BANJO & MATILDA, INC.

FORM 8-K
(Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 17, 2015**

BANJO & MATILDA, INC.

(Exact name of registrant as specified in its charter)

Nevada	**000-54277**	**27-1519178**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

76 William Street
Paddington NSW 2021
Australia
(Address of principal executive offices)

(310) 890-5652
Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))

Item 1.01. Entry into a Material Agreement.

1. On June 17, 2015, Banjo & Matilda, Inc. (the "Company") entered into a Financial Advisor Agreement with Forefront Capital Markets, LLC ("Forefront"), pursuant to which it engaged Forefront to act as its financial advisor and placement agent on a non-exclusive basis for a term of 24 months.

As compensation for its financial advisory services, the Company agreed:

(i) to pay Forefront a cash placement fee payable upon each closing of an offering of its securities of gross proceeds received from investors who were introduced to the offering by Forefront ("Covered Investors") equal to 7% of the gross proceeds received from Covered Investors in any placement of equity or securities exercisable for or convertible into equity and 3% of the gross proceeds received from Covered Investors in any placement of debt securities and 3% of the gross proceeds received from non-Covered Persons for any placement of equity or securities exercisable or convertible into equity and 1% of the gross proceeds received from non-Covered Persons for any placement of debt, in each case where the Company has requested the assistance of Forefront. In addition, the Company will pay Forefront a cash fee of from 3% to 1% on a sliding scale for other offerings subject to certain exceptions, including offerings of up to a total of $250,000 to investors who acquired debt or equity in the Company prior to June 17, 2015 and who hold debt or equity of the Company at the time of a future investment.

(ii) to issue to Forefront or its designee(s) a warrant to purchase a number of shares of the Company's common stock equal to (x) seven percent (7%) of the Company's common stock underlying the securities issued to Covered Investors in the offering, and (y) three percent (3%) of the Company's common stock underlying the securities issued to non-Covered Investors for an offering of the Company's equity securities or securities exercisable for a convertible into equity. The warrants, to be issued at each closing, will (i) have an exercise price equal to the sum of the price of the securities and any amount to be paid on the exercise of the securities issued to the investors in the offering, (ii) expire 5 years from the date of issuance, (iii) contain standard weighted average anti-dilution protection (iv) include customary piggy-back registration rights in the event of any registration of its securities by the Company, other than a registration on Form S-4 or S-8 or any successor thereto, and any registration rights that may be provided to the Covered Investors, (v) contain provisions for cashless exercise so long as the underlying securities are not registered for sale under the Securities Act of 1933, as amended, and during an approximate three month period immediately prior to the expiration of the warrant and (vi) include such other terms that are normal and customary for warrants of this type.

(iii) upon the consummation of any investment, joint venture or business combination (collectively, a "Business Combination") during the term of engagement with a party introduced by Forefront (a "Covered Partner") or in respect of which Forefront is asked by the Company to render assistance to the Company, the Company shall pay Forefront at the closing or closings of such Business Combination 3% of the Transaction Value (as defined).

If within 18 months after the termination of the Financial Advisor Agreement, the Company completes any public or private financing ("Financing") of any securities (other than the exercise by any person or entity of any options, warrants or other convertible securities other than the warrants issued pursuant to the Financial Advisor Agreement) with any investors to which Forefront provided marketing materials for an offering during the term and which were introduced to the Financing by Forefront, the Company will pay to Forefront upon the closing of such financing (i) if such Financing occurs within nine months of the date of expiration or termination of the financial Advisor Agreement, the cash and warrant compensation set forth above (the "Source Fee") or (ii) if such Financing occurs after nine months and within 18 months of the date of expiration or termination of the Financial Advisor Agreement, one-third (1/3) of the Source Fee.

The Financial Advisor Agreement also grants Forefront a right of first refusal to act as one of the lead underwriters, managers, placement agent or mergers and acquisition advisors (if then authorized to do so as a registered broker/dealer), as the case may be, in the public or private offering by the Company or Business Combination of the Company (or any of its subsidiaries) for the greater of the term of the agreement or 12 months from the date of a closing and with a minimum of 20% of the securities placed and 20% of the underwriting, management, advisory or placement agent fees.

In addition, the Company agreed to issue to Forefront or its designee(s) a warrant to purchase six million (6,000,000) shares of the Company's common stock upon execution of the Financial Advisor Agreement. The warrant (i) is exercisable at an initial exercise price of eight cents ($0.08), (ii) expires 5 years from the date of issuance, (iii) contains standard weighted average anti-dilution protection (iv) includes customary piggy-back registration rights, including any registration rights that may be provided to investors, (v) contains provisions for cashless exercise and (vi) includes such other terms that are normal and customary for warrants of this type.

The exercise price for existing warrants received for investment banking services shall be reduced from $0.30 to $0.08.

The Company also agreed to indemnify Forefront in connection with the performance of services pursuant to the Financial Advisor Agreement.

2. On June 17, 2015, the Company and its wholly-owned US subsidiary, Banjo & Matilda (USA), Inc. (together, the "Borrowers"), entered into a Note Purchase Agreement with Forefront Income Trust, an affiliate of Forefront (the "Lender"), pursuant to which the Lender agreed to lend Borrowers $500,000 in consideration for the issuance of the Borrowers 18% secured promissory note in the principal amount of $500,000 due July 1, 2017 (the "Note") to evidence their obligation to repay such indebtedness. The Note bears interest at the rate of 18% per annum, increasing to 22% per annum following and during the continuation of an Event of Default (as defined in the Note). The Borrowers may prepay all or a portion of the Note commencing 180 days after issuance for an amount equal to 115% of an amount equal to the sum of (i) the then outstanding principal amount of the Note plus (ii) accrued and unpaid interest on the unpaid principal amount of the Note to the prepayment date plus (iii) the amount of unpaid Default Interest, if any. Payment of amounts which the Borrower is obligated to pay pursuant to the Note is secured by a security interest in a deposit account for the proceeds of credit card transactions for the purchase of the Company's merchandise pursuant to a Security Agreement dated June 15, 2015 by and among the Lender and the Borrower.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On June 17, 2015, the Company and its wholly-owned US subsidiary, Banjo & Matilda (USA), Inc. (together, the "Borrowers") borrowed $500,000 from Forefront Income Trust (the "Lender"), an affiliate of Forefront, pursuant to the Note Purchase Agreement and issued to Forefront Income Trust their 18% secured promissory note in the principal amount of $500,000 due July 1, 2017 (the "Note") to evidence their obligation to repay such indebtedness. The Note bears interest at the rate of 18% per annum, increasing to 22% per annum ("Default Interest") following and during the continuation of an Event of Default (as defined in the Note). The Borrowers may prepay all or a portion of the Note commencing 180 days after issuance for an amount equal to 115% of an amount equal to the sum of (i) the then outstanding principal amount of the Note plus (ii) accrued and unpaid interest on the unpaid principal amount of the Note to the prepayment date plus (iii) the amount of unpaid Default Interest, if any. Payment of amounts which the Borrower is obligated to pay pursuant to the Note is secured by a security interest in accounts, instruments and deposit accounts for the proceeds of credit card transactions for the purchase of the Company's merchandise pursuant to a Security Agreement dated June 17, 2015 by and among the Lender and the Borrower.

Item 3.02. Unregistered Sales of Equity Securities.

On June 17, 2015, the Company issued to Forefront Partners, LLC, an affiliate of Forefront, six million (6,000,000) shares of the Company's common stock upon execution of the Financial Advisor Agreement. The warrant (i) is exercisable at an initial exercise price of eight cents ($0.08), (ii) expires 5 years from the date of issuance, (iii) contains standard weighted average anti-dilution protection (iv) includes customary piggy-back registration rights, including any registration rights that may be provided to investors, (v) contains provisions for cashless exercise and (vi) includes such other terms that are normal and customary for warrants of this type.

Forefront Partners, LLC is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act and the issuance of the warrant is exempt from the registration requirements of the Securities Act pursuant to Rule 506 of Regulation D and Section 4 (2) of the Securities Act.

Item 9.01. Financial Statements and Exhibits.

Exhibit	Description
10.1	Financial Advisor Agreement dated June 17, 2015 with Forefront Capital Markets, LLC
10.2	Note Purchase Agreement dated June 17, 2015 by and among the Company, Banjo & Matilda (USA), Inc. and Forefront Income Trust.
10.3	Secured Promissory Note dated June 17, 2015 in the principal amount of $500,000 issued to Forefront Income Trust (annexed as Exhibit A to Exhibit 10.2).
10.4	Security Agreement dated June 17, 2015 by and among the Company, Banjo & Matilda (USA), Inc. and Forefront Income Trust.
10.5	Warrant to purchase 6,000,000 shares of common stock issued to Forefront Partners, LLC

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BANJO & MATILDA, INC.

Date: June 18, 2015

By: */s/ Brendan Macpherson*
Brendan Macpherson
Chief Executive Officer

EXHIBIT 10.1

June 17, 2015

Mr. Brendan Macpherson
Chief Executive Officer
Banjo & Matilda Inc.
76 William St
Paddington NSW 2021
Australia

RE: Corporate Financial Advisor Agreement

Dear Mr. Macpherson:

This letter confirms our agreement that Banjo & Matilda Inc., a company incorporated in the state of Delaware with corporate headquarters at the address stated above (together with its affiliates and subsidiaries, the " **Company** ") has engaged Forefront Capital Markets, LLC, a Delaware limited liability company, headquartered at 7 Times Sq, 37 th Fl, New York, NY 10036 (with affiliates and subsidiaries, the " **Advisor** ") to act as a nonexclusive financial advisor and placement agent in connection with any private placement (the " **Offering** ") of equity, debt or equity-linked securities (the " **Securities** ") of the Company undertaken by the Company during the term of this Agreement, as well as introductions to strategic investors (" **Strategics** ") for the purpose of investment, joint venture or business combination (" **Business Combinations** "). The terms of the Securities and the gross proceeds of any Offering will be substantially negotiated between the Advisor and the Company with one or more Investors (described below). A separate sales commission agreement may be signed for introductions that result in revenue to the Company.

Upon your acceptance of this engagement agreement indicated by your signature below, (the " **Agreement** ") this Agreement will confirm the terms of the engagement between the Advisor and the Company.

1. **Appointment** .

(a) Subject to the terms and conditions of this Agreement, the Company hereby retains the Advisor to act as a nonexclusive financial advisor and placement agent in connection with any Offering and/or Business Combination. During the term of this Agreement, any additional financial advisors or placement agents to the Company shall be mutually agreed to by the Company and the Advisor, such consent of the Advisor not to be unreasonably withheld or delayed. As Advisor, we will familiarize ourselves with the business, operations, properties, financial condition, management and prospects of the Company. In addition, upon request, we will advise and assist the Company on all matters relating to financings as well as evaluate alternative financing structures and arrangements and issuing Securities to one or more institutional, individual, and corporate accredited investors (" **Investors** "). The Company retains the right to determine all of the terms and conditions of an Offering and to accept or reject any proposals submitted to it in its sole and absolute discretion or to reject the offer of any Investor.

(b) During the Term of this Agreement (as such term is hereinafter defined), neither the Company nor any of its subsidiaries will, directly or indirectly, solicit or otherwise encourage the submission of any proposal or offer (" **Investment Proposal** ") from any person or entity that is not an Investment Proposal related to an Offering without giving Advisor at least ten days prior notice thereof and, if appropriate, the opportunity to introduce Investors to such Offering. The term "Investment Proposal" shall not include any loans from insiders of the Company or commercial banking loans to the Company.

2. **Information** .

(a) The Company recognizes that in completing its engagement hereunder, the Advisor will be using and relying on publicly available information and on data, material and other information furnished to the Advisor by the Company or the Company's affiliates and agents. The Company will cooperate with the Advisor and furnish and cause to be furnished to the Advisor any and all information and data concerning the Company and its subsidiaries that the Advisor deems appropriate and that is reasonably requested by the Advisor (the " **Information** "), which may be included in a private placement memorandum, information memorandum, and or marketing materials if any (the " **Memorandum** "). Any Information and Memorandum forwarded to prospective Investors or potential joint venture partners, strategic partners and business combinations will be in a form acceptable to the Advisor and its counsel. The Company represents and warrants that all Information and the Memorandum, including, but not limited to, the Company's financial statements, will be complete and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading.

(b) It is further agreed that the Advisor will conduct a due diligence investigation of the Company and the Company will reasonably cooperate with such investigation as a condition of the Advisor's obligation hereunder. The Company recognizes and confirms that the Advisor: (i) will use and rely primarily on the Information, the Memorandum and information available from generally recognized public sources in performing the services contemplated by this letter without having independently verified the same; (ii) is authorized as the Advisor, after discussion with the Company and receipt of the Company's consent, to transmit to any prospective investors information or a copy or copies of the Memorandum, forms of subscription documents and any other legal documentation supplied to the Advisor by the Company or by any of the Company's officers, representatives or agents, in connection with the performance of the Advisor's services hereunder or any transaction contemplated hereby; (iii) does not assume responsibility for the accuracy or completeness of the Information or the Memorandum and such other information, if any provided, to the Investors; (iv) will not make an appraisal of any assets of the Company or the Company generally; and (v) retains the right to continue to perform due diligence of the Company, its business and its officers and directors during the term of the Agreement.

(c) Until the date that is three years from the expiration or termination of this Agreement, the Advisor will keep all information obtained from the Company confidential except information that: (i) is in the public domain as of the date hereof or hereafter enters the public domain without a breach by the Advisor, (ii) was known or became known by the Advisor prior to the Company's disclosure thereof to the Advisor, (iii) becomes known to the Advisor from a source other than the Company, and other than by the breach of an obligation of confidentiality owed to the Company, (iv) is disclosed by the Company to a third party without restrictions on its disclosure, (v) is independently developed by the Advisor or (vi) is required to be disclosed by the Advisor or its officers, directors, employees, agents, attorneys and to its other advisors and financial sources, pursuant to any order of a court of competent jurisdiction, industry or regulatory authority or other governmental body or as may otherwise be required by law.

(d) The Company recognizes that in order for the Advisor to perform properly its obligations in a professional manner, the Company will keep the Advisor informed of, and to the extent practicable, permit the Advisor to participate in meetings and discussions between the Company and any third party relating to the matters covered by the terms of the Advisor's engagement. If at any time during the course of the Advisor's engagement, the Company becomes aware of any material change in any of the information previously furnished to the Advisor, it will promptly advise the Advisor of such change.

3. **Compensation** . As compensation for the services rendered hereunder, the Company agrees to the following:

(a) The Company agrees to pay the Advisor a cash fee payable upon each closing of gross proceeds received from Investors who were introduced to the Offering by the Advisor (" **Covered Investors** ") and issuance of Securities in the Offering to Covered Investors (" **Closing** ") equal to 7% of the gross proceeds received from Covered Investors in any placement of equity or securities exercisable for or convertible into equity and 3% of the gross proceeds received from Covered Investors in any placement of debt securities (the " **Placement Fee** "). For the Term (defined below), in respect of any investor who is not a Covered Investor (a "Non-Covered Investor") in respect of which the Company asks the Advisor's Assistance (an "Assisted Non-Covered Investor"), the Advisor shall receive 3% of the gross proceeds received from an Assisted Non-Covered Investor who acquires equity or securities exercisable or convertible into equity and 1% of the gross proceeds received from an Assisted Non-Covered Investor in any placement of Debt Securities. In no event shall an investor who acquired debt or equity in the Company prior to the date hereof and who holds debt or equity of the Company at the time of a future investment (an "Existing Investor") be considered an Assisted Non-Covered Person or Covered Person. For the Term (defined below), for any Existing Investor who participates in a placement, the Advisor will not receive a Placement Fee for the first $250,000 raised from Existing Investors in an Offering and the Advisor will receive a Placement Fee of 3% sliding proportionate scale down to 1% of the gross proceeds received in excess of $250,000 from Existing Investors up to $5 million, a Placement Fee of 1% applies for gross proceeds received of above $5 million received from Existing Investors in any placement. In no event will the Advisor receive a Placement Fee for gross proceeds received from Raymond Key or Brendan Macpherson.

(b) The Company shall deliver to the Advisor and/or its designees a warrant to purchase shares of the Company's common stock (the " **Agent Warrant** "). The number of Agent Warrants shall be based on a percentage of the Company's common stock underlying the Securities issued to Covered Investors in the Offering; such percentage shall be equal to 7%. The Agent Warrant will be issued at each Closing and shall provide, among other things, that the Agent Warrant shall: (i) be exercisable at the sum of the price of the Securities and any amount to be paid on the exercise of the Securities issued to the Investors in the Offering, (ii) expire 5 years from the date of issuance, (iii) contain standard weighted average anti-dilution protection (iv) include customary piggy-back registration rights in the event of any registration of its securities by the Company other than a registration on Form S-4 or S-8 or any successor thereto, and any registration rights that may be provided to the Covered Investors, (v) contain provisions for cashless exercise so long as the underlying securities are not registered for sale under the Securities Act of 1933, as amended, and during an approximate three month period immediately prior to the expiration of the Warrant and (vi) include such other terms that are normal and customary for warrants of this type.

(c) The Company agrees upon the consummation of any Business Combination during the Term of Engagement (defined below) with a party introduced by the Advisor (a "Covered Partner") or in respect of which the Advisor is asked by the Company to render assistance to the Company, the Company shall pay the Advisor at the closing or closings of such Business Combination 3% of the Transaction Value (defined in Exhibit B of this Agreement)

(d) The Company shall deliver to the Advisor and/or its designees a warrant to purchase six million (6,000,000) shares of the Company's common stock (the " **Advisor Warrant** "). The Advisor Warrant will be issued upon execution of this Agreement and shall provide, among other things, that the Advisor Warrant shall: (i) be exercisable at an initial exercise price of eight cents ($0.08), (ii) expire 5 years from the date of issuance, (iii) contain standard weighted average anti-dilution protection (iv) include customary piggy-back registration rights as described above, including any registration rights that may be provided to the Investors, (v) contain provisions for cashless exercise and (vi) include such other terms that are normal and customary for warrants of this type.

