



AUCTUS ALTERNATIVE INVESTMENTS LIMITED
ABN 76 149 278 759

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 28 November 2019

Time of Meeting:
12:00pm (AEDT)

Place of Meeting:
**Level 7,
90 Collins Street,
Melbourne Victoria 3000**

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional advisor without delay.*

AUCTUS ALTERNATIVE INVESTMENTS LIMITED

ABN 76 149 278 759

Registered Office: Level 7, 90 Collins Street, Melbourne, Victoria 3000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Auctus Alternative Investments Limited (the "Company") will be held at Level 7, 90 Collins Street, Melbourne Victoria, 3000 at 12.00pm (AEDT) on Thursday, 28 November 2019 ("Annual General Meeting" or "Meeting").

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS

Receipt and Consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2019.

Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no Resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2019 be adopted."

Resolution 2: Re-election of Mr Bradley C. Harrison as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Bradley C. Harrison, who retires by rotation pursuant to the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 3: Ratification of Prior Issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 3,225,500 fully paid ordinary shares in the Company at an issue price of \$0.35 (35 cents) per Share as described in the Explanatory Statement accompanying this Notice."

Resolution 4: Ratification of Prior Issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 371,429 fully paid ordinary shares in the Company at an issue price of \$0.35 (35 cents) per Share as described in the Explanatory Statement accompanying this Notice."

SPECIAL BUSINESS

Resolution 5: Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement accompanying this Notice."

DATED: 24 October 2019

By order of the Board

A handwritten signature in dark ink, appearing to read 'Justin', with a horizontal line extending from the end of the signature.

Justin Mouchacca
Company Secretary

Notes

1. **Entire Notice:** The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute the Proxy Form under its common seal or otherwise in accordance with its constitution or the Corporations Act.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Computershare Investor Services Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 12.00pm (AEDT) on Tuesday 26 November 2019. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. How the Chairman will vote undirected proxies

Subject to the restrictions set out below, the Chairman of the Meeting intends to vote all undirected proxies on, and in favour of, all of the proposed Resolutions.

6. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote:

- in accordance with a direction on the Proxy Form; or
- by the Chairman of the Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the Proxy Form, you acknowledge that the Chairman of the Meeting will vote in favour of this item of business as your proxy.

Resolution 2

There are no voting exclusions on this Resolution.

Resolutions 3 and 4

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of any person who participated in the issue and any associates of those persons.

However, the Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

Resolution 5

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who may participate in the proposed issue or any person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

However, the Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

7. Enquiries

Shareholders are invited to contact the Company Secretary, Justin Mouchacca on (03) 9088 8670 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and Consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2019 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report and the Auditors Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9088 8670, and you may request that this occurs on a standing basis for future years. Alternatively, you may access the Annual Report at the Company's website: <http://auctusinvest.com> or via the Company's announcement platform on ASX. Except as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a non-binding resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2019 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that, in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's 2018 Annual General Meeting, the votes cast against the remuneration report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for this Annual General Meeting.

Board Recommendation

The Board encourages all eligible Shareholders to cast their votes in favour of Resolution 1. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

Resolution 2: Re-election of Mr Bradley C. Harrison as a Director of the Company

Background

The Constitution of the Company requires that at every Annual General Meeting, one-third or the closest number to one-third of the directors shall retire by rotation from office and provides that such Directors are eligible for re-election at that Annual General Meeting. Mr Bradley C. Harrison, who retired by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

Mr Harrison is an entrepreneur and seasoned business development executive with a passion for technology, media, entertainment and lifestyle. He was recently named by Forbes as one of the top 50 Angel Investors Based On Investment Volume And Successful Exits. Mr Harrison has a great deal of experience launching new ventures. While attending MIT, he worked as a Partner in a seed stage venture fund, ITU Ventures, and helped launch a joint MIT-Harvard incubator. During this experience, he has worked at the earliest stages with many dynamic companies including Endeca Technologies.

While serving as Director of Media Strategy and Development at AOL, Mr Harrison co-authored 3 patents in search, geo-tagging, and personalization, with Edmund Fish, Senior Vice President and General Manager at AOL. Following AOL, he helped raise \$40M in venture funding for a contextual online advertising network. Prior to launching his business career, Mr Harrison was a graduate of the United States Military Academy at West Point and served in the United States Army for five years, earning both Airborne and Ranger qualifications before retiring as Captain.

Board Recommendation

The Board (with Mr Harrison abstaining), recommends that Shareholders vote in favour of Resolution 2. The Chairman of the Meeting intends to vote undirected proxies in favour of Mr Harrison's election.

