

CIPHERPOINT LIMITED
ACN 120 658 497
NOTICE OF 2022 ANNUAL GENERAL MEETING

Notice is given that the 2022 Annual General Meeting ("**Meeting**") of Cipherpoint Limited ("the **Company**" or "**Cipherpoint**") will be held at the offices of QR Lawyers, Level 6, 400 Collins Street, Melbourne, Victoria, 3000 on Thursday, 1 September 2022 at 9am (Melbourne time).

Further details in respect of each of the resolutions proposed in this Notice of Annual General Meeting ("**Notice**") are set out in the Explanatory Memorandum ("**Memorandum**") accompanying this Notice. Details of the resolutions contained in the Memorandum should be read together with, and form part of, this Notice.

GENERAL BUSINESS

2022 Annual Financial Statements

To lay before the meeting and consider the Annual Financial Statements of the Company for the year ended 31 March 2022 and comprising the Annual Financial Report, the Directors' Report and the Auditor's Report.

RESOLUTION 1: NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

"That the Company approve the adoption of the Remuneration Report, included in the Directors' Report, for the year ended 31 March 2022."

Voting Prohibition:

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member,

being referred to herein as "**Restricted Voters**".

However, a person ("**voter**") may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a Restricted Voter and the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on Resolution 1. The Chair may also exercise undirected proxies if the vote is cast on behalf of a person entitled to vote on Resolution 1 and the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of members of the key management personnel of the Company.

Voting Note:

Directors of the Company who are key management personnel whose remuneration details are included in the 2022 Remuneration Report, any other key management personnel whose remuneration details are included in the 2022 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1.

RESOLUTION 2: RE-ELECTION OF MR GRAHAM MIRABITO AS A DIRECTOR

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

"That Mr Graham Mirabito, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY

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

"That for the purposes of ASX Listing Rule 7.1A, shareholders approve the Company having the capacity to issue fully paid ordinary shares in the capital of the Company up to the maximum number permitted under ASX Listing Rule 7.1A.2 at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company's

ordinary shares calculated over the last fifteen (15) days on which trades of the Company's ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made as described in the Memorandum which accompanied and formed part of this Notice."

Voting Note:

If as at the time of the Meeting, the Company:

- is included in the S&P/ASX 300 Index; and
- has a market capitalisation of greater than AU\$300 million,

this Resolution 3 will be withdrawn.

RESOLUTION 4A: RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 30,000,000 fully paid ordinary shares at an issue price of \$0.005 (0.5 cents) per share to unrelated sophisticated, professional and other exempt investors as described in the Memorandum which accompanied and formed part of this Notice."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4A by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved or any associate of that person.

However, this does not apply to a vote cast in favour of Resolution 4A by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

RESOLUTION 4B: APPROVAL FOR ISSUE OF OPTIONS

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 30,000,000 options (each with an exercise price of \$0.01 (1 cent), expiring on the date described in the Memorandum and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to unrelated sophisticated, professional and other exempt investors who participated in the share placement the subject of Resolution 4A as described in the Memorandum which accompanied and formed part of this Notice."

A voting exclusion statement as set out below applies to Resolution 4B.

RESOLUTION 4C: APPROVAL FOR ISSUE OF SHARES AND OPTIONS - CONVERTIBLE NOTES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of

shares and options on conversion of 160,000,000 convertible notes (each note having a face value and conversion price of \$0.005 (0.5 cents), accruing interest at 8% per annum (accruing daily and payable monthly (in cash)) and with a maturity date which is 12 months from issue) to unrelated sophisticated, professional and other exempt investors as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement as set out below applies to Resolution 4C.

RESOLUTION 4D: APPROVAL FOR ISSUE OF SHARES AND OPTIONS – JOINT LEAD MANAGERS – PLACEMENT AND NOTES

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of an aggregate of 11,400,000 fully paid ordinary shares and 11,400,000 options (each with an exercise price of \$0.01 (1 cent), expiring on the date described in the Memorandum and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to CoPeak Pty Ltd and Cumulus Wealth Pty Ltd (and/or their nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement as set out below applies to Resolution 4D.