(e) The Company will reimburse the Advisor in a timely manner for all expenses relating to an Offering undertaken at the direction of the Company, including, but not limited to, printing, road show, background checks, travel and other related expenses as well as the legal fees incurred by the Advisor in connection with the Offering, provided, however, that (i) any single expense item in excess of $1,000 and (ii) all expenses in excess of $2,500 in any one month must be approved in advance by the Company, and provided further, that the Company's reimbursement obligation for legal expenses of the Advisor shall not exceed $20,000 unless approved in advance by the Company. Such legal expenses of the Advisor shall be paid by the Company as it is incurred. All reimbursements shall be made promptly (but in no event more than 30 days after submission of those expenses to the Company) upon submission by the Advisor.

(f) The exercise price for existing warrants received for investment banking services shall be reduced from $0.30 to $0.08.

(g) If the Company pays the Advisor via bank wire for any of the fees and reimbursed expenses described in all of this Section 3 Compensation, then all bank wiring fees will be incurred by the Company.

4. **Term of Engagement** .

(a) This Agreement will remain in effect until the 24 month anniversary from the date of this Agreement after which either party shall have the right to extend or to terminate the Agreement on 30 days prior date (the " **Termination Date** "). If either party shall notify the other of its intent to allow this Agreement to expire as of the Termination Date, the other shall not have the right to extend this Agreement. The period of time during which this Agreement remains in effect is referred to herein from time to time as the " **Term** ". If within 18 months after the Termination Date, the Company completes any public or private financing (" **Financing** ") of any Securities (other than the exercise by any person or entity of any options, warrants or other convertible securities other than the warrants issued pursuant to this Agreement) with any Investors to which the Advisor provided marketing materials for an Offering during the Term and which were introduced to the Financing by the Advisor, the Company will pay to the Advisor upon the closing of such financing (i) if such Financing occurs within nine months of the date of expiration or termination of this Agreement, the compensation set forth in all of subsections 3(a), (b) and (c) (the " **Source Fee** ") or (ii) if such Financing occurs after nine months and within 18 months of the date of expiration or termination of this Agreement, one-third (1/3) of the Source Fee.

(b) Notwithstanding anything herein to the contrary, the obligation to pay the compensation and expenses described in Section 3, this Section 4, Sections 5, 7 and 9-20 and all of Exhibit A and Exhibit B attached (the terms of which are incorporated by reference hereto), will survive any termination or expiration of this Agreement. The termination of this Agreement shall not affect the Company's obligation to pay fees to the extent provided for in Section 3 herein and shall not affect the Company's obligation to reimburse the expenses accruing prior to such termination to the extent provided for herein.

5. **Right of Participation** . The Advisor shall have the right of first refusal to act as one of the lead underwriters, managers, placement agent or mergers and acquisition advisors (if then authorized to do so as a registered broker/dealer), as the case may be, in the public or private offering by the Company or Business Combination of the Company (or any of its subsidiaries) for the greater of the Term of this agreement or 12 months from the date of a Closing and with a minimum of 20% of the Securities placed and 20% of the underwriting, management, advisory or placement agent fees. If such right is exercised by the Advisor, all other terms of any such engagement will be separately agreed upon between the Company and the Advisor.

6. **Certain Placement Procedures** . The Company and the Advisor each represents to the other that it has not taken and it will not take any action, directly or indirectly, so as to cause the Offering to fail to be entitled to rely upon the exemption from registration afforded by Section 4 (2) of the Securities Act of 1933, as amended (the " **Act** "). In effecting the Offering, the Company and the Advisor all agree to comply in all material respects with applicable provisions of the Act and any regulations thereunder and any applicable state laws and requirements. The Company agrees that any representations and warranties made by it to any Investor in the Offering shall be deemed also to be made to the Advisor for its benefit. The Company agrees that it shall cause any opinion of its counsel delivered to any Investors in the Offering also to be addressed and delivered to the Advisor.

7. **Indemnification** . The Company agrees to indemnify the Advisor in accordance with the indemnification and other provisions attached to the Agreement as Exhibit A (the " **Indemnification Provisions** "), which provisions are incorporated herein by reference and shall survive the termination or expiration of the Agreement.

8. **Other Activities** . The Company acknowledges that the Advisor has been, and may in the future be, engaged to provide services as an underwriter, advisor, finder, placement agent and investment banker to other companies in the industry in which the Company is involved. Subject to the confidentiality provisions of the Advisor contained in Section 2 hereof, the Company acknowledges and agrees that nothing contained in this Agreement shall limit or restrict the right of the Advisor or of any member, manager, officer, employee, agent or representative of the Advisor, to be a member, manager, partner, officer, director, employee, agent or representative of, investor in, or to engage in, any other business, whether or not of a similar nature to the Company's business, nor to limit or restrict the right of the Advisor to render services of any kind to any other corporation, firm, individual or association; provided that the Advisor and any of its member, manager, officer, employee, agent or representative shall not use the Information to the detriment of the Company.

9. **Governing Law; Jurisdiction; Waiver of Jury Trial** . This Agreement will be governed as to validity, interpretation, construction, effect and in all other respects by the internal laws of the State of New York. The Company and the Advisor: (i) agree that any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted exclusively in the New York State Supreme Court, County of New York, or in the United States District Court for the Southern District of New York; (ii) waives any objection to the venue of any such suit, action or proceeding, and the right to assert that such forum is an inconvenient forum, and (iii) irrevocably consents to the jurisdiction of the New York State Supreme Court, County of New York, and the United States District Court for the Southern District of New York in any such suit, action or proceeding. Each of the Company and the Advisor further agree to accept and acknowledge service of any and all process that may be served in any such suit, action or proceeding in the New York State Supreme Court, County of New York, or in the United States District Court for the Southern District of New York and agree that service of process upon it mailed by certified mail to its address shall be deemed in every respect effective service of process in any such suit, action or proceeding. The parties hereby expressly waive all rights to trial by jury in any suit, action or proceeding arising under this Agreement.

10. **Compliance with the Law** .

(a) The Company, at its own expense, will use its best efforts to obtain any registration or qualification required to sell any Securities under the Blue Sky laws of any applicable State or U.S. Territory jurisdictions as well as any foreign jurisdiction.

(b) The Company and the Advisor shall comply with all applicable U.S. federal, state and local statutes, laws, rules and regulations. The Company and the Advisor further agree: (i) to abide by the Securities and Exchange Act of 1934 and other federal/state securities laws' prohibitions against fraudulent conduct; (ii) not trade upon, or share with third parties: (a) any material non-public information, or (b) confidential information that the Company and the Advisor have a duty to keep confidential or that the Company and the Advisor believe was obtained in violation of a duty or obligation owed by the sources(s) of that information or in violation of the STOCK Act.

11. **Representations and Warranties** . The Company and the Advisor each respectively represent and warrant that: (a) it has the full right, power and authority to enter into this Agreement and to perform all of its obligations hereunder; (b) this Agreement has been duly authorized and executed and constitutes a legal, valid and binding agreement of such party enforceable in accordance with its terms; and (c) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby does not conflict with or result in a breach of such party's certificate of incorporation or by-laws or any agreement to which such party is a party or by which any of its property or assets is bound.

12. **Parties; Assignment; Independent Contractor** . This Agreement has been and is made solely for the benefit of the Advisor and the Company and each of their persons, agents, employees, officers, directors and controlling persons and their respective heirs, executors, personal representatives, successors and assigns, and nothing contained in this Agreement will confer any rights upon, nor will this Agreement be construed to create any rights in, any person who is not party to such Agreement, other than as set forth in this paragraph. The rights and obligations of either party under this Agreement may not be assigned without the prior written consent of the other party hereto and any other purported assignment will be null and void. The Advisor has been retained under this Agreement as an independent contractor and it is understood and agreed that this Agreement does not create a fiduciary relationship between the Advisor and the Company or their respective Boards of Directors. The Advisor shall not be considered to be agents of the Company for any purpose whatsoever and the Advisor is not granted any right or authority to assume or create any obligation or liability, express or implied, on the Company's behalf, or to bind the Company in any manner whatsoever.

13. **Validity** . In case any term of this Agreement will be held invalid, illegal or unenforceable, in whole or in part, the validity of any of the other terms of this Agreement will not in any way be affected thereby.

14. **Counterparts** . This Agreement may be executed in counterparts and each of such counterparts will for all purposes be deemed to be an original, and such counterparts will together constitute one and the same instrument.

15. **Review by Counsel** . This Agreement has been reviewed by the signatories hereto and their counsel. There shall be no construction of any provision against either party hereto because this Agreement was drafted by either particular, and the parties waive any statute or rule of law to such effect.

16. **Amendments** . This Agreement may not be modified or amended except in writing and duly executed by the parties hereto.

17. **Notices** . All notices will be in writing and will be effective when delivered in person or by courier or sent registered mail and confirmed by the other party by email or registered mail to the party to whom it is addressed at the following addresses or such other address as such party may advise the other in writing:

To the Company:
Mr. Brendan Macpherson
Chief Executive Officer
Banjo & Matilda Inc.
76 William St
Paddington NSW 2021
Australia

To the Advisor:
Mr. David Wasitowski
President & CFO
Forefront Capital Markets, LLC
7 Times Sq, 37 th Fl
New York, NY 10036

18. **Commercially Reasonable Best Efforts Engagement** . The Company acknowledges and agrees that the Advisor will use its "commercially reasonable efforts" in connection with the Offering and that this Agreement does not constitute a commitment by the Advisor to purchase the Securities or introduce the Company to Investors. The Advisor will in its sole discretion determine the reasonableness of its efforts and is under no obligation to perform at any level other than what they deem reasonable. It is expressly understood and acknowledged that the Advisor's engagement for the Offering does not constitute any commitment, express or implied, on the part of the Advisor or of any of its affiliates to purchase or place the Company's securities or to provide any type of financing.

19. **Press Announcements** . The Company agrees that the Advisor shall have the right at its own expense to place information and advertisements describing the Advisor's services to the Company hereunder in the Advisor's various marketing materials and website as well as financial trade publications and/ or newspapers and journals.

20. **Severability** . In the event that any term or provision of this Agreement shall be held to be illegal or unenforceable, the entire Agreement shall not fail on account thereof. It is further agreed that if any one or more of such paragraphs or provisions shall be judged to be void as going beyond what is reasonable in all of the circumstances for the protection of the interests of the Company, but would be valid if part of the wording thereof were deleted or the period thereof reduced or the range of activities covered thereby reduced in scope, the said reduction shall be deemed to apply with such modifications as may be necessary to make them valid and effective and any such modification shall not thereby affect the validity of any other paragraph or provisions contained in this Agreement.

[Signature Page Follows]

If the terms of our engagement as set forth in this Agreement are satisfactory to you, please sign and date the enclosed copy of this letter and return it to us. We look forward to working with you and your management team.

Very truly yours,

Forefront Capital Markets, LLC

By: */s/ Francis J. Argenziano*
Francis J. Argenziano
Senior Managing Director

By: */s/ David Wasitowski*
David Wasitowski
President & CFO

Agreed to and accepted to as of the date first appearing above:

Banjo & Matilda, Inc.

By: */s/ Brendan Macpherson*
Brendan Macpherson
Chief Executive Officer

[Exhibit A and Exhibit B Follow]

Exhibit A

Indemnification Provisions

Capitalized terms used in this Exhibit shall have the meanings ascribed to such terms in the Agreement to which this Exhibit is attached.

The Company agrees to indemnify and hold harmless the Advisor and each of the other Indemnified Parties (as hereinafter defined) from and against any and all losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses and disbursements, and any and all actions, suits, proceedings and investigations in respect thereof and any and all legal and other costs, expenses and disbursements in giving testimony or furnishing documents in response to a subpoena or otherwise (including, without limitation, the costs, expenses and disbursements, as and when incurred, of investigating, preparing, pursuing or defending any such action, suit, proceeding or investigation (whether or not in connection with litigation in which any Indemnified Party is a party)) (collectively, " **Losses** "), directly or indirectly, caused by, relating to, based upon, arising out of, or in connection with, the Advisor's acting for the Company, including, without limitation, any act or omission by the Advisor in connection with its acceptance of or the performance or non-performance of its obligations under the Agreement between the Company and Advisor to which these indemnification provisions are attached and form a part, any breach by the Company of any representation, warranty, covenant or agreement contained in the Agreement (or in any instrument, document or agreement relating thereto, including any agency agreement), or the enforcement by Advisor of its rights under the Agreement or these indemnification provisions, except to the extent that any such Losses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the gross negligence or reckless or willful misconduct of the Indemnified Party seeking indemnification hereunder. The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of Advisor by the Company or for any other reason, except to the extent that any such liability is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or reckless or willful misconduct.

These Indemnification Provisions shall extend to the following persons (collectively, the " **Indemnified Parties** "): Advisor, its present and former affiliated entities, managers, members, officers, employees, legal counsel, agents and controlling persons (within the meaning of the federal securities laws), and the officers, directors, partners, stockholders, members, managers, employees, legal counsel, agents and controlling persons of any of them. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to any Indemnified Party.

If any action, suit, proceeding or investigation is commenced, as to which an Indemnified Party proposes to demand indemnification, it shall notify the Company with reasonable promptness (within 7 business days); provided , however , that any failure by an Indemnified Party to notify the Company shall not relieve the Company from its obligations hereunder. An Indemnified Party shall have the right to retain counsel of its own choice to represent it and the Company will on demand, to the extent permitted by applicable law, advance or pay promptly, on behalf of each Indemnified Party, reasonable attorney's fees and other expenses and disbursements (including, but not limited to, the cost of any investigation and related preparation) as they are incurred by the Indemnified Parties. Any such counsel shall, to the extent consistent with its professional responsibilities, cooperate with the Company and any counsel designated by the Company. The Company shall be liable for any settlement of any claim against any Indemnified Party made with the Company's written consent. The Company shall not, without the prior written consent of the Advisor, settle or compromise any claim, or permit a default or consent to the entry of any judgment in respect thereof, unless such settlement, compromise or consent (i) includes, as an unconditional term thereof, the giving by the claimant to all of the Indemnified Parties of an unconditional release from all liability in respect of such claim, and (ii) does not contain any factual or legal admission by or with respect to an Indemnified Party or an adverse statement with respect to the character, professionalism, expertise or reputation of any Indemnified Party or any action or inaction of any Indemnified Party.

In order to provide for just and equitable contribution, if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification in such case, then the Company shall contribute to the Losses to which any Indemnified Party may be subject (i) in accordance with the relative benefits received by the Company and its stockholders, subsidiaries and affiliates, on the one hand, and the Indemnified Party, on the other hand, and (ii) if (and only if) the allocation provided in clause (i) of this sentence is not permitted by applicable law, in such proportion as to reflect not only the relative benefits, but also the relative fault of the Company, on the one hand, and the Indemnified Party, on the other hand, in connection with the statements, acts or omissions which resulted in such Losses as well as any relevant equitable considerations. No person found liable for a fraudulent misrepresentation shall be entitled to contribution from any person who is not also found liable for fraudulent misrepresentation. The relative benefits received (or anticipated to be received) by the Company and its stockholders, subsidiaries and affiliates shall be deemed to be equal to the aggregate consideration payable or receivable by such parties in connection with the transaction or transactions to which the Agreement relates relative to the amount of fees actually received by Advisor in connection with such transaction or transactions. Notwithstanding the foregoing, in no event shall the amount contributed by all Indemnified Parties exceed the amount of fees previously received by Advisor pursuant to the Agreement.

Neither termination nor completion of the Agreement shall affect these Indemnification Provisions which shall remain operative and in full force and effect. The Indemnification Provisions shall be binding upon the Company and its successors and assigns and shall inure to the benefit of the Indemnified Parties and their respective successors, assignees, heirs and personal representatives.

Exhibit B

Definition of "Transaction Value"

The definition of Transaction Value shall be the amount of consideration paid in a Business Combination and shall include, all forms of consideration paid or received, directly or indirectly, by the Company and/or its stockholders in such transaction, including, without limitation, cash, securities, notes or other evidences of indebtedness, assumption of liabilities (whether by operation of law or otherwise), or any combination thereof. If all or a portion of the consideration paid in the Business Combination is other than cash or securities, then the value of such non-cash consideration shall be the fair market value thereof on the date the Business Combination is consummated as mutually agreed upon in good faith by the Company and the Advisor. If such non-cash consideration consists of common stock, options, warrants or rights for which a public trading market existed prior to the consummation for the Business Combination, then the value of such securities shall be determined based upon the closing or last sales price thereof on the date of the consummation of the Business Combination. If such non-cash consideration consists of newly-issued, publicly-traded common stock, options, warrants or rights for which no public trading market existed prior to the consummation of the Business Combination, then the value thereof shall be the average of the closing prices for the 20 trading days subsequent to the fifth trading day after the consummation of the Business Combination. In such event, the fee payable to the Advisor shall be paid on the 30 th trading day subsequent to consummation of the Business Combination. If no public market exists for the common stock, options, warrants or other rights issued in the Business Combination, then the value thereof shall be as mutually agreed upon in good faith by the Company and the Advisor. If the non-cash consideration paid in the Business Combination consists of preferred stock or debt securities (regardless of whether a public trading market existed for such preferred stock or debt securities prior to consummation of the Transaction or exists thereafter), the value thereof shall be the liquidation value (without regard to accrued dividends) of the preferred stock or the principal amount of the debt securities, as the case may be.

Any amounts payable by a purchaser to the Company, any stockholder of the Company or an affiliate of either the Company or any stockholder of the Company in connection with a non-competition, employment, consulting, licensing, supply or other agreement (or payable by the Company if the Company is the acquiring entity) in excess of such amounts as may have been paid in respect of such service prior to the Combination shall be deemed to be part of the consideration paid in the Business Combination. If all or a portion of the consideration payable in connection with the Business Combination includes contingent payments, then the Company shall pay to the Advisor an additional cash fee, as when and if such contingency payments are received. If with respect to any non-cash consideration the Company and the Advisor are unable to agree on the fair market value thereof, then such value shall be determined by submission of the question to a reputable appraisal firm with experience valuing assets of the nature of the subject consideration acceptable to the Company and the Advisor (the fees and expenses of whom shall be borne equally by the Company and the Advisor).

