133,768	-	23,481,296	24,615,064
	-	*1.5%*	*n.a.*	*30.6%*	*32.0%*
Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund	-	711,561	-	23,481,296	24,192,857
	-	*0.9%*	*n.a.*	*30.6%*	*31.5%*
Total John Kolenda and associates interest	**2,588,687**	**19,205,730 to 19,974,961**[30]	**12,925,931**	**10,555,365**	**29,761,095 to 30,530,326**[30]
	10.0%	***25.0% to 26.0%***[30]	***n.a.***	***13.7%***	***38.7% to 39.7%***[30]
Goldfields Money	-	-	-	23,481,296	23,481,296
	-	-	*n.a.*	*30.6%*	*30.6%*

b) If the maximum number of 15,385,000 Shares are issued in the Capital Raising:

		A	B	C	D
		Post Finsure Transaction			
Shareholder	Current Shares held	Shares held in Merged Group	Escrowed Shares held in Merged Group	Deemed Relevant Interest[28]	Total Relevant Interest
Aura Funds Management 1 Pty Ltd, One Managed Investment Funds Ltd[29]	2,588,687	2,588,687	-	23,481,296	26,069,983
	10.0%	*3.2%*	*n.a.*	*28.6%*	*31.8%*
1800Homeloans Pty Limited ATF Phoenix Aggregation Unit Trust[29]	-	7,832,475	7,832,475	15,648,821	23,481,296
	-	*9.5%*	*n.a.*	*19.1%*	*28.6%*
Daring Investments Pty Ltd[29,30]	-	3,976,667	3,976,667	19,504,629	23,481,296
	-	*4.8%*	*n.a.*	*23.8%*	*28.6%*
- Participation in the Capital Raising	-	Up to 769,231[31]	-	-	Up to 24,250,527[31]
	-	*Up to 0.9%[31]*	*n.a.*	*n.a.*	*Up to 29.6%[31]*
1300Homeloan Pty Ltd ATF 1300HOMELOAN Trust	-	1,116,789	1,116,789	22,364,507	23,481,296
	-	*1.4%*	*n.a.*	*27.3%*	*28.6%*
Koleet Pty Ltd as trustee for the Kolenda Family Trust	-	1,845,783	-	23,481,296	25,327,076
	-	*2.2%*	*n.a.*	*28.6%*	*30.9%*
Noah James Investments Pty Ltd ATF The Rocco Veneziano Family Trust	-	1,133,768	-	23,481,296	24,615,064
	-	*1.4%*	*n.a.*	*28.6%*	*30.0%*
Zach Veneziano Pty Ltd ATF Veneziano Superannuation Fund	-	711,561	-	23,481,296	24,192,857
	-	*0.9%*	*n.a.*	*28.6%*	*29.5%*

b) If the maximum number of 15,385,000 Shares are issued in the Capital Raising:

		A	B	C	D
		Post Finsure Transaction			
Shareholder	Current Shares held	Shares held in Merged Group	Escrowed Shares held in Merged Group	Deemed Relevant Interest[28]	Total Relevant Interest
Total John Kolenda and associates interest	2,588,687	19,205,730 to 19,974,961[30]	12,925,931	10,555,365	29,761,095 to 30,530,326[30]
	10.0%	*23.4% to 24.3%*[30]	*n.a.*	*12.9%*	*36.3% to 37.2%*[30]
Goldfields Money	-	-	-	23,481,296	23,481,296
	-	-	*n.a.*	*28.6%*	*28.6%*

Other information required by the Corporations Act is shown below:

Information required by item 7 of section 611 of the Corporations Act	
The identity of the person proposing to make the acquisition and their Associates	As a result of the Finsure Transaction and the Capital Raising: ▪ the Kolenda Associated Vendors, John Kolenda, and Milenka Kolenda; and ▪ Goldfields Money, will each acquire a Relevant Interest in Goldfields Money Shares.
The maximum extent of the increase in voting power in Goldfields Money for: ▪ Kolenda Associated Vendors ▪ Goldfields Money, that would result from the acquisition.	As a result of the Finsure Transaction and the Capital Raising: a) If the minimum number of 10,200,000 Shares are issued in the Capital Raising: ▪ Voting power of the Kolenda Associated Vendors in Goldfields Money will increase from ~10.0% to up to ~39.7%; and ▪ Voting power of Goldfields Money will increase from zero to ~30.6%. b) If the maximum number of 15,385,000 Shares are issued in the Capital Raising: ▪ Voting power of the Kolenda Associated Vendors in Goldfields Money will increase from ~10.0% to up to ~37.2%; and ▪ Voting power of Goldfields Money will increase from zero to ~28.6%.