RESOLUTION 4E: APPROVAL FOR ISSUE OF SHARES AND OPTIONS – JOINT LEAD MANAGERS – RIGHTS ISSUE

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of an aggregate of up to 16,525,644 fully paid ordinary shares and up to 16,525,644 options (each with an exercise price of \$0.01 (1 cent), expiring on the date described in the Memorandum and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to CoPeak Pty Ltd and Cumulus Wealth Pty Ltd (and/or their nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement as set out below applies to Resolution 4E.

RESOLUTION 4F: APPROVAL FOR ISSUE OF OPTIONS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of an aggregate of 60,000,000 options (each with an exercise price of \$0.01 (1 cent), expiring on the date described in the Memorandum and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to CoPeak Pty Ltd and Cumulus Wealth Pty Ltd (and/or their nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement as set out below applies to Resolution 4F.

Voting Exclusion Statement – Resolutions 4B to 4F

The Company will disregard any votes cast in favour of Resolutions 4B to 4F respectively by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates.

However, this does not apply to a vote cast in favour of Resolution 4B to 4F by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*

- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

RESOLUTION 5A: RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of an aggregate of 6,488,888 fully paid ordinary shares issued to CoPeak Pty Ltd and Cumulus Wealth Pty Ltd (and/or their nominee(s)) in lieu of cash for capital raising services rendered as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement as set out below applies to Resolution 5A.

RESOLUTION 5B: RATIFICATION OF ISSUE OF OPTIONS

To consider and, if thought fit, the 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 prior issue of an aggregate of 3,244,445 options (each with an exercise price of \$0.08 (8 cents), expiring 15 February 2023 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to CoPeak Pty Ltd and Cumulus Wealth Pty Ltd (and/or their nominee(s)) in lieu of cash for capital raising services rendered as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement as set out below applies to Resolution 5B.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5A and Resolution 5B by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved or any associate of that person.

However, this does not apply to a vote cast in favour of Resolution 5A and Resolution 5B by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

RESOLUTION 6: RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 10,200,000 fully paid ordinary shares as partial consideration for the acquisition of Virtual Information Technology Pty Limited (VIT) to the vendor of VIT, as described in the Memorandum which accompanied and formed part of this Notice.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved or any associate of that person.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7: RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 3,333,333 fully paid ordinary shares issued to CoPeak Pty Ltd and Cumulus Wealth Pty Ltd (and/or their nominee(s)) in lieu of cash fees for corporate advisory services rendered, as described in the Memorandum which accompanied and formed part of this Notice.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved or any associate of that person.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 2 August 2022

By the order of the Board



Patrick Gowans
Company Secretary

The accompanying Memorandum and the Proxy and Voting Instructions form part of this Notice.

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged with the Company's share registry not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7:00 pm on 30 August 2022 (Sydney time) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

How the Chair Will Vote Undirected Proxies

Subject to the restrictions set out below and in the Notice, The Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

Voting Restrictions on Resolutions 1 (Remuneration Report)

The Remuneration Report identifies key management personnel for the year ended 31 March 2022. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the 2022 Remuneration Report, any other key management personnel whose remuneration details are included in the 2022 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1 provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

Special Resolution

Resolution 3 is proposed as a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

CIPHERPOINT LIMITED
ACN 120 658 497
("the Company" or "CPT")
2022 ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM

PURPOSE OF INFORMATION

This Explanatory Memorandum ("**Memorandum**") accompanies and forms part of the Company's Notice of Annual General Meeting ("**Notice**") for the 2022 Annual General Meeting ("**Meeting**") to be held at the offices of QR Lawyers on Thursday, 1 September 2022 at 9.00am (Melbourne time).

The Notice incorporates, and should be read together, with this Memorandum.