EXHIBIT 10.2

NOTE PURCHASE AGREEMENT

This **NOTE PURCHASE AGREEMENT** (the "Agreement"), dated as of June 17, 2015, by and among **BANJO & MATILDA, INC.** , a Nevada corporation, with headquarters located at 76 William Street, Paddington, NSW 2021, Australia (the "Company"), BANJO & MATILDA (USA), INC., a Delaware corporation (the "US Subsidiary") and **FOREFRONT INCOME TRUST** , a Delaware Statutory Trust with its address at 7 Times Sq., 37 th Floor, New York, New York 10036 (the "Buyer").

WHEREAS :

A. The Company, the US Subsidiary (together with the Company, the "Borrower"), and the Buyer are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "1933 Act");

B. Buyer desires to purchase and the Company and the US Subsidiary desire to issue and sell, upon the terms and conditions set forth in this Agreement an eighteen (18%) percent secured note of the Company, in the form attached hereto as Exhibit A, in the aggregate principal amount of $500,000.00 (together with any note(s) issued in replacement thereof or as a dividend thereon or otherwise with respect thereto in accordance with the terms thereof, the "Note"), upon the terms and subject to the limitations and conditions set forth in such Note; and

NOW THEREFORE , the Company and the Buyer hereby agree as follows:

1. Purchase and Sale of the Note.

a. Purchase . On the Closing Date (as defined below), the Borrower shall issue and sell to the Buyer and the Buyer agrees to purchase from the Borrower the Note in the original principal amount of $500,000.

b. Form of Payment . On the Closing Date the Buyer shall pay $500,000 (the "Purchase Price") net of any fees and expenses mutually agreeable by Borrower and Buyer by wire transfer of immediately available funds to the Borrower, in accordance with the Borrower's written wiring instructions, against delivery of the duly executed Note.

c. Closing Date . Subject to the satisfaction (or written waiver) of the conditions thereto set forth in Sections 5 and 6 below, the date and time of the issuance and sale of the Note (the "Closing Date") shall be 12:00 noon, Eastern Standard Time on or about June 17, 2015, or such other mutually agreed upon time. The closing of the transactions contemplated by this Agreement (the "Closing") shall occur on the Closing Date at such location as may be agreed to by the parties.

2. Buyer's Representations and Warranties. The Buyer represents and warrants to the Company that:

a. Investment Purpose . As of the date hereof, the Buyer is purchasing the Note for its own account and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the 1933 Act; provided , however , that by making the representations herein, the Buyer does not agree to hold any of the Note for any minimum or other specific term and reserves the right to dispose of the Note at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act.

b. Accredited Investor Status . The Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D (an "Accredited Investor").

c. Reliance on Exemptions . The Buyer understands that the Note is a being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that the Borrower is relying upon the truth and accuracy of, and the Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Note.

d. Information . The Buyer and its advisors, if any, have been, and for so long as the Note remains outstanding will continue to be, furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Note which have been requested by the Buyer or its advisors. The Buyer and its advisors, if any, have been, and for so long as the Note remains outstanding will continue to be, afforded the opportunity to ask questions of the Company. Notwithstanding the foregoing, the Company has not disclosed to the Buyer any material nonpublic information and will not disclose such information unless such information is disclosed to the public prior to or promptly following such disclosure to the Buyer. Neither such inquiries nor any other due diligence investigation conducted by Buyer or any of its advisors or representatives shall modify, amend or affect Buyer's right to rely on the Company's representations and warranties contained in Section 3 below. The Buyer understands that its investment in the Note involves a significant degree of risk. The Buyer is not aware of any facts that may constitute a breach of any of the Company's representations and warranties made herein.

e. Governmental Review . The Buyer understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Note.

f. Transfer or Re-sale . The Buyer understands that (i) the sale or re-sale of the Note has not been and is not being registered under the 1933 Act or any applicable state securities laws, and the Note may not be transferred unless (a) the Note is sold pursuant to an effective registration statement under the 1933 Act, (b) the Buyer shall have delivered to the Company, at the cost of the Buyer, an opinion of counsel that shall be in form, substance and scope customary for opinions of counsel in comparable transactions to the effect that the Note may be sold or transferred pursuant to an exemption from such registration, which opinion shall be accepted by the Company, (c) the Note is sold or transferred to an "affiliate" (as defined in Rule 144 promulgated under the 1933 Act (or a successor rule) ("Rule 144")) of the Buyer who agrees to sell or otherwise transfer the Note only in accordance with this Section 2(f) and who is an Accredited Investor, (d) the Note is sold pursuant to Rule 144, or (e) the Note is sold pursuant to Regulation S under the 1933 Act (or a successor rule) ("Regulation S"), and the Buyer shall have delivered to the Company, at the cost of the Buyer, an opinion of counsel that shall be in form, substance and scope customary for opinions of counsel in corporate transactions, which opinion shall be accepted by the Company; (ii) any sale of the Note made in reliance on Rule 144 may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any re-sale of the Note under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to register the Note under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder (in each case). Notwithstanding the foregoing or anything else contained herein to the contrary, the Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement.

g. Legends . The Buyer understands that the Note may bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates for the Note):

"THE ISSUANCE AND SALE OF THIS NOTE, HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THIS NOTE MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE NOTE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A OR REGULATION S UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE NOTE MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE NOTE."

The legend set forth above shall be removed and the Company shall issue a certificate without such legend to the holder of the Note, if, unless otherwise required by applicable state securities laws, (a) the Note is registered for sale under an effective registration statement filed under the 1933 Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, or (b) such holder provides the Company with an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of the Note may be made without registration under the 1933 Act, which opinion shall be accepted by the Company so that the sale or transfer is effected. The Buyer agrees to sell the Note in compliance with applicable prospectus delivery requirements, if any. In the event that the Company does not accept the opinion of counsel provided by the Buyer with respect to the transfer of the Note pursuant to an exemption from registration, such as Rule 144, it will be considered an Event of Default pursuant to Section 3.2 of the Note.

h. Authorization; Enforcement . This Agreement has been duly and validly authorized. This Agreement has been duly executed and delivered on behalf of the Buyer, and this Agreement constitutes a valid and binding agreement of the Buyer enforceable in accordance with its terms.

i. Residency . The Buyer is a resident of New York State.

3. Representations and Warranties of the Company . The Company represents and warrants to the Buyer that except as disclosed in the SEC Documents:

a. Organization and Qualification . The Company and each of its Subsidiaries (as defined below), if any, is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted. The Company and each of its Subsidiaries is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which its ownership or use of property or the nature of the business conducted by it makes such qualification necessary except where the failure to be so qualified or in good standing would not have a Material Adverse Effect. "Material Adverse Effect" means any material adverse effect on the business, operations, assets, financial condition or prospects of the Company or its Subsidiaries, if any, taken as a whole, or on the transactions contemplated hereby or by the agreements or instruments to be entered into in connection herewith. "Subsidiaries" means any corporation or other organization, whether incorporated or unincorporated, in which the Company owns, directly or indirectly, any equity or other ownership interest. The Subsidiaries of the Company are Banjo & Matilda Pty Ltd. And Banjo & Matilda USA, Inc.

b. Authorization; Enforcement . (i) The Company has all requisite corporate power and authority to enter into and perform this Agreement and the Note and to consummate the transactions contemplated hereby and thereby and to issue the Note in accordance with the terms hereof, (ii) the execution and delivery of this Agreement and the Note by the Company and the consummation by it of the transactions contemplated hereby and thereby, including without limitation, the issuance of the Note have been duly authorized by the Company's Board of Directors and no further consent or authorization of the Company, its Board of Directors, or its shareholders is required, (iii) this Agreement has been duly executed and delivered by the Company by its authorized representative, and such authorized representative is the true and official representative with authority to sign this Agreement and the other documents executed in connection herewith and bind the Company accordingly, and (iv) this Agreement constitutes, and upon execution and delivery by the Company of the Note, such instrument will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

c. Capitalization . As of the date hereof, the authorized capital stock of the Company consists of: (i) 100,000,000 authorized shares of common Stock, $0.00001 par value per share ("Common Stock"), (ii) 100,000,000 authorized shares of preferred stock, $0.00001 par value per share. As of March 31, 2015, there were 58,492,967 shares of Common Stock issued and outstanding and 1,000,000 shares of preferred stock issued and outstanding; no shares are reserved for issuance pursuant to the Company's stock option plans, no shares are reserved for issuance pursuant to securities exercisable for, or convertible into or exchangeable for shares of Common Stock other than those shares reserved for issuance pursuant to the Warrant to be issued to the Company's Advisor and Placement Agent. All of such outstanding shares of capital stock are duly authorized, validly issued, fully paid and non-assessable. No shares of capital stock of the Company are subject to preemptive rights or any other similar rights of the shareholders of the Company or any liens or encumbrances imposed through the actions or failure to act of the Company. As of the effective date of this Agreement, (i) there are no outstanding options, warrants, scrip, rights to subscribe for, puts, calls, rights of first refusal, agreements, understandings, claims or other commitments or rights of any character whatsoever relating to, or securities or rights convertible into or exchangeable for any shares of capital stock of the Company or any of its Subsidiaries, or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries, (ii) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of its or their securities under the 1933 Act and (iii) there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) that will be triggered by the issuance of the Note. The Company has furnished to the Buyer true and correct copies of the Company's Certificate of Incorporation as in effect on the date hereof ("Certificate of Incorporation"), the Company's By-laws, as in effect on the date hereof (the "By-laws"), and the terms of all securities convertible into or exercisable for Common Stock of the Company and the material rights of the holders thereof in respect thereto. The Company shall provide the Buyer with a written update of this representation signed by the Company's Chief Executive on behalf of the Company as of the Closing Date.

d. No Conflicts . The execution, delivery and performance of this Agreement and the Note by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) conflict with or result in a violation of any provision of the Articles of Incorporation or By-laws, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, patent, patent license or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities are subject) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect). Neither the Company nor any of its Subsidiaries is in violation of its Articles of Incorporation, By-laws or other organizational documents and neither the Company nor any of its Subsidiaries is in default (and no event has occurred which with notice or lapse of time or both could put the Company or any of its Subsidiaries in default) under, and neither the Company nor any of its Subsidiaries has taken any action or failed to take any action that would give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party or by which any property or assets of the Company or any of its Subsidiaries is bound or affected, except for possible defaults as would not, individually or in the aggregate, have a Material Adverse Effect. The businesses of the Company and its Subsidiaries, if any, are not being conducted, and shall not be conducted so long as the Buyer owns the Note, in violation of any law, ordinance or regulation of any governmental entity which would reasonably be anticipated to result in a Material Adverse Effect. Except as specifically contemplated by this Agreement and as required under the 1933 Act and any applicable state securities laws, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency, regulatory agency, self-regulatory organization or stock market or any third party in order for it to execute, deliver or perform any of its obligations under this Agreement or the Note in accordance with the terms hereof or thereof or to issue and sell the Note in accordance with the terms hereof. All consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof. If the Company is listed on the OTCBB, the Company is not in violation of the listing requirements of the Over-the-Counter Bulletin Board (the "OTCBB") and does not reasonably anticipate that the Common Stock will be delisted by the OTCBB in the foreseeable future. The Company and its Subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

e. SEC Documents; Financial Statements . The Company has timely filed after giving effect to all extensions available as of right, all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act") (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits to such documents) incorporated by reference therein, being hereinafter referred to herein as the "SEC Documents"). Upon written request the Company will deliver to the Buyer true and complete copies of the SEC Documents, except that such exhibits and incorporated documents will only be delivered in response to a specific request. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the statements made in any such SEC Documents is, or has been, required to be amended or updated under applicable law (except for such statements as have been amended or updated in subsequent filings prior the date hereof). As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with United States generally accepted accounting principles, consistently applied, during the periods involved and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in the financial statements of the Company included in the SEC Documents, the Company has no liabilities, contingent or otherwise, other than (i) liabilities incurred in the ordinary course of business subsequent to March 31, 2015, and (ii) obligations under contracts and commitments incurred in the ordinary course of business and not required under generally accepted accounting principles to be reflected in such financial statements, which, individually or in the aggregate, are not material to the financial condition or operating results of the Company. The Company is subject to the reporting requirements of the 1934 Act.

f. Absence of Certain Changes . Since the date of execution hereof, there has been no material adverse change and no material adverse development in the assets, liabilities, business, properties, operations, financial condition, results of operations, prospects or 1934 Act reporting status of the Company or any of its Subsidiaries.

g. Absence of Litigation . There is no action, suit, claim, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its Subsidiaries, threatened against or affecting the Company or any of its Subsidiaries, or their officers or directors in their capacity as such, that could have a Material Adverse Effect. The Company and its Subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

h. Patents, Copyrights, etc . The Company and each of its Subsidiaries owns or possesses the requisite licenses or rights to use all patents, patent applications, patent rights, inventions, know-how, trade secrets, trademarks, trademark applications, service marks, service names, trade names and copyrights ("Intellectual Property") necessary to enable it to conduct its business as now operated (and, as presently contemplated to be operated in the future); there is no claim or action by any person pertaining to, or proceeding pending, or to the Company's knowledge threatened, which challenges the right of the Company or of a Subsidiary with respect to any Intellectual Property necessary to enable it to conduct its business as now operated (and, as presently contemplated to be operated in the future); to the best of the Company's knowledge, the Company's or its Subsidiaries' current and intended products, services and processes do not infringe on any Intellectual Property or other rights held by any person; and the Company is unaware of any facts or circumstances which might give rise to any of the foregoing. The Company and each of its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of their Intellectual Property.

i. No Materially Adverse Contracts, Etc . Neither the Company nor any of its Subsidiaries is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Company's officers has or is expected in the future to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is a party to any contract or agreement which in the judgment of the Company's officers has or is expected to have a Material Adverse Effect.

j. Private Placement. Assuming the accuracy of the Buyer's representations and warranties set forth herein, no registration under the Securities Act is required for the offer and sale of the Note by the Company to the Buyer as contemplated hereby.

k. Seniority . Banjo & Matilda (USA) Inc. is party to an Account Sale and Purchase Agreement dated August 15, 2014 (the "Sallyport Agreement") with Sallyport Commercial Finance LLC ("Sallyport") pursuant to which Sallyport acquires title to garments and receivables which would otherwise be property of the Company and a line of credit facility dated on or about 27 th of May 2009 with Moneytech Finance Pty Ltd. pursuant to which Moneytech has been granted a lien on the assets of the Company's Subsidiary Banjo & Matilda Pty Ltd. As of the Closing Date, except for the rights granted to Sallyport and Moneytech, no claim against the Company or any of its Subsidiaries is senior to the Note in right of payment, whether with respect to interest or upon liquidation or dissolution, or otherwise, other than indebtedness secured by purchase money security interests (which is senior only as to underlying assets covered thereby) and capital lease obligations (which is senior only as to the property covered thereby). More specifically, the Note will have the first and only lien on all credit card receivables generated from online, retail store, and wholesale channels of the Company, up to the amounts due hereunder, until all obligations under the Note have been paid back in full. Concurrently[MO1] , the Company and the Buyer will also enter into a Security Agreement.

l. Indebtedness . (i) The Financial Statements set forth all outstanding secured and unsecured Indebtedness of the Company and the Subsidiaries on a consolidated basis, or for which the Subsidiaries have commitments as of the date of such Financial Statements or any subsequent period that would require disclosure. For the purposes of this Agreement, "Indebtedness" shall mean (a) any liabilities for borrowed money or amounts owed in excess of $100,000 (other than trade accounts payable incurred in the ordinary course of business), (b) all guaranties, endorsements and other contingent obligations in respect of Indebtedness of others, whether or not the same should be reflected in the Company's balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (c) the present value of any lease payments in excess of $100,000 due under leases required to be capitalized in accordance with GAAP. Neither the Company nor any subsidiary is in default with respect to any Indebtedness.

(ii) Within twenty days of the date hereof the Company shall have caused the holder of $125,000 of Indebtedness to convert the principal amount thereof and all interest accrued thereon into Common Stock at a conversion price of six cents ($0.06) or more.

(iii) So long as any amounts are outstanding under the Note, the Company will not incur any Indebtedness other than (w) capital leases or purchase money security interests secured only by the assets acquired upon the issuance thereof, (x)Indebtedness incurred to replace Indebtedness outstanding as of the date hereof and (y) Indebtedness which by its terms is not secured by the Company's credit card receivables and which subordinates and, in case of (x) and (y) above on terms acceptable to the Buyer , any claim it may have in the credit card receivables to the interest of the Buyer therein.

m. Tax Status . The Company and each of its Subsidiaries has made or filed all federal, state and foreign income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company and each of its Subsidiaries has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim. The Company has not executed a waiver with respect to the statute of limitations relating to the assessment or collection of any foreign, federal, state or local tax. None of the Company's tax returns is presently being audited by any taxing authority.

n. Certain Transactions . Except for arm's length transactions pursuant to which the Company or any of its Subsidiaries makes payments in the ordinary course of business upon terms no less favorable than the Company or any of its Subsidiaries could obtain from third parties and other than the grant of stock options disclosed on Schedule 3(c), none of the officers, directors, or employees of the Company is presently a party to any transaction with the Company or any of its Subsidiaries (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

o. Disclosure . All information relating to or concerning the Company or any of its Subsidiaries set forth in this Agreement and provided to the Buyer pursuant to the terms hereof and otherwise in connection with the transactions contemplated hereby is true and correct in all material respects and the Company has not omitted to state any material fact necessary in order to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading. No event or circumstance has occurred or exists with respect to the Company or any of its Subsidiaries or its or their business, properties, prospects, operations or financial conditions, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed (assuming for this purpose that the Company's reports filed under the 1934 Act are being incorporated into an effective registration statement filed by the Company under the 1933 Act).

p. No Integrated Offering . Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales of any security or solicited any offers to buy any security under circumstances that would require registration under the 1933 Act of the issuance of the Note to the Buyer. The issuance of the Securities to the Buyer will not be integrated with any other issuance of the Company's securities (past, current or future) for purposes of any shareholder approval provisions applicable to the Company or its securities.

q. No Brokers . The Company has taken no action which would give rise to any claim by any person for brokerage commissions, transaction fees or similar payments relating to this Agreement or the transactions contemplated hereby except for the Company's Placement Agent, Forefront Capital Markets, LLC.

r. Permits; Compliance . The Company and each of its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate its properties and to carry on its business as it is now being conducted (collectively, the "Company Permits"), and there is no action pending or, to the knowledge of the Company, threatened regarding suspension or cancellation of any of the Company Permits. Neither the Company nor any of its Subsidiaries is in conflict with, or in default or violation of, any of the Company Permits, except for any such conflicts, defaults or violations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Since December 31, 2013, neither the Company nor any of its Subsidiaries has received any notification with respect to possible conflicts, defaults or violations of applicable laws, except for notices relating to possible conflicts, defaults or violations, which conflicts, defaults or violations would not have a Material Adverse Effect.

s. Sarbanes-Oxley Act . The Company is in compliance with the applicable provisions of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), and the rules and regulations promulgated thereunder, that are effective and for which compliance by the Company is required as of the date hereof.

t. Environmental Matters .