Resolution 3: Ratification of Prior Issue of Shares

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the prior issue of 3,225,500 Shares which were issued on 26 June 2019, 5 July 2019 and 31 July 2019 at an issue price of \$0.35 (35 cents) (**Placement Shares**). An Appendix 3B was released on these dates. The Shares were issued to domestic and offshore family offices, high net worth and sophisticated investors, each of whom has been identified by the Company. Each recipient of Shares the subject of Resolution 3 was a sophisticated or professional investor or otherwise exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth).

Of the 3,225,500 fully paid ordinary shares sought to be ratified under this Resolution 3, 345,000 Shares were issued under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1 and 2,880,500 Shares were issued under the Company's additional 10% placement capacity pursuant to ASX Listing Rule 7.1A.

ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of the twelve (12) month period.

ASX Listing Rule 7.1A provides that, subject to receipt of required shareholder approval, in addition to its 15% placement capacity under ASX Listing Rule 7.1 a company is entitled to issue additional securities up to 10% of the issued share capital through placements over a 12-month period after the company's Annual General Meeting, without need prior shareholder approval. The Company obtained the required shareholder approval for the additional placement capacity under ASX Listing Rule 7.1A at its 2018 Annual General Meeting on 29 November 2018.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of fully paid ordinary shares in the Company that were issued was 3,225,500. Of these shares, 345,000 Shares were issued under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1 and 2,880,500 Shares were issued under the Company's additional 10% placement capacity under pursuant to ASX Listing Rule 7.1A;
- (a) The Shares were issued at a price of \$0.35 (35 cents) per Share;
- (b) The Shares allotted and issued were fully paid ordinary shares of the Company with the same terms as, and ranking equally with, the existing Shares on issue;
- (c) The Shares were allotted and issued to domestic and offshore family offices, high net worth and sophisticated investors, each of whom has been identified by the Company. Each recipient of Shares the subject of Resolution 4 was a sophisticated or professional investor or otherwise exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth). None of the recipients of Shares were related parties of the Company;
- (d) The funds raised will be used for investment for initial working capital in RBP Partners – US Asset Management business and for ongoing working capital requirements; and
- (e) A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

Board Recommendation

The Board believes that Resolution 3 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 3.

Resolution 4: Ratification of Prior Issue of Shares

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the prior issue of 371,429 Shares which were issued on 5 July 2019 at an issue price of \$0.35 (35 cents) (**Placement Shares**). An Appendix 3B was released on this day. The Shares were issued to a high net worth and sophisticated investor, of whom has been identified by the Company.

ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of the twelve (12) month period.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (b) the total number of fully paid ordinary shares in the Company that were issued was 371,429.
- (f) The Shares were issued at a price of \$0.35 (35 cents) per Share;
- (g) The Shares allotted and issued were fully paid ordinary shares of the Company with the same terms as, and ranking equally with, the existing Shares on issue;
- (h) The Shares were allotted and issued to Ms Sarah Wong;
- (i) The funds raised will be used for investment for initial working capital in RBP Partners – US Asset Management business and for ongoing working capital requirements; and
- (j) A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

Board Recommendation

The Board believes that Resolution 4 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 4.

Resolution 5: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company continues actively seeking to enhance the value of its assets and new investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to either accelerate the work on its current projects, acquire new assets, or to meet additional working capital requirements.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has Fully Paid Ordinary Shares and Unlisted Options on issue.

(c) *Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 15 October 2019 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.13 50% decrease in Current Share Price	\$0.26 Current Share Price	\$0.52 100% increase in Current Share Price
Current Variable A 34,091,391 Shares	10% Voting Dilution	3,409,139 Shares	3,409,139 Shares	3,409,139 Shares
	Funds raised	\$443,188	\$886,376	\$1,772,537
50% increase in current Variable A 51,137,087 Shares	10% Voting Dilution	5,113,709 Shares	5,113,709 Shares	5,113,709 Shares
	Funds raised	\$664,782	\$1,329,564	\$2,659,128
100% increase in current Variable A 68,182,782 Shares	10% Voting Dilution	6,818,278 Shares	6,818,278 Shares	6,818,278 Shares
	Funds raised	\$886,376	\$1,772,752	\$3,545,505

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - The Current Share Price is \$0.26 (26 cents), being the closing price of the Shares on ASX on 15 October 2019.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued expenditure on the Company's current business and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- Further, if the Company is successful in acquiring new businesses, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new businesses, assets or investments.
- (f) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

Equity Issues over the Last 12 Months – Listing Rule 7.3A.6

For the purposes of Listing Rule 7.3A.6(a), the Company advises as follows:

Number of equity securities on issue at commencement of 12 month period	32,614,047 (326,140,468 pre-consolidation)
Equity securities issued in the prior 12 month period*	8,014,454
Percentage of share issues represent of total number of equity securities on issue at commencement of 12 month period	24.57%

* For full details of the issues of equity securities made by the Company since the date of the last Annual General Meeting, see Appendix 1. Included in this Appendix is a summary of the amount of funds raised as a result of the capital raisings during the previous 12 month period.