Information required by item 7 of section 611 of the Corporations Act	
The voting power that each of: ▪ Kolenda Associated Vendors ▪ Goldfields Money, would have in Goldfields Money as a result of the acquisition.	As a result of the Finsure Transaction and the Capital Raising: a) If the minimum number of 10,200,000 Shares are issued in the Capital Raising: ▪ The Kolenda Associated Vendors will have voting power of up to ~39.7% in Goldfields Money; and ▪ Goldfields Money will have voting power of ~30.6%. b) If the maximum number of 15,385,000 Shares are issued in the Capital Raising: ▪ The Kolenda Associated Vendors will have voting power of up to ~37.2% in Goldfields Money; and ▪ Goldfields Money will have voting power of ~28.6%.
The maximum extent of the increase in voting power for the Associates of each of: ▪ Kolenda Associated Vendors ▪ Goldfields Money, that would result from the acquisition.	As a result of the Finsure Transaction and the Capital Raising: a) If the minimum number of 10,200,000 Shares are issued in the Capital Raising: ▪ Voting power of the Kolenda Associated Vendors and their Associates in Goldfields Money will increase from ~10.0% to up to ~39.7%; and ▪ Voting power of Goldfields Money and its Associates will increase from zero to ~30.6%. b) If the maximum number of 15,385,000 Shares are issued in the Capital Raising: ▪ Voting power of the Kolenda Associated Vendors and their Associates in Goldfields Money will increase from ~10.0% to up to ~37.2%; and ▪ Voting power of Goldfields Money and its Associates will increase from zero to ~28.6%.
The voting power that the Associates of each of: ▪ Kolenda Associated Vendors ▪ Goldfields Money, would have as a result of the acquisition.	As a result of the Finsure Transaction and the Capital Raising: a) If the minimum number of 10,200,000 Shares are issued in the Capital Raising: ▪ the Kolenda Associated Vendors and their Associates will have voting power of up to ~39.7% in Goldfields Money; and ▪ Goldfields Money and its Associates will have voting power of ~30.6%.

Information required by item 7 of section 611 of the Corporations Act	
	b) If the maximum number of 15,385,000 Shares are issued in the Capital Raising: ▪ the Kolenda Associated Vendors and their Associates will have voting power of up to ~37.2% in Goldfields Money; and ▪ Goldfields Money and its Associates will have voting power of ~28.6%.

Information required by ASIC Regulatory Guide 74	
An explanation of the reasons for the proposed acquisition	Refer to Sections 1 and 2 of this Explanatory Memorandum for the reasons and rationale for the Finsure Transaction and the Capital Raising.
When the proposed acquisition is to occur	Completion of the Finsure Transaction is anticipated by 14 September 2018, however this remains subject to change and will depend on the timing of satisfaction of the conditions to the Finsure Transaction (as detailed further in Section 1.4). The Capital Raising is conditional upon satisfaction (or waiver in accordance with the SSPA) of the conditions to the Finsure Transaction and, subject to satisfaction or waiver of those conditions, the Capital Raising will complete shortly prior to completion of the Finsure Transaction.
The material terms of the proposed acquisition	Refer to Section 1 for an overview of the material terms of the Finsure Transaction. Full details of the conditions to the Finsure Transaction and other agreed terms are set out in the Share Sale & Purchase Agreement, a copy of which was released on the ASX on 15 January 2018 together with the Company's announcement *'Goldfields Money and Finsure Sign Binding Documentation'*. Under the Capital Raising, Shares are to be issued at an issue price between $1.30 and $1.50 in cash.
Details of the terms of any other relevant agreement between the Kolenda Associated Vendors (or their Associates) and Goldfields Money that is conditional on (or directly or indirectly depends on) Goldfields Money Shareholders' approval of Resolution 1	Other than Daring Investments Pty Ltd's participation in the Capital Raising (under which it has committed to take up to 769,231 Shares, depending on the price per Share at which the Capital Raising is implemented and the take up by other investors), there is no relevant agreement between the Kolenda Associated Vendors (or their Associates) and Goldfields Money that is conditional on (or directly or indirectly depends on) Goldfields Money Shareholder approval of Resolution 2.