(i) There are, to the Company's knowledge, with respect to the Company or any of its Subsidiaries or any predecessor of the Company, no past or present violations of Environmental Laws (as defined below), releases of any material into the environment, actions, activities, circumstances, conditions, events, incidents, or contractual obligations which may give rise to any common law environmental liability or any liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or similar federal, state, local or foreign laws and neither the Company nor any of its Subsidiaries has received any notice with respect to any of the foregoing, nor is any action pending or, to the Company's knowledge, threatened in connection with any of the foregoing. The term "Environmental Laws" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(ii) Other than those that are or were stored, used or disposed of in compliance with applicable law, no Hazardous Materials are contained on or about any real property currently owned, leased or used by the Company or any of its Subsidiaries, and no Hazardous Materials were released on or about any real property previously owned, leased or used by the Company or any of its Subsidiaries during the period the property was owned, leased or used by the Company or any of its Subsidiaries, except in the normal course of the Company's or any of its Subsidiaries' business.

(iii) There are no underground storage tanks on or under any real property owned, leased or used by the Company or any of its Subsidiaries that are not in compliance with applicable law.

u. Title to Property . The Company and its Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its Subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as are described in the SEC Documents or such as would not have a Material Adverse Effect. Any real property and facilities held under lease by the Company and its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as would not have a Material Adverse Effect.

v. Insurance . The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect. Upon written request the Company will provide to the Buyer true and correct copies of all policies relating to directors' and officers' liability coverage, errors and omissions coverage, and commercial general liability coverage.

w. Internal Accounting Controls . Except as otherwise disclosed in the Form 10-Ks, the Form 10-Qs, or the Form 8-K, the books and records of the Company and its subsidiaries accurately reflect in all material respects the information relating to the business of the Company and the subsidiaries, the location and collection of their assets, and the nature of all transactions giving rise to the obligations or accounts receivable of the Company or any subsidiary. The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient, in the judgment of the Company, to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate actions are taken with respect to any differences.

x. Securities Act of 1933 . Assuming the accuracy of the representations of the Buyer set forth in Section 2 hereof, the Company has complied and will comply with all applicable federal and state securities laws in connection with the offer, issuance and sale of the Note hereunder and the offer and sale of the Note to the Buyer is exempted from the registration requirement of the Securities Act. Neither the Company nor anyone acting on its behalf, directly or indirectly, has or will sell, offer to sell or solicit offers to buy any of the Note, or similar securities to, or solicit offers with respect thereto from, or enter into any preliminary conversations or negotiations relating thereto with, any person, or has taken or will take any action so as to bring the issuance and sale of any of the Note in violation of the registration provisions of the Securities Act and applicable state securities laws, and neither the Company nor any of its affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Note.

y. Governmental Approvals . Except for the filing of any notice prior or subsequent to the Closing Date that may be required under applicable state and/or Federal securities laws (which if required, shall be filed on a timely basis), including the filing of a Form D, no authorization, consent, approval, license, exemption of, filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, is or will be necessary for, or in connection with, the execution or delivery of the Note or for the performance by the Company of its obligations under the transaction documents.

z. Foreign Corrupt Practices . Neither the Company, nor any of its Subsidiaries, nor any director, officer, agent, employee or other person acting on behalf of the Company or any Subsidiary has, in the course of his actions for, or on behalf of, the Company, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

aa. Not an Investment Company . The Company is not, and upon the issuance and sale of the Securities as contemplated by this Agreement will not be an "investment company" required to be registered under the Investment Company Act of 1940 (an "Investment Company"). The Company is not controlled by an Investment Company.

4. COVENANTS .

a. Best Efforts . The parties shall use their best efforts to satisfy timely each of the conditions described in Sections 5 and 6 of this Agreement.

b. Blue Sky Laws .. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary to qualify the Note for sale to the Buyer at the applicable closing pursuant to this Agreement under applicable securities or "blue sky" laws of the states of the United States (or to obtain an exemption from such qualification[MO2]).

c. Use of Proceeds . The Company shall use the proceeds for general working capital purposes; more specifically, marketing and sales and general corporate purposes.

d. Expenses . At the Closing, the Company shall reimburse Buyer for expenses incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the other agreements to be executed in connection herewith ("Documents"), including, without limitation, reasonable attorneys' and consultants' fees and expenses, transfer agent fees, fees for stock quotation services, fees relating to any amendments or modifications of the Documents or any consents or waivers of provisions in the Documents, fees for the preparation of opinions of counsel, escrow fees, and costs of restructuring the transactions contemplated by the Documents. When possible, the Company must pay these fees directly, otherwise the Company must make immediate payment for reimbursement to the Buyer for all fees and expenses immediately upon written notice by the Buyer or the submission of an invoice by the Buyer. The Company's obligation with respect to this transaction is to reimburse Buyer' expenses shall be $5,000.

e. Financial Information . Upon written request the Company agrees to send or make available the following reports to the Buyer until the Buyer transfers, assigns, or sells all of the Note: (i) within ten (10) days after the filing with the SEC, a copy of its Annual Report on Form 10-K its Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K; (ii) within one (1) day after release, copies of all press releases issued by the Company or any of its Subsidiaries; and (iii) contemporaneously with the making available or giving to the shareholders of the Company, copies of any notices or other information the Company makes available or gives to such shareholders.

f. Registration and Listing . The Company shall (a) comply in all respects with its reporting and filing obligations under the Exchange Act and (b) not take any action or file any document (whether or not permitted by the Securities Act or the rules promulgated thereunder) to terminate or suspend its reporting and filing obligations under the Exchange Act or Securities Act except as permitted under the transaction documents. Subject to the terms of the transaction documents, the Company further covenants that it will take such further action as the Buyer may reasonably request, all to the extent required from time to time to enable the Buyer to sell the Note without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act, as amended. Upon the request of the Buyer, the Company shall deliver to the Buyer a written certification of a duly authorized officer as to whether it has complied with such requirements the Buyer may reasonably request, all to the extent required from time to time to enable the Buyer to sell the Note without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act, as amended. Upon the request of the Buyer, the Company shall deliver to the Buyer a written certification of a duly authorized officer as to whether it has complied with such requirements.

g. Participation in Future Financing. From the date hereof until the date that is the 24 month anniversary of the Effective Date, upon any issuance by the Company or any of its Subsidiaries of Common Stock, Common Stock Equivalents for cash consideration, indebtedness or a combination of units hereof (a "Subsequent Financing"), the Buyer shall have the right to participate in up to an amount of the Subsequent Financing equal to 20% of the Subsequent Financing (the "Participation Maximum") on the same terms, conditions and price provided for in the Subsequent Financing.

h. Non-Public Information . Except with respect to the material terms and conditions of the transactions contemplated by the transaction documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide any Buyer or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Buyer shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that each Buyer shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

i. Corporate Existence . So long as the Buyer beneficially owns the Note, the Company shall maintain its corporate existence and shall not sell all or substantially all of the Company's assets, except in the event of a merger or consolidation or sale of all or substantially all of the Company's assets, where the surviving or successor entity in such transaction (i) assumes the Company's obligations hereunder and under the agreements and instruments entered into in connection herewith and (ii) is a publicly traded corporation whose Common Stock is listed for trading on the Pink Sheets, OTCQX, OTCBB, Nasdaq, Nasdaq SmallCap, NYSE or AMEX.

j. No Integration . The Company shall not make any offers or sales of any security under circumstances that would require registration of the Note being offered or sold hereunder under the 1933 Act or cause the offering of the Securities to be integrated with any other offering of securities by the Company for the purpose of any stockholder approval provision applicable to the Company or its securities.

k. Breach of Covenants . If the Company breaches any of the covenants set forth in this Section 4, and in addition to any other remedies available to the Buyer pursuant to this Agreement, it will be considered an event of default under Section 3.4 of the Note.

l. Failure to Comply with the 1934 Act . So long as the Buyer beneficially owns the Note, the Company shall comply with the reporting requirements of the 1934 Act; and the Company shall continue to be subject to the reporting requirements of the 1934 Act. If, after giving effect to any as of right extension, the Company fails to comply with the 1934 Act until such time as it shall cure such failure, the Interest Rate, as defined in the Purchase Agreement, shall increase by an additional 1% per month for each month that the Company fails to comply. Such 1% shall be paid to the Holder on a monthly basis

m. Trading Activities . Neither the Buyer nor its affiliates has an open short position in the common stock of the Company and the Buyer agree that it shall not, and that it will cause its affiliates not to, engage in any short sales of or hedging transactions with respect to the common stock of the Company.

n. Disposition of Assets . So long as any amounts are due under the Note, neither the Company nor any subsidiary shall sell, transfer or otherwise dispose of any of its properties, assets and rights to any person except for (i) sales to customers in the ordinary course of business (ii) sales or transfers between the Company and its subsidiaries or between subsidiaries of the Company, or (iii) otherwise with the prior written consent of the holders of a majority of the outstanding principal amount of the Note.

o. Reporting Status . So long as a Buyer beneficially owns any portion of the Note, the Company shall timely file all reports required to be filed with the Commission pursuant to the Exchange Act, and the Company shall not terminate its status as an issuer required to file reports under the Exchange Act even if the Exchange Act or the rules and regulations thereunder would permit such termination

p. Keeping of Records and Books of Account . The Company shall keep and cause each subsidiary to keep adequate records and books of account, in which complete entries will be made in accordance with GAAP consistently applied, reflecting all financial transactions of the Company and its subsidiaries, and in which, for each fiscal year, all proper reserves for depreciation, depletion, obsolescence, amortization, taxes, bad debts and other purposes in connection with its business shall be made.

q. Sarbanes-Oxley Act . The Company is in compliance with the applicable provisions of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), and the rules and regulations promulgated thereunder, that are effective and for which compliance by the Company is required as of the date hereof.

r. Compliance with Law . The business of the Company and the subsidiaries has been and is presently being conducted in material compliance with all applicable federal, state and local governmental laws, rules, regulations and ordinances. The Company and each of its subsidiaries have all franchises, permits, licenses, consents and other governmental or regulatory authorizations and approvals necessary for the conduct of its business in all material respects as now being conducted by it unless the failure to possess such franchises, permits, licenses, consents and other governmental or regulatory authorizations and approvals, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

s. Credit card processing . So long as any amounts are due under the Note, neither the Company nor any subsidiary shall change the Company's credit card merchant processing, bank it receives payment from its credit card sales or have credit card sales flow through any other entity without the prior written consent of the Buyer. The Company represents to Buyer that not less than 95% of its credit card sales for global e-commerce and U.S. retail will go through Banjo & Matilda USA, Inc. and the merchant facility securing the payment of amounts due under the Note.

5. Conditions to the Company's Obligation to Sell . The obligation of the Company hereunder to issue and sell the Note to the Buyer at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions thereto, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

a. The Buyer shall have executed this Agreement and delivered the same to the Company.

b. The Buyer shall have delivered the Purchase Price, net of agreed expenses, to the Company.

c. The representations and warranties of the Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and the Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Buyer at or prior to the Closing Date.

d. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

6. Conditions to The Buyer's Obligation to Purchase . The obligation of the Buyer hereunder to purchase the Note at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions, provided that these conditions are for the Buyer's sole benefit and may be waived by the Buyer at any time in its sole discretion:

a. The Company shall have executed this Agreement and delivered the same to the Buyer.

b. The Company shall have delivered to the Buyer the duly executed Note.

c. The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing Date. The Buyer shall have received a certificate or certificates, executed by the chief executive officer of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by the Buyer including, but not limited to certificates with respect to the Company's Articles of Incorporation, By-laws and Board of Directors' resolutions relating to the transactions contemplated hereby.

d. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

e. No event shall have occurred which could reasonably be expected to have a Material Adverse Effect on the Company including but not limited to a change in the 1934 Act reporting status of the Company or the failure of the Company to be timely in its 1934 Act reporting obligations.

f. The Buyer shall have received an officer's certificate described in Section 6(c) above, dated as of the Closing Date.

g. The Company shall have caused a legal opinion of Company Counsel in form and substance satisfactory to be delivered to the Buyer.

7. Governing Law; Miscellaneous .

a. Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of New York or in the federal courts located in the borough of Manhattan in the city of New York. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens* . The Company and Buyer waive trial by jury. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

b. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party.

c. Headings . The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

d. Severability . In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

e. Entire Agreement; Amendments . This Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the majority in interest of the Buyer.

f. Notices . All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, in the cases of notices to the Company, shall be sent by e-mail and shall be (i) personally served, (ii) delivered by reputable air courier service with charges prepaid, or (iii) transmitted by hand delivery or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:
BANJO & MATILDA, INC.
76 William Street
Paddington, NSW 2021, Australia
Attn: BRENDAN MACPHERSON, Chief Executive Officer
facsimile: +61 2 8011 1213
e-mail: ben@banjoandmatilda.com

With a copy by fax only to (which copy shall not constitute notice):
Eaton & Van Winkle LLP
3 Park Avenue
New York, New York 10016
Attn: Vincent J. McGill
facsimile : 212 779 2228
vmcgill@evw.com

If to the Buyer:
Forefront Income Trust
7 Times Sq., 37 th Floor
New York, New York 10036
Attn: Francis J. Argenziano & Nicole Teow
e-mail: fargenziano@forefrontincometrust.com & nteow@forefrontincometrust.com

Each party shall provide notice to the other party of any change in address.

g. Successors and Assigns . This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor the Buyer shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other. Notwithstanding the foregoing, subject to Section 2(f), the Buyer may assign its rights hereunder to any person that purchases Securities in a private transaction from the Buyer or to any of its “affiliates,” as that term is defined under the 1934 Act, without the consent of the Company.

h. Third Party Beneficiaries . This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

i. Survival . The representations and warranties of the Company and the agreements and covenants set forth in this Agreement shall survive the closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of the Buyer. The Company agrees to indemnify and hold harmless the Buyer and all their officers, directors, employees and agents for loss or damage arising as a result of or related to any breach or alleged breach by the Company of any of its representations, warranties and covenants set forth in this Agreement or any of its covenants and obligations under this Agreement, including advancement of expenses as they are incurred.

j. Securities Laws Disclosure; Publicity . The Company shall immediately following the Closing issue a press release disclosing the material terms of the transactions contemplated hereby, and file a Current Report on Form 8-K, including the transactions documents as exhibits thereto, with the Commission within the time required by the Exchange Act. From and after the issuance of such press release, the Company represents to the Buyer that it shall have publicly disclosed all material, non-public information delivered to the Buyer by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the transaction documents. The Company, and the Buyer shall have the right to review a reasonable period of time before issuance of any press releases, SEC, OTCBB or FINRA filings, or any other public statements with respect to the transactions contemplated hereby; provided , however , that the Company shall be entitled, without the prior approval of the Buyer, to make any press release or SEC, OTCBB (or other applicable trading market) or FINRA filings with respect to such transactions as is required by applicable law and regulations (although the Buyer shall be consulted by the Company in connection with any such press release prior to its release and shall be provided with a copy thereof and be given an opportunity to comment thereon).

k. Further Assurances . Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

l. No Strict Construction . The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

m. Remedies . The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Buyer by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Agreement will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Agreement, that the Buyer shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Agreement and to enforce specifically the terms and provisions hereof, without the necessity of showing economic loss and without any bond or other security being required.

[signature page is on following page]

IN WITNESS WHEREOF, the undersigned Borrower and the Buyer have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

BANJO & MATILDA, INC.

By: */s/ Brendan Macpherson*
Brendan Macpherson
Chief Executive Officer

BANJO & MATILDA (USA), INC.

By: */s/ Brendan Macpherson*
Brendan Macpherson
Chief Executive Officer

BUYER :

FOREFRONT INCOME TRUST

By: */s/ Francis J. Argenziano*
Name: Francis J. Argenziano
Title: Senior Managing Director and Secretary

THE ISSUANCE AND THE SALE OF THIS NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THIS NOTE MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THIS NOTE MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THIS NOTE.