Board Recommendation

The Board believes that Resolution 5 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 5;

“**10% Placement Period**” has the meaning as defined in the Explanatory Statement for Resolution 5;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2019;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Auctus Alternative Investments Limited ABN 76 149 278 759;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Equity Security**” has the same meaning as in the Listing Rules and Equity Securities has a corresponding meaning;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means this Notice of Meeting including the Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 30 June 2019 and which is set out in the 2019 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Section**” means a section of the Explanatory Statement;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average price.

APPENDIX 1

CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
14 December 2018	905,575	FPO	FPO	Issue of shares	Professional and Sophisticated investors	\$0.46	Nil	\$416,564.50	Working Capital for the Company. <i>Of the funds raised, \$416,564.50 has been used as set out above.</i>
27 December 2018	44,500	FPO	FPO	Issue of Shares	Professional and Sophisticated investors	\$0.45	Nil	\$20,025	Working Capital for the Company. <i>Of the funds raised, \$20,025 has been used as set out above.</i>
27 December 2018	314,700	FPO	FPO	Issue of Shares	Professional and Sophisticated investors	\$0.46	Nil	\$144,762	Working Capital for the Company. <i>Of the funds raised, \$144,762 has been used as set out above.</i>
15 January 2019	110,500	FPO	FPO	Issue of Shares	Professional and Sophisticated investors	\$0.46	Nil	\$50,830	Working Capital for the Company. <i>Of the funds raised, \$50,830 has been used as set out above.</i>
21 January 2019	670,000	FPO	FPO	Issue of Shares	Professional and Sophisticated investors	\$0.46	Nil	\$308,200	Working Capital for the Company. <i>Of the funds raised, \$308,200 has been used as set out above.</i>
26 June 2019	1,300,500	FPO	FPO	Issue of Shares	Professional and Sophisticated investors	\$0.35	Nil	\$455,175	Working Capital for the Company. <i>Of the funds raised, \$455,175 has been used as set out above.</i>
5 July 2019	1,546,429	FPO	FPO	Issue of Shares	Professional and Sophisticated investors	\$0.35	Nil	\$582,107.34	Working Capital for the Company. <i>Of the funds raised, \$582,107.34 has been used as set out above.</i>
31 July 2019	750,000	FPO	FPO	Issue of Shares	Professional and Sophisticated investors	\$0.35	Nil	\$262,500	Working Capital for the Company. <i>Of the funds raised, \$262,500 has been used as set out above.</i>
Total								\$2,240,163.84	

NON-CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
14 December 2018	750,000	FPO	Subject to voluntary 12 months escrow	Issue of Shares as approved at EGM in March 2018	Vendors of Highline Investments Pty Ltd.	Deemed issue price of \$0.40	Nil	\$300,000	<ul style="list-style-type: none"> Non-cash, issued as consideration for the Company's acquisition of Highline Alternative Investments Pty Ltd. Current value of shares are approximately \$195,000 based on the price of \$0.26 per share (being the closing price on 15 October 2019)
14 December 2018	100,000	FPO	FPO	Issue of shares to satisfy		Deemed issue price of \$0.46	Nil	\$46,000	<ul style="list-style-type: none"> Non-cash, issued to satisfy outstanding creditor balances. Current value of shares are approximately \$26,000 based on price of \$0.26 per share (being the closing price on 15 October 2019)

				outstanding creditors					
27 December 2018	22,250	O	Note 1	Unlisted Options	Professional and Sophisticated investors	Nil	N/A	N/A	<ul style="list-style-type: none"> Free-attaching options issued to participants of Capital raising.
26 June 2019	1,500,000	FPO	Subject to voluntary 12 months escrow	Issue of Shares as approved at EGM in March 2018	Vendors of Highline Investments Pty Ltd.	Deemed issue price of \$0.40	Nil	\$600,000	<ul style="list-style-type: none"> Non-cash, issued as consideration for the Company's acquisition of Highline Alternative Investments Pty Ltd. Current value of shares are approximately \$390,000 based on the price of \$0.26 per share (being the closing price on 15 October 2019)

Glossary

O Unlisted options

Notes

1 Exercisable at \$1.00 on or before 27 December 2021.

Auctus Alternative Investments Limited

ABN 76 149 278 759

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12:00 pm (AEDT) Tuesday, 26 November 2019.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 183096

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Auctus Alternative Investments Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Auctus Alternative Investments Limited to be held at Level 7, 90 Collins Street, Melbourne, Victoria 3000 on Thursday, 28 November 2019 at 12:00 pm (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Bradley C. Harrison as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of Prior Issue of 3,225,500 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Prior Issue of 371,429 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

Resolution 5 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically