

9 April 2019

Auctus Capital Raise

Auctus Alternative Investments Ltd (ASX:AVC) (**the Company** or **AVC**) is pleased to announce that it is undertaking a capital raise through the issue of Unsecured Convertible Notes (**Notes**). The Company is seeking to raise up to \$550,000 through the first tranche of Note issue and has received \$130,000 in paid commitments to date and indicative non-binding commitments for the remaining \$420,000. Execution of the Convertible Note Agreements are proposed to be carried out during the coming week.

Details of the key terms of the Notes are as follows:

- 8% interest accruing from the date of issue of the Notes, with interest being payable at the election of the Note holder either:
 - o Quarterly in arrears in cash; or
 - o Compounding and repayable either in shares upon conversion of the Notes or in cash upon redemption of the Notes.
- Conversion is at the election of the Note holder with the outstanding principal and interest being convertible into fully paid ordinary shares (**Shares**) with an issue price of \$0.55 (55 cents) per share.
- 24 month term with redemption due on maturity.
- Conversion to shares, and repayment of interest in shares, is subject to shareholder approval (if required) and the issue of a prospectus or cleansing notice.
- Typical events of default which trigger redemption obligations include insolvency events and a breach of the terms of the Notes by the Company.

A total of 1 million Shares could be issued in relation to the conversion of \$550,000 worth of Notes, prior to any interest being accrued. If shareholders do not approve the conversion of Notes the Shares will be issued in accordance with the Company's placement capacity under ASX Listing Rule 7.1.

The funds raised via the issue of the Notes will be used for the following:

- The second payment for the purchase of an economic interest in Scout Fund III.
- Other potential investment opportunities currently being reviewed by the Company.
- Working capital requirements of the Company.

In addition to the Notes, the Company is progressing discussions with other interested parties in relation to providing additional funding and will announce further details when, and if, confirmed.

On behalf of the board:

Campbell McComb
Managing Director

For all shareholder enquiries please contact enquiries@auctusinvest.com