Principal Amount: $500,000.00 **Issue Date: June 17, 2015**

SECURED PROMISSORY NOTE

FOR VALUE RECEIVED , each of **BANJO & MATILDA, INC.** , a Nevada corporation (the "Company"), and **BANJO & MATILDA (USA), Inc.,** a Delaware corporation and a wholly-owned subsidiary of the Company (together with the Company, the "Borrower"), jointly and severally, hereby promise to pay to the order of **FOREFRONT INCOME TRUST** , a Delaware statutory trust, or registered assigns (the "Holder") the sum of $500,000.00 together with any interest as set forth herein, on July 1, 2017 (the "Maturity Date"), and to pay interest on the unpaid principal balance hereof from time to time outstanding at the rate of eighteen percent (18%) per annum (the "Interest Rate") commencing thirty days from the date hereof (the "Issue Date"). Concurrent with the purchase of this Note, Borrower shall pre-pay the interest which would accrue hereunder during the period commencing on the 31 st and ending on the 90 th day after the Issue Date. This Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of twenty two percent (22%) per annum from the due date thereof until the same is paid ("Default Interest"). Interest shall commence accruing on the thirtieth day after the date hereof and shall be computed on the basis of a 365-day year and the actual number of days elapsed. All payments due hereunder shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, the extension of the due date thereof shall not be taken into account for purposes of determining the amount of interest due on such date. As used in this Note, the term "business day" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in that certain Note Purchase Agreement dated as of June 17, 2015 (the "Purchase Agreement") pursuant to which this Note was originally issued.

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Borrower and will not impose personal liability upon the holder thereof.

The following terms shall apply to this Note:

ARTICLE I. PREPAYMENT

1.1 Prepayment . Notwithstanding anything to the contrary contained in this Note, at any time after the period beginning one hundred eighty days after the Issue Date, the Borrower shall have the right, exercisable on not less than twenty (20) days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full, in accordance with this Section 1.1. Any notice of prepayment hereunder (an "Optional Prepayment Notice") shall be delivered to the Holder of the Note at its registered addresses and shall state: (1) that the Borrower is exercising its right to prepay the Note, and (2) the date of prepayment which shall be no less than twenty (20) and more than thirty (30) days from the date of the Optional Prepayment Notice. On the date fixed for prepayment (the "Optional Prepayment Date"), the Borrower shall make payment of the Optional Prepayment Amount (as defined below) to or upon the order of the Holder as specified by the Holder in writing to the Borrower at least one (1) business day prior to the Optional Prepayment Date. If the Borrower exercises its right to prepay the Note, the Borrower shall make payment to the Holder of an amount in cash (the "Optional Prepayment Amount") equal to 115%, multiplied by the sum of: (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the Optional Prepayment Date plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and (x). If the Borrower delivers two Optional Prepayment Notices and fails to pay the Optional Prepayment Amount due to the Holder of the Note within two (2) business days following the second Optional Prepayment Date, the Borrower shall forever forfeit its right to prepay the Note pursuant to this Section 1.1.

ARTICLE II. CERTAIN COVENANTS

2.1 Distributions on Capital Stock . So long as the Borrower shall have any obligation under this Note, the Borrower shall not without the Holder's written consent (a) pay, declare or set apart for such payment, any dividend or other distribution (whether in cash, property or other securities) on shares of capital stock other than dividends on shares of Common Stock solely in the form of additional shares of Common Stock or (b) directly or indirectly or through any subsidiary make any other payment or distribution in respect of its capital stock except for distributions pursuant to any shareholders' rights plan which is approved by a majority of the Borrower's disinterested directors.

2.2 Restriction on Stock Repurchases . So long as the Borrower shall have any obligation under this Note, the Borrower shall not without the Holder's written consent redeem, repurchase or otherwise acquire (whether for cash or in exchange for property or other securities or otherwise) in any one transaction or series of related transactions any shares of capital stock of the Borrower or any warrants, rights or options to purchase or acquire any such shares.

2.3 Borrowings . So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, create, incur, assume guarantee, endorse, contingently agree to purchase or otherwise become liable upon the obligation of any other person, firm, partnership, joint venture or corporation, except by the endorsement of negotiable instruments for deposit or collection or for amounts which by their terms have no right to participate in the amounts paid into the Deposit Account, as defined below.

2.4 Sale of Assets . So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, sell, lease or otherwise dispose of any significant portion of its assets outside the ordinary course of business except when any sale, lease or disposition is done for fair consideration and does not render the Borrower a "Shell" company as defined in Rule 12b-2 under the Securities Exchange Act of 1934. Any consent to the disposition of any assets may be conditioned on use of the proceeds thereof to prepay all or a portion of this Note.

2.5 Advances and Loans . So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, lend money, give credit or make advances to any person, firm, joint venture or corporation, including, without limitation, officers, directors, employees, subsidiaries and affiliates of the Borrower, except loans, credits or advances (a) in existence or committed on the date hereof and which the Borrower has informed Holder in writing prior to the date hereof and (b) made to employees as advances of expenses in the ordinary course of business

2.6 Participation Rights . Until the second anniversary of the Issue Date the Holder shall have the right to participate in any form of financing (debt or equity) undertaken by the Borrower upon the same terms and conditions as that agreed upon by the Borrower and one or more third parties. At the request of the Borrower the Holder's participation may be limited to no more than 20% of the gross proceeds of such financing and the Holder must close on the same date as the other parties participating in such financing. If the other parties participating in a financing refuse to allow the Holder to participate therein, Borrower shall pay to Holder a fee of $75,000 in lieu of any other claim for damages.

2.7 Deposit Account . (a) No later than ninety (90) days from the date hereof the Borrower shall establish a "Deposit Account" with a major U.S. bank (the "Depositary") reasonably acceptable to Holder into which Borrower shall cause to be deposited all of the credit card receipts derived by Borrower from the sale of merchandise and shall issue to Borrower's credit card processors instructions which may not be revoked prior to the payment of all amounts due hereunder to remit to the Deposit Account all credit card receipts due Borrower from and after ninety days after the Issue Date.

(b) The Borrower shall give the Depositary instructions, which may not be revoked prior to the payment of all amounts due hereunder, commencing 91 days after the date hereof, to weekly sweep the Deposit Account and remit the percentage set for in the chart below (the "Chart") of all amounts therein to the Holder and the balance to the Borrower until during any "Quarterly Period" Holder has received the "Minimum Quarterly Amount" set forth in the Chart. Once Holder has received the Minimum Quarterly Amount in respect of any Quarterly Period, the balance of the amounts deposited into the Deposit Account during such Quarterly Period shall be paid to Borrower. For purposes of this Note a Quarterly Period shall be a period of 90 days, the first of which shall commence 91 days after the Issue Date and end 180 days after the Issue Date and the second of which shall commence 181 days after the Issue Date hereof and end 270 days after the Issue Date and of which the following Quarterly Periods shall commence and end sequentially thereafter. For purposes of this Note the Minimum Quarterly Amount schedule including a breakdown of principal, interest, and cash sweep percentage, is shown below.

Quarter	1	2	3	4	5	6	7	8
CC Sweep		35%	35%	30%	30%	25%	25%	25%
Min Qtr Pmt	$ -	$100,000.00	$100,000.00	$ 95,000.00	$ 90,000.00	$ 70,000.00	$ 65,000.00	$65,225.00
Beg Principal	$500,000.00	$500,000.00	$422,500.00	$341,512.50	$261,880.60	$183,665.20	$121,930.10	$62,416.98
Qtr Interest	$ 15,000.00	$ 22,500.00	$ 19,012.50	$ 15,368.06	$ 11,784.63	$ 8,264.93	$ 5,486.86	$ 2,808.76
Principal Paid	$ -	$ 77,500.00	$ 80,987.50	$ 79,631.94	$ 78,215.37	$ 61,735.07	$ 59,513.14	$62,416.24

(c) Holder shall have a first priority lien on all amounts in the Deposit Account.

2.9 Negative Covenants . As long as any portion of this Note remains outstanding, the Company shall not, and shall not permit any of the Subsidiaries to, directly or indirectly:

a) other than Permitted Indebtedness, enter into, create, incur, assume, guarantee or suffer to exist any indebtedness for borrowed money of any kind, including, but not limited to, a guarantee, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

b) other than Permitted Liens, enter into, create, incur, assume or suffer to exist any Liens of any kind, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

Notwithstanding the foregoing, while any amount is outstanding under this Note, the Company may incur or enter into (w) capital leases or purchase money security interests secured only by the assets acquired upon the issuance thereof, (x) indebtedness incurred to replace indebtedness then outstanding, (y) up to $500,000 of indebtedness which by its terms is not secured by the Company's credit card receivables and which subordinates any claim it may have in the credit card receivables to the interest of the Noteholder therein, (z) any additional amount of additional debt so long as any repayment of such debt commences 30 days after the Note has been repaid; and

c) amend its articles of incorporation and bylaws in any manner that materially and adversely affects any rights of the Holder.

ARTICLE III. EVENTS OF DEFAULT

If any of the following events of default (each, an "Event of Default") shall occur:

3.1 Failure to Pay Principal or Interest . The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise.

3.2 Breach of Covenants . The Borrower breaches any covenant or other term or condition contained in this Note and such breach continues for a period of ten (10) days after written notice thereof to the Borrower from the Holder.

3.3 Breach of Representations and Warranties . Any representation or warranty of the Borrower made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith (including, without limitation, the Purchase Agreement), shall be false or misleading in any material respect when made with respect to this Note or the Purchase Agreement.

3.4 Receiver or Trustee . The Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

3.5 Judgments . Any money judgment, writ or similar process shall be entered or filed against the Borrower or any subsidiary of the Borrower or any of its property or other assets for more than $100,000, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

3.6 Bankruptcy . Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Borrower any significant subsidiary (as such term is defined in Regulation S-X).

3.7 Delisting of Common Stock . The Company shall fail to maintain the listing of its Common Stock on at least one of the OTC (which specifically includes the Pink Sheets electronic quotation system) or an equivalent replacement exchange, the Nasdaq National Market, the Nasdaq SmallCap Market, the New York Stock Exchange, or the American Stock Exchange.

3.8 Failure to Comply with the Exchange Act . The Company shall fail to comply with the reporting requirements of the Exchange Act, after giving effect to any extension available as of right, and/or the Company shall cease to be subject to the reporting requirements of the Exchange Act.

3.9 Liquidation . Any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business.

3.10 Cessation of Operations . Any cessation of operations by Borrower or Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

3.11 Maintenance of Assets . The failure by Borrower to maintain any material intellectual property rights, personal, real property or other assets which are necessary to conduct its business (whether now or in the future).

Upon the occurrence and during the continuation of any Event of Default specified in Section 3.1, the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the Default Sum (as defined herein). Upon the occurrence and during the continuation of any Event of Default specified in Section 3.2 upon delivery of a "Notice of Default" by Holder the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to 150% of the Default Sum, very of written notice to the Borrower by such Holders (the "Default Notice"), and upon the occurrence of an Event of Default specified in the remaining sections of Articles III, upon delivery of a Default Notice, the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the Default Sum. For purposes hereof, the Default Sum shall mean the sum of (i) 125% times the sum of (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the date of payment (the "Mandatory Prepayment Date") plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and/or (x).

ARTICLE IV. MISCELLANEOUS

4.1 Failure or Indulgence Not Waiver . No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

4.2 Notices . All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, in the cases of notices to the Company, shall be sent by e-mail and shall be (i) personally served, (ii) delivered by reputable air courier service with charges prepaid, or (iii) transmitted by hand delivery or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

BANJO & MATILDA, INC.
76 William Street
Paddington, NSW 2021, Australia
Attn: BRENDAN MACPHERSON, Chief Executive Officer
e-mail: ben@banjoandmatilda.com

With a copy by fax and e-mail only to (which copy shall not constitute notice):
Eaton & Van Winkle LLP
3 Park Avenue
New York, New York 10016
Attn: Vincent J. McGill
Facsimile: 212 779 2228
vmcgill@evw.com

If to the Holder:

Forefront Income Trust
7 Times Sq., 37 th Floor
New York, New York 10036
Attn: Francis J. Argenziano & Nicole Teow
e-mail: fargenziano@forefrontincometrust.com & nteow@forefrontincometrust.com

4.3 Amendments . This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument (and the other Notes issued pursuant to the Purchase Agreement) as originally executed, or if later amended or supplemented, then as so amended or supplemented.

4.4 Assignability . This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the 1933 Act). Notwithstanding anything in this Note to the contrary, this Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement.

4.5 Cost of Collection . If default is made in the payment of this Note, the Borrower shall pay the Holder hereof costs of collection, including reasonable attorneys' fees.

4.6 Governing Law . This Note shall be governed by and construed in accordance with the laws of the State of Nevada without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state courts of New York or in the federal courts located in the borough of Manhattan in the city of New York. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens* . The Borrower and Holder waive trial by jury. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Note or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

4.7 Certain Amounts . Whenever pursuant to this Note the Borrower is required to pay an amount in excess of the outstanding principal amount (or the portion thereof required to be paid at that time) plus accrued and unpaid interest plus Default Interest on such interest, the Borrower and the Holder agree that the actual damages to the Holder from the receipt of cash payment on this Note may be difficult to determine and the amount to be so paid by the Borrower represents stipulated damages and not a penalty and is intended to compensate the Holder in part for loss of the opportunity to convert this Note and to earn a return from the sale of shares of Common Stock acquired upon conversion of this Note at a price in excess of the price paid for such shares pursuant to this Note. The Borrower and the Holder hereby agree that such amount of stipulated damages is not plainly disproportionate to the possible loss to the Holder from the receipt of a cash payment without the opportunity to convert this Note into shares of Common Stock.

4.8 Purchase Agreement . By its acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement.

4.9 Notice of Corporate Events . The Borrower shall provide the Holder with prior notification of any meeting of the Borrower's shareholders (and copies of proxy materials and other information sent to shareholders). In the event of any taking by the Borrower of a record of its shareholders for the purpose of determining shareholders who are entitled to receive payment of any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire (including by way of merger, consolidation, reclassification or recapitalization) any share of any class or any other securities or property, or to receive any other right, or for the purpose of determining shareholders who are entitled to vote in connection with any proposed sale, lease or conveyance of all or substantially all of the assets of the Borrower or any proposed liquidation, dissolution or winding up of the Borrower, the Borrower shall mail a notice to the Holder, at least twenty (20) days prior to the record date specified therein (or thirty (30) days prior to the consummation of the transaction or event, whichever is earlier), of the date on which any such record is to be taken for the purpose of such dividend, distribution, right or other event, and a brief statement regarding the amount and character of such dividend, distribution, right or other event to the extent known at such time. The Borrower shall make a public announcement of any event requiring notification to the Holder hereunder substantially simultaneously with the notification to the Holder in accordance with the terms of this Section 4.9.

4.10 Remedies . The Borrower acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

4.11 Absolute Obligation . Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and liquidated damages, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of the Company.

4.12 Waiver . Any waiver by the Company or the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Company or the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note on any other occasion. Any waiver by the Company or the Holder must be in writing.

4.13 Severability . If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Note, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer as of the date first written above.

BANJO & MATILDA, INC.

By: */s/ Brendan Macpherson*
BRENDAN MACPHERSON
Chief Executive Officer

BANJO & MATILDA (USA), INC.

By: */s/ Brendan Macpherson*
BRENDAN MACPHERSON
Chief Executive Officer

EXHIBIT 10.4

SECURITY AGREEMENT

THIS SECURITY AGREEMENT , dated as of June 17, 2015, by and among each of the entities identified on the signature page hereto under the heading "Grantors" (each a " Grantor " and, collectively, the " Grantors ") and FOREFRONT INCOME TRUST (the " Secured Party ").

RECITALS

A. Pursuant to a Note Purchase Agreement (" NPA ") and a Secured Promissory Note (" Note ") each dated as of June 17, 2015 (as same may be amended, restated, modified or supplemented from time to time) by and between BANJO & MATILDA, INC., a Nevada corporation, and BANJO & MATILDA (USA), INC., a Delaware corporation and a wholly-owned subsidiary of BANJO & MATILDA, INC., (" Borrowers "), and the Secured Party, and the Borrowers will receive loans and other financial accommodations from the Secured Party and will incur Obligations (as hereinafter defined).

B. To induce the Secured Party to extend credit to the Borrowers on and after the date hereof as provided in the Note, each Grantor desires to grant the Secured Party security and assurance in order to secure the payment and performance of all Obligations and to that effect to grant the Secured Party a first priority perfected security interest in certain of its assets and, in connection therewith, to execute and deliver this Agreement.

Accordingly, the parties hereto hereby agree as follows:

DEFINITIONS

(a) Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Uniform Commercial Code as in effect in the State of Delaware (the " UCC ").

(b) Capitalized terms used herein and not otherwise defined shall have the following meanings:

" Agreement " shall mean this Security Agreement and shall include all amendments, modifications and supplements hereto and shall refer to this Security Agreement as the same may be in effect at the time such reference becomes operative.

" Collateral " shall mean the following property of each Grantor, wherever located, and whether now owned or hereafter acquired or arising:

(i) Accounts;

(ii) Instruments, including Promissory Notes;

(iii) Deposit Accounts;

(iv) all interest in and to merchant processing accounts, including, without limitation, the following: (a) all books, records, ledgers, files, documents and correspondence relating thereto; (b) all monies due or to become due and all amounts received or receivable with respect thereto, including all recoveries, all contract files, and all proceeds thereof; and

(v) To the extent not listed above as original collateral, proceeds and products of the foregoing.

" Default " shall have the meaning assigned to such term in the Note.

" Event of Default " shall have the meaning assigned to such term in the Note.

" Obligations " shall mean (i) all obligations, liabilities and indebtedness of each Grantor to the Secured Party, whether now existing or hereafter created, absolute or contingent, direct or indirect, due or not, whether created directly or acquired by assignment or otherwise, including, without limitation, obligations, liabilities, and indebtedness of each Grantor arising under or relating to the NPA or the Note to which it is a party (including, without limitation, with respect to the Borrowers, all obligations, liabilities and indebtedness with respect to the principal of and interest on the Loans) including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, and interest that but for the filing of a petition in bankruptcy with respect to any Grantor would accrue on such obligations, whether or not a claim is allowed against such Grantor for such interest in the related bankruptcy proceeding, and all fees, costs, expenses and indemnity obligations of the Grantors to the Secured Party hereunder, or under any other Loan Document, (ii) all obligations of the Borrowers under each interest rate swap, collar, cap, floor or forward rate agreement or other agreement regarding the hedging of interest rate risk exposure of the Borrowers, in each case, entered into with the Secured Party and (iii) all Banking Services Obligations.

