



**CHARTER
PACIFIC**
Corporation Limited

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CHARTER PACIFIC ENTERS NON-BINDING TERM SHEET WITH MICROLATCH PTY LTD

Charter Pacific Corporation Limited (Charter Pacific) (ASX:CHF) announces that it has entered into a Non-Binding Term Sheet under which it has reached agreement in principle to acquire a 100% interest in the business of the Microlatch Pty Ltd group of Companies in Australia, United Kingdom and Hong Kong (Microlatch).

Microlatch are leaders in the design, development and manufacture of mobile biometrics solutions. In particular, Microlatch offers wireless platforms within the access control security markets, smart home and encrypted communications. The key technology protected by the patents relates to Biometrics being aligned with RF (Radio Frequency), NFC Payment technology (Near Field Communication) and Bluetooth for secure access to a controlled item. These patents impact on a number of companies globally using Biometrics today.

The Microlatch patent portfolio covers key inventions and includes **20 granted innovation patents**, in various countries **worldwide**. The suite of patents covers

- access to mobile devices using a Biometric signal which allows access by the owner of the device's Biometric signal via fingerprint, voice, iris or facial recognition, and is contained and self-managed within the mobile device (**ie the Biometric signature cannot be exported from the device**).
- the NFC near field transfer of secure data between the mobile device and the reader to allow certain digital transactions/instructions to be given and received securely by the owner of the device.



The technology is designed for mobile devices such as smartphone, tablet, notebook, laptop, touchless payment platforms, automotive technologies, PC network access, building access and many more across a wide range of businesses and industries.

The Microlatch technology overcomes the main challenge facing this emerging mobile payment market, being the mobile phone subscriber's fear over the security of payments made using Near Field Communication (NFC) and Bluetooth™. Microlatch advised that their technology offers the most secure mobile phone security protocol in the market today.

The Microlatch technology will benefit greatly from this global take up of secure digital payment platforms in all their different guises as well as the secure access to all mobile digital devices globally.

It is a great opportunity for Charter Pacific and investors to benefit from the phenomenal growth in global mobile devices. "No other technology has impacted us like the mobile phone. It's the fastest growing manmade phenomenon ever -- from zero to 7.2 billion in three decades," said Kevin Kimberlin, Chairman of Spencer Trask & Co. (*world leading financial services and technology development company*). This growth of mobile phones will lead to several new growth sectors, including payment solutions.

The acquisition of Microlatch by Charter Pacific is subject to several conditions, including but not limited to completion of due diligence on Microlatch to the satisfaction of Charter Pacific, Charter Pacific shareholder approval and compliance with both ASX and Corporations Act rules and regulations.

Upon completion of satisfactory due diligence investigations by both parties a binding Share Purchase Agreement will be negotiated and entered into between Charter Pacific and Microlatch. A Notice of Extraordinary General Meeting, which will include an information memorandum about Microlatch and the proposed transaction, an independent expert's report and compliance with all ASIC and ASX regulatory requirements will be released to the market and distributed to all shareholders for their consideration.

Christopher Burke, the founder and inventor of the Microlatch suite of patents, sees the acquisition of Microlatch by Charter Pacific as a key step in growing the company into a world leader in secure mobile based financial services through the application of its suite of patented technology.

Kevin Dart said, "The completion of the proposed acquisition of Microlatch provides Charter Pacific shareholders the opportunity to share in an exciting technology that is at the forefront of the next generation of payment technology that will be dictated by mobile based financial services. This should result in significant growth and revenue opportunities for the company in an expanding market segment. Microlatch is headed by Christopher Burke who has many years of experience in the biometric security and financial payments industry with a dedicated and experienced team, and are therefore well positioned to use the Microlatch technology to reward shareholders in the future."

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Biography: Chris Burke

Chris has a background in electrical engineering and has worked for major technology organisations, including RACAL and IBM. Chris is an expert in the design and manufacture of products using fingerprint technologies with applications in bank credit/debit card payments and access credential technologies.

- Chris founded Securicom P/L in the late 1980s, initially specialising in magnetic stripe software and hardware solutions for the banking industry.
- In 1995, Chris formed Banque Technology Systems Plc (now BQT Solutions), originally a listed vehicle on the secondary London technology stock exchange and currently Sydney Stock Exchange. BQT Solutions introduced wireless smart cards to the security market with successful sales to BBC Television, Great Britain's MI5, SUN Microsystems, FBI and several government buildings globally.

Since 2003, Chris has created and enhanced a patent portfolio that focuses on mobile biometrics technologies, which has become heavily biased within the global smartphone market. The creation of Microlatch P/L was taken to encompass the patent portfolio as well as manufacture specialised mobile security biometrics devices.