Information required by item 7 of section 611 of the Corporations Act	
A statement of the Kolenda Associated Vendors' intentions regarding the future of Goldfields Money if Goldfields Money Shareholders approve the proposed acquisition	The intentions of the Kolenda Associated Vendors are set out in Section 8.3 – Intentions.
Any intention of the Kolenda Associated Vendors to significantly change the financial or dividend policies of Goldfields Money	The intentions of the Kolenda Associated Vendors are set out in Section 8.3 – Intentions.
The interests that any Director has in the acquisition or any relevant agreement	The current Directors of Goldfields Money are: ▪ Peter Wallace (Non-Executive Chairman) ▪ Derek La Ferla (Non-Executive Director and Deputy Chairman) ▪ Simon Lyons (Executive Director) ▪ Peter Hall (Non-Executive Director) ▪ John Kolenda (Non-Executive Director) John Kolenda has a material personal interest in Resolution 2 as a result of the Kolenda Associated Vendors being his associates. None of the Directors other than John Kolenda have a material personal interest in Resolution 2 other than their interest arising solely in their capacity as Goldfields Money Shareholders.
Details about any person who is intended to become a Director if Goldfields Money Shareholders approve the Resolutions	No change to the composition of the Board of Directors of Goldfields Money is currently proposed by the Kolenda Associated Vendors.

2.3 Independent Directors' recommendation

The passing of Resolution 2 is conditional upon, and subject to, each other Resolution begin approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 2, you should also vote in favour of each other Resolution.

The Independent Directors recommend Shareholders vote in favour of this Resolution.

RESOLUTION 3 – APPROVAL FOR THE ACQUISITION OF FINSURE SHARES FROM, AND ISSUE OF GOLDFIELDS MONEY SHARES TO THE ASSOCIATED VENDORS

Listing Rule 10.1 regulates transactions between publicly listed companies and persons in a position of influence (such as substantial shareholders and related parties). In particular, Listing Rule 10.1 requires a listed company to obtain shareholder approval before acquiring a "substantial asset" from a related party or a substantial shareholder of the company (or their associates).

3.1 Who is a substantial shareholder?

For the purposes of Listing Rule 10.1, each Associated Vendor is considered a "substantial holder" in Goldfields Money because they are associates of Aura Funds Management Pty Ltd ATF Aura Special Opportunities Fund VIII, which has voting power of over 10% in Goldfields Money.

3.2 Who is a related party?

For the purposes of Listing Rule 10.1, each Kolenda Associated Vendor is an associate of John Kolenda, a Director.

3.3 What is a substantial asset?

Pursuant to Listing Rule 10.2, an asset is a "substantial asset" if it is valued at 5% or more of the equity interests (including paid up capital, reserves, and accumulated profits or losses) of the listed company.

The Transaction contemplates that Goldfields Money will acquire Finsure Shares from the Associated Vendors (including the Kolenda Associated Vendors), which have a total value greater than 5% of the equity interests of Goldfields Money. Accordingly, Goldfields Money Shareholder approval of the Transaction is required under Listing Rule 10.1 as a result of the proposed acquisition of those Finsure Shares.

Listing Rule 14.11 requires Goldfields Money to disregard any votes cast in favour of Resolution 3 by the Associated Vendors.

Shareholder approval sought for the purpose of Listing Rule 10.1 must include a report on the proposed acquisition from an independent expert. An Independent Expert's Report prepared by Ernst & Young Transaction Advisory Services Limited accompanies this Explanatory Memorandum at Annexure A and concludes that the Finsure Transaction is **fair and reasonable** to the non-associated Shareholders.

3.4 Independent Directors' recommendation

The passing of Resolution 3 is conditional upon, and subject to, each other Resolution begin approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 3, you should also vote in favour of each other Resolution.

The Independent Directors recommend Shareholders vote in favour of this Resolution.

RESOLUTION 4 – ISSUE OF SHARES TO DARING INVESTMENTS PTY LTD

4.1 General

Resolution 4 seeks Shareholder approval for the allotment and issue of up to 3,976,667 Shares ("**DI Shares**"), forming part of the Consideration Shares, to Daring Investments Pty Ltd ATF Kolenda Family Trust.