(c) **Terms Generally** . The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter. Except as otherwise herein specifically provided, each accounting term used herein shall have the meaning given to it under Generally Accepted Accounting Principles. The term "including" shall not be limited or exclusive, unless specifically indicated to the contrary. The word "will" shall be construed to have the same meaning in effect as the word "shall". The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including the exhibits and schedules hereto, all of which are by this reference incorporated into this Agreement.

I. SECURITY

SECTION 1.01. Grant of Security . As security for the Obligations, each Grantor hereby transfers, assigns and grants to the Secured Party a security interest in the Collateral.

SECTION 1.02. Release and Satisfaction . Upon the termination of this Agreement and the indefeasible payment in full of the Obligations, the Secured Party shall deliver to each Grantor, upon request therefor and at such Grantor's expense, releases and satisfactions of all financing statements, notices of assignment and other registrations of security.

II. REPRESENTATIONS AND WARRANTIES

SECTION 2.01. Representations and Warranties With Respect to Security . Each Grantor hereby represents and warrants to the Secured Party as follows:

(a) **Name** . Each Grantor's exact legal name, state of incorporation or organization and organizational number is set forth on Schedule A annexed hereto.

(b) **Ownership of Collateral .** Grantor owns all of their personal property and assets, including, without limitation, the Collateral, free and clear of all liens, other than the liens permitted by the terms of the NPA and Note.

(c) **Accounts .** Annexed hereto as Schedule A is a list identifying the chief executive office or principal place of business of each Grantor and all addresses at which each Grantor maintains books or records relating to its Accounts as of the date of this Agreement.

(d) **Trade Names.** Except as set forth on Schedule A annexed hereto, each Grantor has not done during the five years prior to this Agreement, and does not currently do, business under fictitious business names or trade names. No Grantor has been known under any other name during such five year period. Each Grantor will only change its name or do business under any other fictitious business names or trade names during the term of this Agreement after giving not less than thirty (30) Business Days' prior written notice to the Secured Party.

(e) **Acquired Collateral .** Except as set forth on Schedule A annexed hereto, the Collateral has been acquired or originated by each Grantor in the ordinary course of such Grantor's business.

(f) **Third Party Locations.** Except as set forth on Schedule A annexed hereto, no Collateral is in the possession of, or under the control of, any Person other than a Grantor or the Secured Party.

(g) **Enforceability of Security Interests** . Upon the execution of this Agreement by each Grantor and the filing of financing statements properly describing the Collateral and identifying such Grantor and the Secured Party in the applicable jurisdiction required pursuant to the UCC, security interests and liens granted to the Secured Party under Section 1.01 hereof shall constitute valid, perfected and first priority security interests and liens in and to the Collateral of such Grantor, other than Collateral which may not be perfected by filing under the Uniform Commercial Code, and subject to the Liens permitted pursuant to the NPA and the Note, in each case enforceable against all third parties and securing the payment of the Obligations.

III. COVENANTS OF GRANTORS

SECTION 3.01. Records; Location of Collateral . So long as any Grantor shall have any Obligation to the Secured Party: (a) Grantors shall not change the jurisdiction of their incorporation or organization or move their chief executive office, principal place of business or office at which is kept its books and records (including computer printouts and programs) from the locations existing on the date hereof and listed on Schedule A annexed hereto; (b) Grantors shall not establish any offices or other places of business at any other location; (c) Grantors shall not move any of the Collateral to any location other than those locations existing on the date hereof and listed on Schedule A annexed hereto; or (d) Grantors shall not change their corporate names in any respect, unless, in each case of clauses (a), (b) (c) and (d) above, (i) Grantors shall have given the Secured Party thirty (30) Business Days' prior written notice of its intention to do so, identifying the new location and providing such other information as the Secured Party deems necessary, and (ii) Grantors shall have delivered to the Secured Party such documentation, in form and substance satisfactory to the Secured Party and as required by the Secured Party, to preserve the Secured Party's security interest in the Collateral.

SECTION 3.02. Other Collateral . Grantors shall promptly notify the Secured Party upon acquiring or otherwise obtaining any Collateral after the date hereof consisting of Deposit Accounts.

SECTION 3.03. Further Actions.

(a) ***Deposit Accounts.*** At the request of the Secured Party, each Grantor will cause each depository bank where such Grantor maintains a Deposit Account to execute an agreement pursuant to which the depository bank agrees to comply, without the further consent of such Grantor, at any time, with instructions from the Secured Party to such depository bank directing the disposition of funds from time to time credited to such deposit account or agree to the Secured Party becoming the customer of the depository bank with respect to such deposit accounts, with such Grantor being permitted, only with the consent of the Secured Party, to exercise rights to withdraw funds from such deposit account.

(b) ***Collateral in the Possession of Third Parties.*** If any Collateral is at any time in the possession of any person or entity other than a Grantor or the Secured Party (a " Third Party "), the Grantor shall promptly notify the Secured Party thereof, and at the Secured Party's request and option, shall promptly obtain an acknowledgment from the Third Party, in form and substance satisfactory to the Secured Party that the Third Party holds such collateral for the benefit of the Secured Party and such Third Party's agreement to comply, without further consent of the Grantor, at any time with the instructions of the Secured Party as to such Collateral.

(c) ***General.*** Each Grantor further agrees, upon the request of the Secured Party and at the Secured Party's option, to take any and all other actions as the Secured Party may determine to be necessary or useful for the attachment, perfection and first priority of, and the ability of the Secured Party to enforce, the Secured Party's security interest in any and all of the Collateral, including without limitation, (i) executing and delivering and where appropriate filing financing statements and amendments relating thereto under the UCC to the extent, if any, that such Grantor's signature thereon is required therefor, (ii) causing the Secured Party's name to be noted as Secured Party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or the ability of the Secured Party to enforce, the Secured Party's security interest in such Collateral, (iii) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Secured Party to enforce the Secured Party's security interest in such Collateral, (iv) obtaining governmental and other third party waivers, consents and approvals in form and substance satisfactory to the Secured Party, including, without limitation, any consent of any licensor, lessor or other persons obligated on Collateral and (v) obtaining waivers from mortgagees and landlords in form and substance satisfactory to the Secured Party. Each Grantor further authorizes the Secured Party to file initial financing statements describing the Collateral, and any amendments thereto.

SECTION 3.04. Insurance and Assessments . In the event any Grantor shall fail to purchase or maintain insurance, or pay any tax, assessment, government charge or levy, except as the same may be otherwise permitted hereunder or under the NPA and Note, or in the event that any lien, encumbrance or security interest prohibited hereby shall not be paid in full or discharged, or in the event such Grantor shall fail to perform or comply with any other covenant, promise or obligation to the Secured Party hereunder, or under the NPA and Note, the Secured Party may, but shall not be required to, perform, pay, satisfy, discharge or bond the same for the account of such Grantor, and all money so paid by the Secured Party, including reasonable attorney's fees, shall be deemed to be Obligations.

SECTION 3.05. Inspection . Upon reasonable notice to a Grantor, the Secured Party may, during such Grantor's normal business hours, examine and inspect any Collateral and may examine, inspect and copy all books and records with respect thereto or relevant to the Obligations.

SECTION 3.06. Maintenance of Corporate Existence . Each Grantor shall preserve and maintain its corporate existence and, except as otherwise permitted pursuant to the NPA and Note, shall not merge with or into or consolidate with any other entity.

SECTION 3.07. Indemnification. Each Grantor agrees to indemnify the Secured Party and hold it harmless from and against any and all injuries, claims, damages, judgments, liabilities, costs and expenses (including, without limitation, reasonable fees and disbursements of counsel), charges and encumbrances which may be incurred by or asserted against the Secured Party in connection with or arising out of any assertion, declaration or defense of the Secured Party's rights or security interest under the provisions of this Agreement or any other Loan Document, permitting it to collect, settle or adjust Accounts or to deal with account debtors in any way or in connection with the realization, repossession, safeguarding, insuring or other protection of the Collateral or in connection with the collecting, perfecting or protecting the Secured Party's liens and security interests hereunder or under any other Loan Document.

IV. POWER OF ATTORNEY; NOTICES

SECTION 4.01. Power of Attorney. Each Grantor hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of such Grantor or in the Secured Party's own name, for the purpose of carrying out the terms of this Agreement aftet the occurrence and during the continuance of an Event of Default, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby give said attorneys the power and right, on behalf of the Grantor, upon five (5) days' notice but without the assent of the Grantor, to (a) upon the occurrence and continuance of an Event of Default, endorse the names of such Grantor on any checks, notes, drafts or other forms of payment or security that may come into the possession of the Secured Party or any affiliate of the Secured Party, to sign the Grantor's name on invoices or bills-of-lading, drafts against customers, notices of assignment, verifications and schedules, (b) upon the occurrence and continuance of an Event of Default, sell, transfer, pledge, make any arrangement with respect to or otherwise dispose of or deal with any of the Collateral consistent with the UCC and (c) upon the occurrence and during the continuance of an Event of Default, do acts and things which the Secured Party deems necessary or useful to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein. The powers granted herein, being coupled with an interest, are irrevocable until all of the Obligations are indefeasibly paid in full and this Agreement is terminated. The powers conferred on the Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Neither the Secured Party nor any attorney-in-fact shall be liable for any act or omission, error in judgment or mistake of law provided the same is not the result of gross negligence or willful misconduct.

SECTION 4.02. Notices . Upon the occurrence of an Event of Default, the Secured Party may notify account debtors and other persons obligated on any of the Collateral that the Collateral have been assigned to the Secured Party or of its security interest therein and to direct such account debtors and other persons obligated on any of the Collateral to make payment of all amounts due or to become due to a Grantor directly to the Secured Party and upon such notification and at such Grantor's expense to enforce collection of any such Collateral, and to adjust, compromise or settle for cash, credit or otherwise upon any terms the amount of payment thereof. The Secured Party may, at any time following the occurrence of an Event of Default, notify the Postal Service authorities to change the address of delivery of mail to an address designated by the Secured Party. After making of such a request or the giving of any such notification, each Grantor shall hold any proceeds of collection of accounts, Chattel Paper, general intangibles, instruments and other Collateral received by it as trustee for the Secured Party without commingling the same with such Grantor and shall turn the same over to the Secured Party in the identical form received, together with any necessary endorsements or assignments. The Secured Party shall apply the proceeds of collection of such Collateral received by the Secured Party to the Obligations, in such order as the Secured Party, in its sole discretion, shall determine, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

V. REMEDIES OF SECURED PARTY

SECTION 5.01. Enforcement . Upon the occurrence of an Event of Default, the Secured Party shall have, in addition to all of its other rights under this Agreement and the other Loan Documents by operation of law or otherwise (which rights shall be cumulative), all of the rights and remedies of a secured party under the UCC and shall have the right, to the extent permitted by law, without charge, to enter any Grantor's premises, and until it completes the enforcement of its rights in the Collateral subject to its security interest hereunder and the sale or other disposition of any property subject thereto, take possession of such premises without charge, rent or payment therefor (through self help without judicial process and without having first given notice or obtained an order of any court), or place custodians in control thereof, remain on such premises and use the same for the purpose of completing any work in progress, preparing any Collateral for disposition, and disposition of or collecting any Collateral. Without limiting the foregoing, upon the occurrence of an Event of Default, the Secured Party may, without demand, advertising or notice, all of which such Grantor hereby waives (except as the same may be required by law), sell, lease, license or otherwise dispose of and grant options to a third party to purchase, lease, license or otherwise dispose of any and all Collateral held by it or for its account at any time or times in one or more public or private sales or other dispositions, for cash, on credit or otherwise, at such prices and upon such terms as the Secured Party, in its sole discretion, deems advisable. At any such sale the Collateral or any portion thereof may be sold in one lot as an entirety or in separate parcels as the Secured Party in its sole discretion deems advisable. Each Grantor agrees that if notice of sale shall be required by law such requirement shall be met if such notice is mailed, postage prepaid, to such Grantor at its address set forth above or such other address as it may have, in writing, provided to the Secured Party, at least ten (10) days before the time of such sale or disposition. The Secured Party may postpone or adjourn any sale of any Collateral from time to time by an announcement at the time and place of the sale to be so postponed or adjourned, without being required to give a new notice of sale. Notice of any public sale shall be sufficient if it describes the security of the Collateral to be sold in general terms, stating the amounts thereof, the nature of the business in which such Collateral was created and the location and nature of the properties covered by the other security interests or mortgages and the prior liens thereof. The Secured Party may be the purchaser at any such sale if it is public, free from any right of redemption, which such Grantor also waives, and payment may be made, in whole or in part, in respect of such purchase price by the application of the Obligations by the Secured Party. Each Grantor with respect to its property constituting such Collateral, shall be obligated for, and the proceeds of sale shall be applied first to, the costs of taking, assembling, finishing, collecting, refurbishing, storing, guarding, insuring, preparing for sale, and selling the Collateral, including the fees and disbursements of attorneys, auctioneers, appraisers and accountants employed by the Secured Party. Proceeds shall then be applied to the payment, in whatever order the Secured Party may elect, of all of the Obligations. The Secured Party shall return any excess to such Grantor or to whomever may be fully entitled to receive the same or as a court of competent jurisdiction may direct. In the event that the proceeds of any sale or other disposition of the Collateral are insufficient to pay in full the Obligations, such Grantor shall remain liable for any deficiency.

SECTION 5.02. Standards for Exercising Rights and Remedies . To the extent that applicable law imposes duties on the Secured Party to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is not commercially unreasonable for the Secured Party (a) to fail to incur expenses reasonably deemed significant by the Secured Party to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business each Grantor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure the Secured Party against risk of loss, collection or disposition of Collateral or to provide to the Secured Party a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Secured Party in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this Section 5.02 is to provide non-exhaustive indications of what actions or omissions by the Secured Party would fulfill the Secured Party's duties under the UCC or the Uniform Commercial Code as in effect in other relevant jurisdiction in the Secured Party's exercise of remedies against the Collateral and that other actions or omissions by the Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section 5.02. Without limitation upon the foregoing, nothing contained in this Section 5.02 shall be construed to grant any rights to each Grantor or to impose any duties on the Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 5.02.

SECTION 5.03. Waiver . Each Grantor waives any right, to the extent applicable law permits, to receive prior notice of, or a judicial or other hearing with respect to, any action or prejudgment remedy or proceeding by the Secured Party to take possession, exercise control over, or dispose of any item of the Collateral in any instance (regardless of where such Collateral may be located) where such action is permitted under the terms of this Agreement or any other Loan Document, or by applicable law, or of the time, place or terms of sale in connection with the exercise of the Secured Party's rights hereunder and such Grantor also waives, to the extent permitted by law, any bond, security or sureties required by any statute, rule or otherwise by law as an incident to any taking of possession by the Secured Party of property subject to the Secured Party's Lien. Each Grantor further waives any damages (direct, consequential or otherwise) occasioned by the enforcement of the Secured Party's rights under this Agreement and any other Loan Document including the taking of possession of any Collateral all to the extent that such waiver is permitted by law and to the extent that such damages are not caused by the Secured Party's gross negligence or willful misconduct. These waivers and all other waivers provided for in this Agreement and any other Loan Documents have been negotiated by the parties and each Grantor acknowledges that it has been represented by counsel of its own choice and has consulted such counsel with respect to its rights hereunder.

SECTION 5.04. Other Rights . Each Grantor agrees that the Secured Party shall not have any obligation to preserve rights to any Collateral against prior parties or to proceed first against any Collateral or to marshall any Collateral of any kind for the benefit of any other creditors of such Grantor or any other Person. The Secured Party is hereby granted, to the extent that such Grantor is permitted to grant a license or right of use, a license or other right to use, without charge, labels, patents, copyrights, rights of use, of any name, trade secrets, trade names, trademarks and advertising matter, or any property of a similar nature of such Grantor as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and such Grantor's rights under all licenses and any franchise, sales or distribution agreements shall inure to the Secured Party's benefit.

SECTION 5.05. Expenses . Each Grantor agrees that it shall pay on demand therefor all costs and expenses incurred in amending, implementing, perfecting, collecting, defending, declaring and enforcing the Secured Party's rights and security interests in the Collateral hereunder or under the NPA and Note or other instrument or agreement delivered in connection herewith or therewith, including, but not limited to, searches and filings, and the Secured Party's reasonable attorneys' fees (regardless of whether any litigation is commenced, whether a default is declared hereunder, and regardless of tribunal or jurisdiction).

VI. GENERAL PROVISIONS

SECTION 6.01. Termination . This Agreement shall remain in full force and effect until all the Obligations shall have been indefeasibly fully paid and satisfied and the Note shall have been paid in full and, until such time, the Secured Party shall retain all security in and title to all existing and future Collateral held by it hereunder.

SECTION 6.02. Remedies Cumulative . The Secured Party's rights and remedies under this Agreement shall be cumulative and non-exclusive of any other rights or remedies which it may have under the NPA and Note, or any other agreement or instrument, by operation of law or otherwise and may be exercised alternatively, successively or concurrently as the Secured Party may deem expedient.

SECTION 6.03. Binding Effect . This Agreement is entered into for the benefit of the parties hereto and their successors and assigns. It shall be binding upon and shall inure to the benefit of the said parties, their successors and assigns. No Grantor shall assign or transfer any of its rights or obligations hereunder without the prior written consent of the Secured Party and any attempted assignment shall be null and void.

SECTION 6.04. Notices . Wherever this Agreement provides for notice to either party (except as expressly provided to the contrary), it shall be in writing and given in the manner specified in the NPA and Note. Such notices to each Grantor shall be delivered to the address for notices set forth on Schedule A annexed hereto.

SECTION 6.05. Waiver . No delay or failure on the part of the Secured Party in exercising any right, privilege, remedy or option hereunder shall operate as a waiver of such or any other right, privilege, remedy or option, and no waiver shall be valid unless in writing and signed by an officer of the Secured Party and only to the extent therein set forth.