BUSINESS

2022 Annual Financial Statements

The Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 31 March 2022 will be laid before the meeting. Shareholders will have the opportunity to ask questions about, or make comments on, the 2022 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend the Meeting to answer questions about the audit of the 2022 Annual Financial Statements.

The Company's 2022 Annual Financial Statements are set out in the Company's 2022 Annual Report which can be obtained from the Company's website, www.cipherpoint.com or upon request to the Company by email to tom.carolan@cipherpoint.com. There is no requirement for these reports to be formally approved by shareholders. No resolution is required to be moved in respect of this item.

Resolution 1: Non-binding Resolution - Remuneration Report

The Company is required pursuant to the Corporations Act 2001 (Cth) ("**the Corporations Act**"), to propose a non-binding resolution regarding the 2022 Remuneration Report, which forms part of the Director's Report in the 2022 Annual Financial Statements.

The vote under Resolution 1 is advisory only and does not bind the Directors or the Company.

Shareholders attending the 2022 Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report.

The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings ("**AGM**") (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGM's 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 and CEO) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2021 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event 25% or more of votes that are cast are against the adoption of the 2022 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2022 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more for the same resolution at the 2023 AGM the consequences are that it may result in the re-election of the Board.

A voting prohibition applies to Resolution 1 in the terms set out in the Notice. In particular, Directors and other members of the key management personnel details of whose remuneration are included in the Remuneration Report or a closely related party of those persons must not vote on Resolution 1 and must not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

Resolution 2: Re-Election of Mr Graham Mirabito as a Director

Resolution 2 is a resolution for re-election of Mr Graham Mirabito as a Director of the Company.

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of three, the number nearest to one-third (rounded up), but disregarding the Managing Director and Directors appointed to fill casual vacancies, are required to retire by rotation at each AGM.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

The Company currently has three Directors, none are Managing Director and accordingly, one Director is required to retire by rotation at the Meeting. A Director who retires by rotation under the Constitution is eligible for re-election.

Accordingly and in accordance with the Constitution, Mr Graham Mirabito retires by rotation and, being eligible seeks re-election pursuant to Resolution 2 of the Notice.

A biography for Graham is set out below:

Graham has over 35 years' experience in the information technology industry including 10 years in engineering and 25 years in sales, marketing, operations, mergers, acquisitions and general management. Graham has held senior roles at Telstra as MD Telstra Europe and EVP Telstra Asia.

Graham's previous role for 12 years was as CEO of RP Data which he took public on the ASX in 2006 and was acquired by strategic shareholder CoreLogic in 2011. His last executive role was as CEO CoreLogic International responsible for operations in Australia, Asia and UK.

Graham holds an Associate Diploma in Electrical Engineering from Queensland University of Technology.

The Board (with Mr Graham Mirabito abstaining) unanimously support the re-election of Mr Graham Mirabito as a Director of the Company.

Resolution 3: Approval of 10% placement facility

ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued share capital through placements over a 12-month period after an AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to a company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less.

The Company is, at the date of the Notice, an eligible entity.

The Company is 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 (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer below). The Company may use funds raised from any issue(s) under the 10% Placement Facility for development of its existing business and any acquired business, or funding new projects or business opportunities and/or general working capital.

The Company obtained shareholder approval to make issues under ASX Listing Rule 7.1A at its 2021 AGM. This Shareholder approval will lapse on the earlier of Monday, 26 September 2022 (the date of the first business day that is 12 months after the date of the 2021 AGM at which the approval is obtained) or the time and date of the 2022 AGM. The Company did not issue any securities under the 10% Placement Facility approved by shareholders at the 2021 AGM.

The Company seeks to refresh the shareholder approval so as to continue to be able to make issues under the 10% Placement Facility after the Meeting in accordance with ASX Listing Rule 7.1A.

If Shareholders approve Resolution 3, the Company will be able to issue the number of equity securities under the 10% Placement Facility determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below). If Resolution 3 is not approved by shareholders, then the Company will not be able to issue equity securities under the 10% Placement Facility.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

DESCRIPTION OF LISTING RULE 7.1A

- 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 AGM.

- 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. As at the date of the Notice, the Company has two classes of quoted equity securities, being ordinary shares (**CPT**) and options expiring 15 February 2023 (**CPTO**).

- Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may, during the 10% Placement Period (defined below), issue a number of equity securities calculated in accordance with the following formula:

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

where:

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

(i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;

(ii) plus the number of fully paid ordinary shares issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 where:

a. the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

b. the issue of, or agreement to issue, the convertible securities was approved, or taken under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;

(iii) plus the number of fully paid ordinary shares issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 Exception 16 where:

a. the agreement was entered into before the commencement of the relevant period; or

b. the agreement or issue was approved, or taken under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;

(iv) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;

(v) plus the number of partly paid shares that became fully paid in the 12 months;

(vi) less the number of fully paid shares cancelled in the 12 months.

Note: "A" has the same meaning in ASX 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 ASX 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 ASX Listing Rule 7.4.

- ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

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

As at the date of this Notice, the Company has 413,141,168 ordinary shares on issue and will therefore (subject to the passage of the other resolutions at the Meeting) have capacity to issue:

- (i) 61,971,175 equity securities under Listing Rule 7.1 (15% capacity); and
- (ii) subject to shareholders approving this Resolution 3, 41,314,116 equity securities (provided such equity securities are in a class of quoted equity securities) under Listing Rule 7.1A (10% capacity).

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer above). It is noted for the benefit of shareholders that the Company proposes issuing shares on conversion of existing convertible notes subject to shareholder approval (refer Resolution 4B), conducting a non-renounceable pro-rata rights issue as announced to ASX on 1 July 2022 and issuing shares to the joint lead managers of the recently announced capital raising in lieu of cash fees (subject to shareholder approval, refer Resolutions 4D and 4E), each of which increases the number of equity securities the Company may issue under the 10% Placement Facility.

- Minimum Issue Price

The issue price of equity securities issued under ASX 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 relevant equity securities are to be issued is agreed by the Company and the recipient of the relevant equity securities; or
- (ii) if the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

- 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires (and ceases to be valid) on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the time and date of the next AGM of the Company; or

- (iii) the date of the approval by Shareholders of a transaction under ASX 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).

- ASX Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Company to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 3 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 ASX LISTING RULE 7.3A

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

- Any equity security issued 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 relevant equity securities are to be issued is agreed by the Company and the recipient of the relevant equity securities; or
 - (ii) If the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- If Resolution 3 is approved by the Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table (in the case of options, only if the options are exercised). There is a risk that:
 - (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 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 quantum of funds raised by the issue of the equity securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of the Company's ordinary shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of the 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 shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares 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 ASX Listing Rule 7.1 that are approved at a future shareholders' meeting.
- Two examples of where the price of ordinary shares has decreased by 50% and increased by 50% against the market price of \$0.005 (being the price per share at which the Company conducted the capital raising as announced to ASX on 1 July 2022).

| Variable "A" in ASX Listing Rule 7.1A.2 | | Dilution | | |
|------------------------------------------------------------------|---------------------|---------------------------------------------|-------------------------|---------------------------------------------|
| | | \$0.0025 50% decrease in Deemed Price | \$0.005 Deemed Price | \$0.0075 50% Increase in Deemed Price |
| Current Variable A 413,141,168 shares | 10% Voting Dilution | 41,314,116 shares | 41,314,116 shares | 41,314,116 shares |
| | Funds raised | \$103,285 | \$206,570 | \$309,855 |
| 50% increase in current Variable A 619,711,752 shares | 10% Voting Dilution | 61,971,175 shares | 61,971,175 shares | 61,971,175 shares |
| | Funds raised | \$154,927 | \$309,855 | \$464,783 |
| 100% increase in current Variable A 826,282,336 shares | 10% Voting Dilution | 82,628,233 shares | 82,628,233 shares | 82,628,233 shares |
| | Funds raised | \$206,570 | \$413,141 | \$619,711 |