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

Daring Investments Pty Ltd is a related party of the Company, by virtue of being an entity controlled by John Kolenda, a Director. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances. Therefore, approval is required under Listing Rule 10.11 for the issue of the DI Shares to Daring Investments Pty Ltd ATF Kolenda Family Trust.

If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (although approval for 100% of the Consideration Shares is being sought under Resolution 1). Shareholder approval of the issue of the DI Shares to Daring Investments Pty Ltd ATF Kolenda Family Trust means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

4.2 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the DI Shares:

- The DI Shares will be allotted and issued to Daring Investments Pty Ltd ATF Kolenda Family Trust, which is an entity controlled by John Kolenda, a Director;

- The maximum number of securities to be issued is 3,976,667 Shares (forming part of the Consideration Shares);
- The DI Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that all of the DI Shares will be issued on the same date, being the date of Completion;
- The DI Shares will be issued in consideration of the acquisition of 19,215,924 Finsure Shares from Daring Investments Pty Ltd ATF Kolenda Family Trust. Consequently, no funds will be raised through the issue of the DI Shares;
- The DI Shares will comprise fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares; and
- A voting exclusion statement is included in the Notice.

4.3 Independent Directors' recommendation

The passing of Resolution 4 is conditional upon, and subject to, each other Resolution begin approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 4, you should also vote in favour of each other Resolution.

The Independent Directors recommend Shareholders vote in favour of this Resolution.

RESOLUTION 5 – ISSUE OF SHARES TO 1800HOMELOANS PTY LTD

5.1 General

Resolution 5 seeks Shareholder approval for the allotment and issue of up to 7,832,475 Shares ("**1800Homeloans Shares**"), forming part of the Consideration Shares, to 1800Homeloans Pty Ltd ATF Phoenix Aggregation Unit Trust.

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

1800Homeloans Pty Ltd is a related party of the Company, by virtue of being an entity controlled by John Kolenda, a Director. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances. Therefore, approval is required under Listing Rule 10.11 for the issue of the 1800Homeloans Shares to 1800Homeloans Pty Ltd ATF Phoenix Aggregation Unit Trust.

If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (although approval for 100% of the Consideration Shares is being sought under Resolution 1). Shareholder approval of the issue of the 1800Homeloans Shares to 1800Homeloans Pty Ltd ATF Phoenix Aggregation Unit Trust means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

5.2 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the 1800Homeloans Shares:

- The 1800Homeloans Shares will be allotted and issued to 1800Homeloans Pty Ltd ATF Phoenix Aggregation Unit Trust, which is an entity controlled by John Kolenda, a Director;
- The maximum number of securities to be issued is 7,832,475 Shares (forming part of the Consideration Shares);
- The 1800Homeloans Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that all of the 1800Homeloans Shares will be issued on the same date, being the date of Completion;

- The 1800Homeloans Shares will be issued in consideration of the acquisition of 37,847,834 Finsure Shares from 1800Homeloans Pty Ltd ATF Phoenix Aggregation Unit Trust. Consequently, no funds will be raised through the issue of the 1800Homeloans Shares;
- The 1800Homeloans Shares will comprise fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares; and
- A voting exclusion statement is included in the Notice.

5.3 Independent Directors' recommendation

The passing of Resolution 5 is conditional upon, and subject to, each other Resolution begin approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 5, you should also vote in favour of each other Resolution.

The Independent Directors recommend Shareholders vote in favour of this Resolution.

RESOLUTION 6 – CAPITAL RAISING

6.1 Background

Resolution 6 seeks approval by Shareholders under Listing Rule 7.1 for the issue of up to 15,385,000 Shares at an issue price of between $1.30 and $1.50 per Share (being the "**Capital Raising**").

If Resolution 6 is passed, it will permit the Directors to complete the Capital Raising no later than 3 months after the date of the Meeting (or such longer period as allowed by ASX) without impacting on the Company's 15% placement limit under Listing Rule 7.1.