SECTION 6.06. Modifications and Amendments . This Agreement and the other agreements to which it refers constitute the complete agreement between the parties with respect to the subject matter hereof and may not be changed, modified, waived, amended or terminated orally, but only by a writing signed by the party to be charged.

SECTION 6.07. Several Agreements . This Agreement shall constitute the several obligations and agreements of each Grantor and may be amended, restated, supplemented or otherwise modified from time to time, with respect to any Grantor without the consent or approval of any other Grantor, and no such amendment, restatement, supplement or modification shall be deemed to amend, restate, supplement or modify the obligations of any other Grantor hereunder.

SECTION 6.08. Survival of Representations and Warranties. The representations and warranties of each Grantor made or deemed made herein shall survive the execution and delivery of this Agreement.

SECTION 6.09. Severability . Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, in such jurisdiction, be ineffective to the extent of such invalidity, illegality or uneforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 6.10. Applicable Law; Consent to Jurisdiction; Waiver of Jury Trial . THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEVADA WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICT OR CHOICE OF LAWS. EACH GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY FEDERAL OR STATE COURT IN THE STATE OF NEW YORK, THE CITY OF NEW YORK, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST IT AND RELATED TO OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR HEREBY WAIVES AND AGREES NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER, OR THAT THIS AGREEMENT OR ANY DOCUMENT OR ANY INSTRUMENT REFERRED TO HEREIN OR THE SUBJECT MATTER THEREOF MAY NOT BE LITIGATED IN OR BY SUCH COURTS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AGREES (i) NOT TO SEEK AND HEREBY WAIVES THE RIGHT TO ANY REVIEW OF THE JUDGMENT OF ANY SUCH COURT BY ANY COURT OF ANY OTHER NATION OR JURISDICTION WHICH MAY BE CALLED UPON TO GRANT AN ENFORCEMENT OF SUCH JUDGMENT AND (ii) NOT TO ASSERT ANY COUNTERCLAIM IN ANY SUCH SUIT, ACTION OR PROCEEDING UNLESS SUCH COUNTERCLAIM CONSTITUTES A COMPULSORY OR MANDATORY COUNTERCLAIM UNDER APPLICABLE RULES OF CIVIL PROCEDURE. EACH GRANTOR AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON IT BY CERTIFIED OR REGISTERED MAIL TO THE ADDRESS FOR NOTICES SET FORTH IN THIS AGREEMENT OR ANY METHOD AUTHORIZED BY THE LAWS OF FLORIDA. EACH GRANTOR AND THE SECURED PARTY EACH IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

SECTION 6.11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers thereunto duly authorized as of the day and year first above written.

BANJO & MATILDA, INC.

By: */s/ Brendan Macpherson*
Name: Brendan Macpherson
Title: CEO

BANJO & MATILDA (USA), INC.

By: */s/ Brendan Macpherson*
Name: Brendan Macpherson
Title: CEO

FOREFRONT INCOME TRUST

By: */s/ Bradley Reifler*
Name: Bradley Reifler
Title: CEO

Schedule A
to Security Agreement

1. Name of Grantor: Banjo & Matilda, Inc.; previous names: Eastern World Solutions, Inc. and Encom Group, Inc.

2. State of Formation/Incorporation: Nevada

3. File Number: 5414728

4. Chief Executive Office or Principal Place of Business: 76 William Street, Paddington NSW 2021, Australia

5. Other offices at which books or records with respect to Accounts are maintained: None

6. Trade Names: N/A

7. Non-Ordinary Course Collateral Acquisitions: None

8. Collateral in the possession or control of third parties: Citibank

9. Address for Notices: 76 William Street, Paddington NSW 2021, Australia

1. Name of Grantor: Banjo & Matilda (USA), Inc.

2. State of Formation/Incorporation: Delaware

3. Chief Executive Office or Principal Place of Business: 76 William Street, Paddington NSW 2021, Australia

4. Other offices at which books or records with respect to Accounts are maintained: None

5. Trade Names: N/A

6. Non-Ordinary Course Collateral Acquisitions: None

7. Collateral in the possession or control of third parties: Citibank

8. Address for Notices: 76 William Street, Paddington NSW 2021, Australia

NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY OTHER APPLICABLE SECURITIES LAWS IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON EXERCISE HEREOF MAY BE OFFERED FOR SALE, SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IN A TRANSACTION THAT IS EXEMPT FROM REGISTRATION UNDER THE PROVISIONS OF THE SECURITIES ACT OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT.

No. BM/W-

Warrant

To Purchase

6,000,000 Shares of Common Stock

of

Banjo & Matilda, Inc.

THIS CERTIFIES that, for value received, **FOREFRONT PARTNERS, LLC** , a Delaware limited liability company, or registered assigns (the "Holder") is entitled, upon the terms and subject to the conditions hereinafter set forth, at any time prior to the close of business on June 17, 2020 (the "Expiration Date"), but not thereafter, to subscribe for and purchase from Banjo & Matilda, Inc., a Nevada corporation (the "Company"), up to six million (6,000,000) shares (the "Warrant Shares") of the common stock, par value $0.00001, of the Company (the "Common Stock"). The purchase price of one share of Common Stock (the "Exercise Price") under this Warrant shall be eight cents ($0.08). The Exercise Price and the number of shares for which the Warrant is exercisable shall be subject to adjustment as provided herein.

1. Title to Warrant . Prior to the exercise of this Warrant and subject to compliance with applicable laws, this Warrant and all rights hereunder are transferable, in whole or in part, at the office or agency of the Company by the Holder hereof in person or by duly authorized attorney, upon surrender of this Warrant together with the Assignment Form annexed hereto properly endorsed.

2. Authorization of Shares . The Company covenants that all shares of Common Stock that may be issued upon the exercise of rights represented by this Warrant will, upon exercise of the rights represented by this Warrant, be duly authorized, validly issued, fully-paid and nonassessable and free from all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

3. Exercise of Warrant .

(a) Except as provided in Section 3(b) or Section 4 herein, exercise of the purchase rights represented by this Warrant may be made at any time or times on or before the close of business on the Expiration Date by the surrender of this Warrant and the Notice of Exercise form annexed hereto duly executed, at the office of the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder hereof at the address of such Holder appearing on the books of the Company), and upon payment of the Exercise Price of the Warrant Shares thereby purchased by wire transfer or cashier's check drawn on a United States bank. The Holder of this Warrant shall be entitled to receive a certificate for the number of shares of Common Stock so purchased. Certificates for shares purchased hereunder shall be delivered to the Holder hereof within three (3) Trading Days after the date on which this Warrant shall have been exercised as aforesaid. This Warrant shall be deemed to have been exercised and such certificate or certificates shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised by payment to the Company of the Exercise Price and all taxes required to be paid by Holder, if any, pursuant to Section 5 prior to the issuance of such shares, have been paid. If this Warrant shall have been exercised in part, the Company shall, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to Holder a new Warrant evidencing the rights of Holder to purchase the unpurchased shares of Common Stock called for by this Warrant; which new Warrant shall in all other respects be identical with this Warrant.

(b) In lieu of delivering physical certificates representing the Common Stock issuable upon exercise provided the Common Stock is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of the Holder, the Company shall use its best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon exercise to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit Withdrawal Agent Commission ("DWAC") system.

(c) Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

(d) At any time after December [ ], 2015 (six months from the date hereof), in lieu of exercising this Warrant by cash payment in the manner set forth in Section 3(a), provided that the purchase of the shares issuable upon exercise hereof or the resale thereof has not been registered pursuant to the Securities Act of 1933 and such registration statement has been declared effective, the Holder may, in its sole discretion, elect to exercise this Warrant, or a portion hereof, and to pay for the Warrant Stock by way of cashless exercise (a " ***Cashless Exercise*** "). The limitations on a cashless exercise provided for upon registration of the Warrant Stock shall not apply from and after March 31, 2020. If the Holder wishes to effect a cashless exercise, the Holder shall deliver the Exercise Notice duly executed by such Holder or by such Holder's duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate in writing prior to the date of such exercise, in which event the Company shall issue to the registered Holder the number of Warrant Shares computed according to the following equation:

$$X = \frac{Y * (A-B)}{A}$$

where;

X = the number of Warrant Shares to be issued to the registered Holder.

Y = the Warrant Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant Shares being exercised.

A = the Market Price (defined below) of one share of Common Stock on the Exercise Date.

B = the Warrant Price (as adjusted pursuant to the provisions of this Warrant).

For purposes of this Section 1(d), the "Market Price" of one share of Common Stock on the Exercise Date shall have one of the following meanings:

(1) if the Common Stock is traded on a national securities exchange registered with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the Market Price shall be deemed to be the average of the Closing Prices over a five trading day period ending on the Exercise Date. For the purposes of this Warrant, "Closing Price" means the closing sale price of one share of Common Stock, as reported by Bloomberg; or

(2) if the Common Stock is not traded on a national securities exchange, the Market Price shall be deemed to be the average of the closing bid prices price over the ten (10) Trading Day period ending on the Exercise Date; or

(3) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 3 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section 3, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 3, applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 3, in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (a) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (b) a more recent public announcement by the Company or (c) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

(4) if neither (1) nor (2) is applicable, the Market Price shall be at the commercially reasonable price per share which the Company could obtain on the Exercise Date from a willing buyer (not a current employee or director) for shares of Common Stock sold by the Company, from authorized but unissued shares, as determined in good faith by the Company's Board of Directors.

For illustration purposes only, if this Warrant entitles the Holder the right to purchase 100,000 Warrant Shares and the Holder were to exercise this Warrant for 50,000 Warrant Shares at a time when the Warrant Price per share was $1.00 and the Market Price of each share of Common Stock was $2.00 on the Exercise Date, as applicable, the cashless exercise calculation would be as follows:

$$X = \frac{50{,}000\ (\$2.00-\$1.00)}{2.00}$$

$$X = 25{,}000$$

Therefore, the number of Warrant Shares to be issued to the Holder after giving effect to the cashless exercise would be 25,000 Warrant Shares and the Company would issue the Holder a new Warrant to purchase 50,000 Warrant Shares, reflecting the portion of this Warrant not exercised by the Holder. For purposes of Rule 144 promulgated under the Securities Act of 1933, as amended (the " ***Securities Act*** "), and to the extent permitted thereby, it is intended, understood and acknowledged that the Warrant Shares issued in the cashless exercise transaction described pursuant to Section 1(d) shall be deemed to have been acquired by the Holder, and the holding period for the shares of Warrant Shares shall be deemed to have commenced, on the date of the Holder's acquisition of the Warrant.

4. No Fractional Shares or Scrip . No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share that Holder would otherwise be entitled to purchase upon such exercise, the Company shall cause the Transfer Agent to issue one whole share of Common Stock in respect of such fraction of a share of Common Stock.

5. Rescission Rights . If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

5.1 Charges, Taxes and Expenses . Issuance of certificates for shares of Common Stock upon the exercise of this Warrant shall be made without charge to the Holder hereof for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder of this Warrant or in such name or names as may be directed by the Holder of this Warrant; provided, however, that in the event certificates for shares of Common Stock are to be issued in a name other than the name of the Holder of this Warrant, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder hereof; and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

5.2 Registration Rights . The Holder shall have "Piggyback Registration" rights with respect to the Warrant Stock exercisable whenever the Company may determine to register its securities, upon behalf of itself or a third party, prior to the sale of the Warrant Stock by the Holder. The terms of the Registration Rights are set forth in Section 5.2 hereto.

6. Closing of Books . The Company will not close its shareholder books or records in any manner that prevents the timely exercise of this Warrant.

7. Transfer, Division and Combination . (a) Subject to compliance with any applicable securities laws, transfer of this Warrant and all rights hereunder, in whole or in part, shall be registered on the books of the Company to be maintained for such purpose, upon surrender of this Warrant at the principal office of the Company, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by Holder or its agent or attorney, and payment of funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. A Warrant, if properly assigned, may be exercised by a new Holder for the purchase of shares of Common Stock without having a new Warrant issued.

(b) This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by Holder or its agent or attorney. Subject to compliance with Section 7(a), as to any transfer that may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice.

(c) The Company shall prepare, issue and deliver at its own expense (other than transfer taxes) the new Warrant or Warrants under this Section 7.

(d) The Company agrees to maintain, at its aforesaid office, books for the registration and the registration of transfer of the Warrants.

8. No Rights as Shareholder until Exercise . This Warrant does not entitle the Holder hereof to any voting rights or other rights as a shareholder of the Company prior to the exercise hereof. Upon the surrender of this Warrant and the payment of the aggregate Exercise Price, the Warrant Shares so purchased shall be and be deemed to be issued to such Holder as the record owner of such shares as of the close of business on the later of the date of such surrender or payment.

9. Loss, Theft, Destruction or Mutilation of Warrant . The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant certificate or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

10. Saturdays, Sundays, Holidays, etc . If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday, Sunday or a legal holiday, then such action may be taken or such right may be exercised on the next succeeding day not a Saturday, Sunday or legal holiday.

11. Adjustments of Exercise Price and Number of Warrant Shares .

The number and kind of securities purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time upon the happening of any of the following.

(a) **Adjustment of Exercise Price upon Issuance of Common Stock .** If the Company issues or sells, or is deemed to have issued or sold, any shares of Common Stock (other than shares of Common Stock deemed to have been issued by the Company in connection with Approved Issuances (as defined below)) for a consideration per share (the " **Applicable Price** ") less than the Exercise Price as in effect immediately prior to such time (an " **Offering** "), then immediately after such issue or sale, the Exercise Price shall be reduced to an amount equal to (X) the sum of (A) the product of the Exercise Price in effect immediately prior to such issue or sale and the number of shares of Common Stock Deemed Outstanding (as defined below) immediately prior to such issue or sale, and (B) the consideration, if any, received by the Company upon such issue or sale divided by (Y) the number of shares of Common Stock Deemed Outstanding immediately after such issuance or sale. For purposes of determining the adjusted Exercise Price under this Subsection 11(a), the following shall be applicable:

(1) **Issuance of Options** . If the Company in any manner grants any rights or options to subscribe for or to purchase Common Stock (other than in connection with an Approved Issuance) or any stock or other securities convertible into or exchangeable for Common Stock (such rights or options being herein called " **Options** " and such convertible or exchangeable stock or securities being herein called " **Convertible Securities** ") and the price per share for which Common Stock is issuable upon the exercise of such Options or upon conversion or exchange of such Convertible Securities is less than the Applicable Price, then the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to be outstanding and to have been issued and sold by the Company for such price per share. Notwithstanding anything to the contrary in the foregoing, upon the expiration or other termination of such Options if any thereof shall not have been exercised or upon the expiration or termination of the right to convert or exchange such Convertible Securities, the number of shares of Common Stock deemed to be issued and outstanding pursuant to this Subsection 11(a)(1) shall be reduced by such number of shares of Common Stock as to which Options shall have expired or terminated unexercised or as to which the conversion or exchange rights of Convertible Securities shall have expired or terminated unexercised, and such number of share of Common Stock shall no longer be deemed to be issued and outstanding, and the Exercise Price then in effect shall forthwith be readjusted and thereafter be the price which it would have been had adjustment been made on the basis of the issuance only of shares of Common Stock actually issued or issuable upon the exercise of those Options as to which the exercise rights shall not have expired or terminated unexercised or upon conversion or exercise of those Convertible Securities as to which the conversion or exchange rights shall not have expired or terminated unexercised. For purposes of this Subsection 11(a)(1), the "price per share for which Common Stock is issuable upon exercise of such Options or upon conversion or exchange of such Convertible Securities" is determined by dividing (I) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of all such Options, plus in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable to the Company upon the issuance or sale of such Convertible Securities and the conversion or exchange thereof, by (II) the total maximum number of shares of Common Stock issuable upon exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options. No adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock or of such Convertible Securities upon the exercise of such Options or upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities. Notwithstanding the foregoing, no adjustment shall be made pursuant to this Subsection 11(a)(1) to the extent that such adjustment is based solely on the fact that the Convertible Securities issuable upon exercise of such Option are convertible into or exchangeable for Common Stock at a price that varies with the market price of the Common Stock.

(2) **Issuance of Convertible Securities** . If the Company in any manner issues or sells any Convertible Securities and the price per share for which Common Stock is issuable upon such conversion or exchange is less than the Market Price, then the maximum number of shares of Common Stock issuable upon conversion or exchange of such Convertible Securities shall be deemed to be outstanding and to have been issued and sold by the Company for such price per share. Notwithstanding anything to the contrary in the foregoing, upon the expiration or other termination of the right to convert or exchange such Convertible Securities (whether by reason of redemption or otherwise), the number of shares of Common Stock deemed to be issued and outstanding pursuant to this Subsection 11(a)(2) shall be reduced by such number of shares of Common Stock as to which the conversion or exchange rights shall have expired or terminated unexercised, and such number of shares of Common Stock shall no longer be deemed to be issued and outstanding, and the Exercise Price then in effect shall forthwith be readjusted and thereafter be the price which it would have been had adjustment been made on the basis of the issuance only of the shares of Common Stock actually issued or issuable upon the conversion or exchange of those Convertible Securities as to which the conversion or exchange rights shall not have expired or terminated unexercised. No adjustment will be made pursuant to this Subsection 11(a)(2) upon the issuance by the Company of any Convertible Securities pursuant to the exercise of any Option therefor, to the extent that adjustments in respect of such Options were previously made pursuant to the provisions of Subsection 11(a)(2). For the purposes of this Subsection 11(a)(2), the "price per share for which Common Stock is issuable upon such conversion or exchange" is determined by dividing (I) the total amount received or receivable by the Company as consideration for the issue or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof, by (II) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. No adjustment of the Exercise Price shall be made upon the actual issue of such Common Stock upon conversion or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of the Exercise Price had been or are to be made pursuant to other provisions of this Subsection 11(a), no further adjustment of the Exercise Price shall be made by reason of such issue or sale. Notwithstanding the foregoing, no adjustment shall be made pursuant to this Subsection 11(a)(2) to the extent that such adjustment is based solely on the fact that such Convertible Securities are convertible into or exchangeable for Common Stock at a price that varies with the market price of the Common Stock.