The table above has been prepared on the following assumptions:

- *The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting.*
- *No options or warrants are exercised into fully paid ordinary securities or other convertible securities (including convertible notes) convert into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A.*
- *The table does not take into account the issue of any shares or options under the rights issue.*
- *The table does not demonstrate an example of dilution that may be caused to a particular Shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting.*
- *The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule".*
- *The deemed price in the table is indicative only and does not consider the maximum 25% discount to market that the securities may be placed at under ASX Listing Rule 7.1A.*
- *The table does not demonstrate the effect of listed options being issued under ASX Listing Rule 7.1A, it only considers the issue of the fully paid ordinary securities.*

The Company may seek to issue the equity securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards developing its existing business and any acquired business, or to fund new projects or business opportunities and/or general working capital. The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) 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 factors including but not limited to the following:

- 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;

- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The Company did not issue any securities under the 10% Placement Facility in the 12 months prior to the date of the Meeting.

Due to the forward looking nature of the approval, the allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

At the date of that 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. Accordingly, no existing shareholder's votes will therefore be excluded and there is no voting exclusion for Resolution 3 in the Notice.

The directors of the Company unanimously recommend shareholders vote in favour of Resolution 3.

Background to Resolutions 4A to 4F – capital raising

On 1 July 2022, the Company announced that it had secured commitments for a capital raising of an aggregate of \$950,000 million before costs. CoPeak Pty Ltd (Peak Asset Management) and Cumulus Wealth Pty Ltd acted as **Joint Lead Managers** of the capital raising.

The following securities have been, or will be, issued under the capital raising:

- 30,000,000 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.005 (0.5 cents) per Placement Share to raise \$150,000 before costs. Placement Shares were issued to unrelated professional, sophisticated and other exempt investors identified by the Joint Lead Managers on 2 August 2022. The Placement Shares were issued under the placement capacity available to the Company under ASX Listing Rules 7.1. Ratification of the prior issue of Placement Shares is sought under Resolution 4A.
- One free-attaching option (**Placement Option**) is to be issued for each Placement Share. Placement Options have an exercise price of \$0.01 (1 cent) and have the terms as set out in Annexure A. The issue of Placement Options is subject to shareholder approval, which is sought under Resolution 4B.
- 160,000,000 convertible notes (**Notes**) with a face value of \$0.005 (0.5 cents) per note to raise \$800,000 before costs. Notes were issued to unrelated professional, sophisticated and other exempt investors identified by the Joint Lead Managers. Notes have a conversion price of \$0.005, accrue interest at 8% per annum (accruing daily and payable monthly in cash) and have a maturity date which is 12 months from the date of issue. A summary of the terms of the Notes is set out in Annexure B. Subject to shareholder approval, the face value of Notes automatically converts to shares (**Note Shares**) at \$0.005 (0.5 cents) per Note Share, with every one Note Share to be accompanied by one free-attaching option with the same terms as Placement Options (**Note Options**), within 5 days of shareholder approval which is sought under Resolution 4C. Conversion of Notes is subject to shareholder approval. If shareholder approval is not obtained then the face value of Notes is redeemable/repayable for cash.

In addition to the capital raising described above, CPT is also conducting a non-renounceable pro-rata rights issue offer (**Rights Issue**) of 2 new shares for every 3 shares held by shareholders with a registered address in Australia or New Zealand (which, subject to eligibility, will include subscribers for Placement Shares) on a record date to be determined. Every share under the Rights Issue will be accompanied by one free-attaching option with the same terms as the Placement Options. Further details are set out in the announcement released to ASX on 1 July 2022. The Joint Lead Managers have agreed to jointly manage the Rights Issue for the Company, including to seek to place any shortfall from the Rights Issue.