6.2 Listing Rule 7.1

Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

The following additional information is provided pursuant to the requirements of Listing Rule 7.3:

- The Company will issue a maximum of 15,385,000 Shares pursuant to the Capital Raising. The precise number of Shares issued will depend on the outcome of a bookbuild process to be undertaken by Goldfields Money;
- Shares will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all Shares issued under the Capital Raising will be issued on the same date;
- The issue price will be between $1.30 and $1.50 per Share. The final issue price will depend on the outcome of a bookbuild process to be undertaken by Goldfields Money;
- Shares will be issued to successful applicants under the Capital Raising who are not related parties of the Company;
- Shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares; and
- The funds raised under the Capital Raising are intended to be used to ensure that the Merged Group maintains sufficient regulatory capital and to fund additional lending growth.

A voting exclusion statement is included in the Notice.

6.3 Independent Directors' recommendation

The passing of Resolution 6 is conditional upon, and subject to, each other Resolution begin approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 6, you should also vote in favour of each other Resolution.

The Independent Directors recommend Shareholders vote in favour of this Resolution.

RESOLUTION 7 – ISSUE OF SHARES TO DARING INVESTMENTS PTY LTD

7.1 Background

It is proposed that Daring Investments Pty Ltd subscribes certain of the Shares to be issued pursuant to the Capital Raising. Further details of the Capital Raising are set out under Resolution 6 in this Annexure C. Daring Investments Pty Ltd is an entity controlled by John Kolenda (a Director) and consequently is a related party of the Company.

Resolution 7 seeks Shareholder approval for the issue of up to 769,231 Shares ("JK Shares") to Daring Investments Pty Ltd.

7.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

Daring Investments Pty Ltd is a related party of the Company, by virtue of being an entity controlled by John Koldenda (a Director). It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Therefore, approval is required under ASX Listing Rule 10.11 for the issue of the JK Shares to Daring Investments Pty Ltd.

If approval is given under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1 (although approval for 100% of the Shares to be issued pursuant to the Capital Raising is being sought under Resolution 6). Shareholder approval of the issue of the JK Shares means that this issue will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the JK Shares:

- The JK Shares will be allotted and issued to Daring Investments Pty Ltd, an entity controlled by John Kolenda (a Director);
- The maximum number of securities to be issued is 769,231 Shares (forming part of the Shares to be issued pursuant to the Capital Raising). The precise number of Shares to be issued will depend on the price per Share at which the Capital Raising is implemented and the take up by other investors under the Capital Raising;
- The JK Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that all of the JK Shares will be issued on the same date, being the date of completion of the Capital Raising;
- The JK Shares will be issued at the same price which applies under the Capital Raising, being between $1.30 and $1.50 per Share. The final issue price will depend on the outcome of a bookbuild process to be undertaken by Goldfields Money;
- The funds raised from the issue of the JK Shares will be aggregated with the funds raised in the balance of the Capital Raising and applied proportionately in the same manner with those funds. See paragraph 6.2 under Resolution 6 in this Annexure C for further details;
- The JK Shares will comprise fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares; and
- A voting exclusion statement is included in the Notice.

7.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- Obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- Give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the JK Shares constitutes giving a financial benefit and Daring Investments Pty Ltd is a related party of the Company by virtue of being an entity controlled by John Kolenda, a Director.

The Independent Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the JK Shares because the JK Shares will be issued to Daring Investments Pty Ltd on the same terms as Shares issued to non-related party participants in the Capital Raising and, as such, the giving of the financial benefit is on arm's length terms.

7.4 Independent Directors' recommendation

The passing of Resolution 7 is conditional upon, and subject to, each other Resolution begin approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 7, you should also vote in favour of each other Resolution.

The Independent Directors recommend Shareholders vote in favour of this Resolution.

RESOLUTION 8 – ISSUE OF SHARES TO SIMON LYONS

8.1 Background

It is proposed that Simon Lyons subscribes certain of the Shares to be issued pursuant to the Capital Raising. Further details of the Capital Raising are set out under Resolution 6 in this Annexure C. Simon Lyons is a Director and consequently a related party of the Company.

Resolution 8 seeks Shareholder approval for the issue of up to 384,615 Shares ("**SL Shares**") to Simon Lyons.

7.5 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

Simon Lyons is a related party of the Company, by virtue of being a Director. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Therefore, approval is required under ASX Listing Rule 10.11 for the issue of the SL Shares to Simon Lyons.