(3) **Change in Option Price or Rate of Conversion** . If the purchase price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock change at any time, the Exercise Price in effect at the time of such change shall be readjusted to the Exercise Price that would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or changed conversion rate, as the case may be, at the time initially granted, issued or sold; provided that no adjustment shall be made if such adjustment would result in an increase of the Exercise Price then in effect.

(4) **Certain Definitions .** For purposes of determining the adjusted Exercise Price under this Subsection 11(a), the following terms have meanings set forth below:

(I) " **Approved Issuances** " shall mean (i) the issuance of securities upon exercise or conversion of the Company's options, warrants or other convertible securities outstanding as of the date hereof, (ii) the grant of additional options or warrants, or the issuance of additional securities, under any Company stock option plan, restricted stock plan, stock purchase plan or other plan or written compensation contract for the benefit of the Company's employees, directors or consultants in effect on the date hereof or any similar compensatory plans adopted after the date hereof approved by stockholders of the Company which provide for stock awards or stock options at not less than fair market value on the date of award or grant in respect of not more than an aggregate of 5,000,000 shares of Common Stock, (iii) the issuance of up to 5,000,000 shares of Common Stock or securities convertible into or exercisable for up to an aggregate of 5,000,000 shares of Common Stock or (iii) the issuance of securities to a bona fide strategic investor of the Company who is engaged in a business related or complementary to that of the Company and which is not a public or private investment company or other financial institution or an investment advisor or manager.

(II) " **Common Stock Deemed Outstanding** " means, at any given time, the number of shares of Common Stock actually outstanding at such time, plus the number of shares of Common Stock deemed to be outstanding pursuant to Sections 11(a)(1) and 11(a)(2) hereof regardless of whether the Options or Convertible Securities are actually exercisable at such time, but excluding any shares of Common Stock issuable upon conversion of this Warrant.

(5) **Effect of Certain Events on Exercise Price .** For purposes of determining the adjusted Exercise Price under this Section 11(a), the following shall be applicable:

(I) **Calculation of Consideration Received .** If any Common Stock, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefore will be deemed to be the amount received by the Company therefore, before deduction of reasonable commissions, underwriting discounts or allowances or other reasonable expenses paid or incurred by the Company in connection with such issuance or sale. In case any Common Stock, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company will be the fair value of such consideration, except where such consideration consists of securities, in which case the amount of consideration received by the Company will be the arithmetic average of the closing sale price, or if there is none on any trading day, the closing bid prices of such security for the five consecutive trading days immediately preceding the date of the agreement. In case any Common Stock, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity the amount of consideration therefor will be deemed to be the fair value of the assets and business of the non-surviving entity as is attributable to such Common Stock, Options or Convertible Securities, as the case may be. The fair value of any consideration other than cash or securities will be determined by the Company’s board of directors in good faith.

(II) **Integrated Transactions .** In case any Option is issued in connection with the issue or sale of other securities of the Company, together comprising one integrated transaction in which no specific consideration is allocated to such Options by the parties thereto, the Options will be deemed to have been issued for the consideration allocated by the parties for purposes of determining tax basis.

(III) **Treasury Shares .** The number of shares of Common Stock outstanding at any given time does not include shares owned or held by or for the account of the Company, and the disposition of any shares so owned or held will be considered an issue or sale of Common Stock.

(IV) **Record Date .** If the Company takes a record of the holders of Common Stock for the purpose of entitling them (1) to receive a dividend or other distribution payable in Common Stock, Options or Convertible Securities or (2) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date will be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be. (b) In case the Company shall (i) pay a dividend in shares of Common Stock or make a distribution in shares of Common Stock to holders of its outstanding Common Stock, (ii) subdivide its outstanding shares of Common Stock into a greater number of shares of Common Stock, (iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock or (iv) issue any shares of its capital stock in a reclassification of the Common Stock, then the number of Warrant Shares purchasable upon exercise of this Warrant immediately prior thereto shall be adjusted so that the Holder of this Warrant shall be entitled to receive the kind and number of Warrant Shares or other securities of the Company which he would have owned or have been entitled to receive had such Warrant been exercised in advance thereof. Upon each such adjustment of the kind and number of Warrant Shares or other securities of the Company which are purchasable hereunder, the Holder of this Warrant shall thereafter be entitled to purchase the number of Warrant Shares or other securities resulting from such adjustment at an Exercise Price per Warrant Share or other security obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Warrant Shares purchasable pursuant hereto immediately prior to such adjustment and dividing by the number of Warrant Shares or other securities of the Company resulting from such adjustment. An adjustment made pursuant to this paragraph shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

(c) **Reorganization, Reclassification, Merger, Consolidation or Disposition of Assets** . In case the Company shall reorganize its capital, reclassify its capital stock, consolidate or merge with or into another corporation (where the Company is not the surviving corporation or where there is a change in or distribution with respect to the Common Stock of the Company), or sell, transfer or otherwise dispose of all or substantially all its property, assets or business to another corporation and, pursuant to the terms of such reorganization, reclassification, merger, consolidation or disposition of assets, shares of common stock of the successor or acquiring corporation, or any cash, shares of stock or other securities or property of any nature whatsoever (including warrants or other subscription or purchase rights) in addition to or in lieu of common stock of the successor or acquiring corporation (" **Other Property** "), are to be received by or distributed to the holders of Common Stock of the Company, then Holder shall have the right thereafter to receive, upon exercise of this Warrant, the number of shares of common stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and Other Property receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. In case of any such reorganization, reclassification, merger, consolidation or disposition of assets, the successor or acquiring corporation (if other than the Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant to be performed and observed by the Company and all the obligations and liabilities hereunder, subject to such modifications as may be deemed appropriate (as determined in good faith by resolution of the Board of Directors of the Company) in order to provide for adjustments of shares of Common Stock for which this Warrant is exercisable which shall be as nearly equivalent as practicable to the adjustments provided for in this Section 11. For purposes of this Section 11, "common stock of the successor or acquiring corporation" shall include stock of such corporation of any class which is not preferred as to dividends or assets over any other class of stock of such corporation and which is not subject to redemption and shall also include any evidences of indebtedness, shares of stock or other securities which are convertible into or exchangeable for any such stock, either immediately or upon the arrival of a specified date or the happening of a specified event and any warrants or other rights to subscribe for or purchase any such stock. The foregoing provisions of this Section 11 shall similarly apply to successive reorganizations, reclassifications, mergers, consolidations or disposition of assets.

12. Voluntary Adjustment by the Company . The Company may at any time during the term of this Warrant, reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company.

13. Notice of Adjustment . Whenever the number of Warrant Shares or number or kind of securities or other property purchasable upon the exercise of this Warrant or the Exercise Price is adjusted, as herein provided, the Company shall promptly mail by registered or certified mail, return receipt requested, to the Holder of this Warrant notice of such adjustment or adjustments setting forth the number of Warrant Shares (and other securities or property) purchasable upon the exercise of this Warrant and the Exercise Price of such Warrant Shares (and other securities or property) after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made. Such notice, in the absence of manifest error, shall be conclusive evidence of the correctness of such adjustment.

14. Notice of Corporate Action . If at any time:

(i) the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, or any right to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property, or to receive any other right, or

(ii) there shall be any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any consolidation or merger of the Company with, or any sale, transfer or other disposition of all or substantially all the property, assets or business of the Company to, another corporation or,

(iii) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in any one or more of such cases, the Company shall give to Holder (i) at least 10 days' prior written notice of the date on which a record date shall be selected for such dividend, distribution or right or for determining rights to vote in respect of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, liquidation or winding up, and (ii) in the case of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up, at least 10 days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause also shall specify (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, the date on which the holders of Common Stock shall be entitled to any such dividend, distribution or right, and the amount and character thereof, and (ii) the date on which any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up is to take place and the time, if any such time is to be fixed, as of which the holders of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such disposition, dissolution, liquidation or winding up. Each such written notice shall be sufficiently given if addressed to Holder at the last address of Holder appearing on the books of the Company and delivered in accordance with Section 16(d).

15. Authorized Shares.

(a) The Company covenants that during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Principal Market upon which the Common Stock may be listed.

(b) The Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant, and (iii) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

(c) Upon the request of Holder, the Company will at any time during the period this Warrant is outstanding acknowledge in writing, in form reasonably satisfactory to Holder, the continuing validity of this Warrant and the obligations of the Company hereunder.

(d) Before taking any action pursuant to Section 11 or 12 that would cause an adjustment reducing the current Exercise Price below the then par value, if any, of the shares of Common Stock issuable upon exercise of the Warrants, the Company shall take any corporate action that may be necessary in order that the Company may validly and legally issue fully- paid and nonassessable shares of such Common Stock at such adjusted Exercise Price.

(e) Before taking any action that would result in an adjustment in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

16. Miscellaneous .

(a) Jurisdiction . This Warrant shall be binding upon any successors or assigns of the Company. This Warrant shall constitute a contract under the laws of the State of New York without regard to its conflict of law principles or rules.

(b) Restrictions . The Holder hereof acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and Federal securities laws.

(c) Nonwaiver and Expenses . No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder's rights, powers or remedies; notwithstanding which all rights hereunder terminate on the Expiration Date. If the Company fails to comply with any provision of this Warrant, the Company shall pay to Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(d) Notices . Any notice, request or other document required or permitted to be given or delivered to the Holder hereof by the Company shall be delivered in accordance with the notice provisions of the Securities Purchase Agreement dated as of June __, 2015 between the Company and Forefront Income Trust.

(e) Limitation of Liability . No provision hereof, in the absence of affirmative action by Holder to purchase shares of Common Stock, and no enumeration herein of the rights or privileges of Holder hereof, shall give rise to any liability of Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(f) Remedies . Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(g) Successors and Assigns . Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of all Holders from time to time of this Warrant and shall be enforceable by any such Holder or holder of Warrant Shares.

(h) Indemnification . The Company agrees to indemnify and hold harmless Holder from and against any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, attorneys' fees, expenses and disbursements of any kind that may be imposed upon, incurred by or asserted against Holder in any manner relating to or arising out of any failure by the Company to perform or observe in any material respect any of its covenants, agreements, undertakings or obligations set forth in this Warrant; provided , however , that the Company will not be liable hereunder to the extent that any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, attorneys' fees, expenses or disbursements are found in a final non-appealable judgment by a court to have resulted from Holder's negligence, bad faith or willful misconduct in its capacity as a stockholder or warrantholder of the Company.

(i) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(j) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(k) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized.

BANJO & MATILDA, INC.

Dated: June 17, 2015

By: */s/ Brendan Macpherson*
Brendan Macpherson
President and Chief Executive Officer

NOTICE OF EXERCISE

To: Banjo & Matilda, Inc.

(1) The undersigned hereby elects to purchase _____ shares of the common stock, par value $0.00001 per share (the "Common Stock") of Banjo & Matilda, Inc., pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any. Payment shall take the form of:

- Cashless exercise
- Cash exercise

(2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below:

_____
(Name)

_____
(Address)

_____

Dated:

Signature

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute
this form and supply required information.
Do not use this form to exercise the Warrant.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

_____ whose address is

_____.

_____

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 5.2

REGISTRATION RIGHTS

If at any time or from time to time, the Company shall determine to register any of its securities, either for its own account or the account of a security holder or holders, other than a registration on Form S-8 relating solely to employee stock option or purchase plans, on Form S-4 relating solely to an SEC Rule 145 transaction or on any other form (other than Form S-1, S-2 and S-3 or any other comparable form) which does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Warrant Shares (including for purposes of this Exhibit, shares of Common Stock or other securities which may then be issuable upon exercise of the Warrants), the Company will

(i) promptly give to each registered holder of the Warrants or Warrant Shares (each, a "Holder'), written notice thereof (a "Registration Notice"), which shall include a list of the jurisdictions in which the Company intends to attempt to qualify such securities under the applicable blue sky or other state securities laws; and

(ii) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all the Warrant Shares specified in a written request or requests, made within fifteen days after receipt of such written notice from the Company, by any Holder or Holders, except that the Company shall not be required to register any Warrant Shares pursuant to this Exhibit:

(1) if the Registration Statement is for an underwritten offering of the Company's securities if the underwriter determines that marketing factors require a limitation on the number of shares to be underwritten, in which case the underwriter may limit the number of Warrant Shares to be included in the registration and underwriting on a pro rata basis based on the total number of the Warrant Shares held by the Holders and based on the total number of securities (other than Warrant Shares) entitled to registration held by the Holders and by other persons or organizations selling securities pursuant to registration rights granted them by the Company, provided that no such reduction shall be made with respect to securities being offered by the Company for its own account or by holders of securities who have requested the Company to register such securities pursuant to a mandatory registration obligation of the Company, provided that the Company shall advise all Holders which would otherwise be registered and underwritten pursuant hereto of any such limitations, and the number of shares of Warrant Shares that may be included in the registration;

(2) that are eligible for resale without regard to volume limitations pursuant to Rule 144 promulgated under the Securities Act or that are the subject of a then effective registration statement filed by the Company under the Securities Act (a "Registration Statement"); or

(3) on more than three occasions.

All expenses incurred in connection with any registration or qualification of Warrant Shares, including without limitation, all registration, filing and qualification fees, printing expenses, fees and disbursements of counsel for the Company, expenses of special audits incidental to or required by such registration shall be borne by the Company, provided, however that the Company shall not be required to pay underwriters' discounts or commissions, or stock transfer taxes relating to the Warrant Shares included in such Registration Statement.

In connection with the request of any Holder to have its Warrant Shares included in any Registration Statement, the Company shall be entitled to require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the SEC, the natural persons thereof that have voting and dispositive control over such shares.

In connection with the Company's registration obligations hereunder, the Company shall notify the Holders of Warrant Shares included in any Registration Statement of the following: (i) that the Registration Statement has been declared effective, and provide such Holders with copies of the prospectus included in the Registration Statement , as the same may be amended or supplemented from time to time (the "Prospectus"); (ii) of any request by the SEC or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information; (iii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, such document will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (vi) the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the sole judgment of the Company, renders the continued availability of a Registration Statement or Prospectus, as the case may be, contrary to the best interests of the Company. Upon the occurrence of any event contemplated by this paragraph, as promptly as reasonably practicable under the circumstances, prepare a an amendment, or a post-effective amendment, as the case may be, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required documents necessary to ensure that neither such a Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that, in complying with the aforementioned obligation, the Company shall be entitled to take into account its own good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event. In the event that the Company shall notify the Holders in accordance with clauses (iii) through (vi) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall promptly suspend use of such Prospectus upon receipt of such notification; provided, however, that the Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as reasonably practicable. The Company shall be entitled to exercise its right under this paragraph to suspend the availability of a Registration Statement and Prospectus for a period not to exceed sixty (60) calendar days (which need not be consecutive days) in any twelve (12) month period.

The Company shall indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Warrant Shares as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees (and any other persons with a functionally equivalent role of a person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, shareholders, partners, agents and employees (and any other persons with a functionally equivalent role of a person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling person (each a "Holder Indemnified Party"), to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, " Losses "), as incurred, arising out of or relating to (i) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made, not misleading or (ii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (A) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by any Holder Indemnified Party expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder or any other Holder Indemnified Party expressly for use in a Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (ii) in the case of an occurrence of an event of the type specified in clauses (iii)-(vi) of the third paragraph of this Exhibit, the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of notice from the Company that the Holder may resume the offer and Sale of the Warrant Shares, together, if applicable, with an amended Prospectus or supplement to the Prospectus.

Subject to the provisions of this Exhibit relating to "Contribution" below, each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents, employees, advisors and representatives, each person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees, advisors or representatives of such controlling persons (each, a " Company Indemnified Party "), to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: (x) such Holder's failure to comply with the prospectus delivery requirements of the Securities Act or (y) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by any Holder Indemnified Party to the Company specifically for inclusion in such Registration Statement or such Prospectus or (ii) to the extent that such information relates to such Holder's proposed method of distribution of Warrant Shares and was reviewed and expressly approved in writing by Holder Indemnified Party expressly for use in a Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (ii) in the case of an occurrence of an event of the type specified in clauses(iii)-(vi) of the third paragraph of this Exhibit, the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of notice from the Company that the Holder may resume the offer and Sale of the Warrant Shares, together, if applicable, with an amended Prospectus or supplement to the Prospectus. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Warrant Shares giving rise to such indemnification obligation.

If any proceeding shall be brought or asserted against any person entitled to indemnity hereunder, such indemnified party (whether a Company Indemnified Party or a Holder Indemnified Party, being hereafter referred to as an " Indemnified Party ") shall promptly notify the person from whom indemnity is sought (the " Indemnifying Party ") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, however, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Exhibit unless a court of competent jurisdiction has made a final determination not subject to appeal or further review that such failure has prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (A) the Indemnifying Party has agreed in writing to pay such fees and expenses; (B) the Indemnifying Party shall have failed promptly to assume the defense of such proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such proceeding; or (C) the named parties to any such proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party reasonably believes that a material conflict of interest is likely to exist if the same counsel represents such Indemnified Party and the Indemnifying Party, in which event the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be borne by the Indemnifying Party. The Indemnifying Party shall not be liable for any settlement of any such proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

All reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such proceeding in a manner not inconsistent herewith) shall be paid to the Indemnified Party, within ten (10) business days of written notice thereof to the Indemnifying Party to which receipts shall be appended; provided, however, that the Indemnified Party shall promptly reimburse the Indemnifying Party only for that portion of such fees and expenses applicable to such actions for which the Indemnified Party is liable hereunder.

If the forgoing indemnification is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless from any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Exhibit, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section were available to such party in accordance with its terms

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Exhibit were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Exhibit, no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Warrant Shares subject to the proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

The indemnity and contribution agreements contained in this exhibit are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.