The fees payable collectively to the Joint Lead Managers in aggregate comprise:

- 6% (plus GST) of the funds raised from the issue of the Placement Shares and the Notes. Subject to shareholder approval, this fee (excluding GST which is payable in cash) is payable by the Company in fully paid ordinary shares (**JLM Shares**) and free-attaching options with the same terms as Placement Options (**JLM Options**) on the same terms as Placement Shares and Placement Options, being a deemed price of \$0.005 (0.5 cents) per JLM Share (11,400,000 JLM Shares in aggregate) with each JLM Share being accompanied by one free-attaching JLM Option (11,400,000 JLM Options in aggregate). The issue of the JLM Shares and JLM Options to satisfy the fee payable to the Joint Lead Managers in connection with issue of the Placement Shares and the Notes are subject to shareholder approval which is sought under Resolution 4D. If shareholders do not approve Resolution 4D then this fee is payable in cash.
- 1.5% (plus GST) of the funds raised under the Rights Issue and 6% (plus GST) on all funds raised by the Joint Lead Managers under the shortfall of the Rights Issue. Subject to shareholder approval, this fee (excluding GST which is payable in cash) is payable by the Company in JLM Shares and free-attaching JLM Options on the same terms as Placement Shares and Placement Options, being a deemed price of \$0.005 (0.5 cents) per JLM Share (maximum of 16,525,644 JLM Shares in aggregate, assuming 6% of the full subscription under the Rights Issue is payable) with each JLM Share being accompanied by one free-attaching JLM Option (maximum of 16,525,644 JLM Options in aggregate). The issue of the JLM Shares and JLM Options to satisfy the fee payable to the Joint Lead Managers in connection with the Rights Issue are subject to shareholder approval which is sought under Resolution 4E.

The number of JLM Shares and JLM Options to be issued to the Joint Lead Managers in connection with the Rights Issue noted above is the maximum number only. The actual number of JLM Shares and JLM Options to be issued to the Joint Lead Managers is subject to and dependent up the level of participation of eligible shareholders in the Rights Issue.

If shareholders do not approve Resolution 4E then this fee is payable in cash.

- 60,000,000 JLM Options, the issue of which are subject to shareholder approval which is sought under Resolution 4F and is also subject to the Company raising the maximum subscription under the Rights Issue, including following the issue of any shortfall from the Rights issue.

The Company may apply for quotation (listing) of the Placement Options, Note Options, options issued under the Rights Issue and JLM Options (if any), subject to meeting the quotation requirements of ASX.

If shareholders approve Resolution 4A, the Placement Shares will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. If shareholders do not approve Resolution 4A then the Placement Shares will continue to use the placement capacity of the Company under the ASX Listing Rules.

If shareholders approve Resolution 4B, the Company will be able to issue the Placement Options. In addition, any shares issued upon exercise of the Placement Options will increase the placement capacity available to the Company under the ASX Listing Rules. If shareholders do not approve Resolution 4B the Company will not be able to issue the Placement Options.

If shareholders approve Resolution 4C, the convertible notes will convert within 5 days of the shareholder approval and the Company will issue the Note Shares and Note Options representing the face value of the Notes. The Note Shares and any shares issued upon exercise of Note Options will increase the placement capacity available to the Company under the ASX Listing Rules. If Shareholders do not approve Resolution 4C then the Notes will not convert to Note Shares and Note Options and the face value of convertible notes will be repayable by the Company on or before the maturity date or redeemable earlier in accordance with the terms of the Notes as set out in Annexure B.

If shareholders approve Resolution 4D, the Company will be able to issue the JLM Shares and JLM Options to satisfy the fee payable to the Joint Lead Managers in connection with the issue of the Placement Shares and Notes (excluding GST which is payable in cash). In addition, any shares issued upon exercise of the JLM Options will increase the placement capacity available to the Company under the ASX Listing Rules. If shareholders do not approve Resolution 4D the Company will not be able to issue the JLM Shares and JLM Options to satisfy the

fee payable to the Joint Lead Managers in connection with the issue of the Placement Shares and Notes, which will instead be payable by the Company to the Joint Lead Managers in cash.