If approval is given under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1 (although approval for 100% of the Shares to be issued pursuant to the Capital Raising is being sought under Resolution 6). Shareholder approval of the issue of the SL Shares means that this issue will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the SL Shares:

- The SL Shares will be allotted and issued to Simon Lyons, a Director;
- The maximum number of securities to be issued is 384,615 Shares (forming part of the Shares to be issued pursuant to the Capital Raising). The precise number of Shares to be issued will depend on the price per Share at which the Capital Raising is implemented and the take up by other investors under the Capital Raising;
- The SL Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that all of the SL Shares will be issued on the same date, being the date of completion of the Capital Raising;
- The SL Shares will be issued at the same price which applies under the Capital Raising, being between \$1.30 and \$1.50 per Share. The final issue price will depend on the outcome of a bookbuild process to be undertaken by Goldfields Money;

- The funds raised from the issue of the SL Shares will be aggregated with the funds raised in the balance of the Capital Raising and applied proportionately in the same manner with those funds. See paragraph 6.2 under Resolution 6 in this Annexure C for further details;
- The SL Shares will comprise fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares; and
- A voting exclusion statement is included in the Notice.

7.6 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- Obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- Give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the SL Shares constitutes giving a financial benefit and Simon Lyons is a related party of the Company by virtue of being a Director.

The Independent Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the SL Shares because the SL Shares will be issued to Simon Lyons on the same terms as Shares issued to non-related party participants in the Capital Raising and, as such, the giving of the financial benefit is on arm's length terms.

7.7 Independent Directors' recommendation

The passing of Resolution 8 is conditional upon, and subject to, each other Resolution begin approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 8, you should also vote in favour of each other Resolution.

The Independent Directors recommend Shareholders vote in favour of this Resolution.

ANNEXURE D:
LIST OF FINSURE VENDORS

Vendor	Consideration Shares to be issued	Escrowed Vendor? (Yes / No)
1800Homeloans Pty Ltd ACN 146 268 957 ATF Phoenix Aggregation Unit Trust	7,832,475	Yes
Loan Packaging Australia Pty Ltd ACN 053 922 017	743,342	Yes
1300Homeloan Pty Ltd ACN 118 495 140 ATF 1300Homeloan Trust	1,116,789	Yes
Resimac Limited ACN 002 997 935	3,725,746	Yes
Koleet Pty Ltd ACN 076 194 128 ATF Kolenda Family Trust	1,845,783	No
Noah James Investments Pty Ltd ACN 104 998 807 ATF The Rocco Veneziano Family Trust	1,133,768	No
Zach Veneziano Pty Ltd ACN 123 829 087 ATF Veneziano Superannuation Fund	711,561	No
Daring Investments Pty Ltd ACN 059 818 807	3,976,667	Yes
Ng Capital Management Pte Ltd	2,616,564	Yes
Holding Corporation Pty Ltd ACN 617 153 616 ATF NG Family Super Fund	1,417,681	Yes
Ng Capital Management Pty Ltd ACN 143 682 008 ATF CNG Investment Trust	1,382,201	Yes
Kar Wing Ng	669,831	Yes
Abbymore Pte Ltd	260,420	No
Savot 1 Pty Ltd ACN 615 282 758 ATF The Savins Family Trust	877,661	No
Andrew Jensen and Kate Jensen ATF A&K Superannuation Fund	148,668	No
Finsure Vendors who will hold Finsure Shares upon conversion of the Finsure Convertible Notes (excluding those captured above)	12,290,843	No
Total	**40,750,000**	

CORPORATE DIRECTORY

DIRECTORS AND MANAGEMENT

P Wallace (Non-executive Chairman)

S Lyons (Executive Director and Chief Executive Officer)

D La Ferla (Non-executive Director)

P Hall (Non-executive Director)

J Kolenda (Non-executive Director)

M Cowell (Company Secretary and Chief Financial Officer)

PRINCIPAL REGISTERED OFFICE

120 Egan Street

Kalgoorlie Western Australia, 6430

LOCATION OF SHARE REGISTRY

Advanced Share Registry Limited

110 Stirling Hwy

Nedlands WA 6009

PO Box 1156

Nedlands WA Australia 6909

SECURITIES EXCHANGE

Goldfields Money ABN 63 087 651 849 is listed on the Australian Securities Exchange with an ASX code of 'GMY'

AUDITOR

KPMG

235 St Georges Terrace

Perth Western Australia, 6000

goldfields money

All yours. Honestly