If shareholders approve Resolution 4E, the Company will be able to issue up to the maximum number of JLM Shares and JLM Options to satisfy the fee payable to the Joint Lead Managers in connection with the issue of the Rights Issue (excluding GST which is payable in cash). In addition, any shares issued upon exercise of the JLM Options will increase the placement capacity available to the Company under the ASX Listing Rules. If shareholders do not approve Resolution 4E the Company will not be able to issue up to the maximum number of JLM Shares and JLM Options to satisfy the fee payable to the Joint Lead Managers in connection with the issue of the Placement Shares and Notes, which will instead be payable by the Company to the Joint Lead Managers in cash.

If Shareholders approve Resolution 4F, the Company will be able to issue the JLM Options, subject to the Company raising the maximum subscription under the Rights Issue, including following the issue of any shortfall from the Rights issue. In addition, any shares issued upon exercise of the JLM Options will increase the placement capacity available to the Company under the ASX Listing Rules. If shareholders do not approve Resolution 4F the Company will not be able to issue the JLM Options. The Company will also be required to make a cash payment of \$50,000 to the Joint Lead Managers.

Resolution 4A – ASX Listing Rules

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

Placement Shares were issued using placement capacity available to the Company under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities, or an agreement to issue securities, made pursuant to ASX Listing Rule 7.1 (provided the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued or agreed to be issued with shareholder approval for the purposes of ASX Listing Rule 7.1. The Company seeks approval under ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under ASX Listing Rule 7.1.

The following information is provided for Resolution 4A in accordance with ASX Listing Rule 7.5:

- The Placement Shares were issued to unrelated professional, sophisticated and other exempt investors identified by the Joint Lead Managers.
- 30,000,000 fully paid ordinary shares (**Placement Shares**) were issued.
- The Placement Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue.
- Placement Shares were issued on 2 August 2022 and an Appendix 2A was released to ASX on that date.
- Placement Shares were issued at \$0.005 (0.5 cents) each.
- \$150,000 before costs was raised from issue of the Placement Shares. Funds raised will be used to meet the costs of the issue and otherwise for working capital purposes.
- A voting exclusion for Resolution 4A is contained in the Notice accompanying this Memorandum.

Resolution 4B to 4F – ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an

action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

With respect to the conversion of the Notes the subject of Resolution 4C, ASX Listing Rule 7.2 exception 17 excludes from the restrictions in ASX Listing Rule 7.1 and 7.1A an agreement to issue equity securities that is conditional on the holders of ordinary securities approving the issue before the issue is made. Where a convertible security expressly provides that the right of conversion is not exercisable unless and until the holders of ordinary securities have approved the issue of the underlying securities, Listing Rule 7.2 exception 17 is attracted and the convertible security falls outside of the restrictions in ASX Listing Rule 7.1. The Notes were issued in reliance on ASX Listing Rule 7.2 exception 17 on the basis that conversion of the Notes into Note Shares and Note Options is subject to receipt of shareholder approval. As noted above, if shareholders do not approve Resolution 4C then the Notes will not convert to Note Shares and Note Options and the face value of convertible notes will be repayable by the Company on or before the maturity date or redeemable earlier in accordance with the terms of the Notes as set out in Annexure B.

The following information is provided for Resolutions 4B to 4F in accordance with ASX Listing Rule 7.3:

- (a) The:
- (i) Placement Options are to be issued to unrelated professional, sophisticated and other exempt investors identified by the Joint Lead Managers who subscribed for Placement Shares on the basis of one Placement Option for every Placement Share;
 - (ii) Note Shares and Note Options are to be issued on conversion of Notes held by unrelated professional, sophisticated and other exempt investors identified by the Joint Lead Managers; and
 - (iii) JLM Shares and JLM Options are to be issued to the CoPeak Pty Ltd (Peak Asset Management) and Cumulus Wealth Pty Ltd, being the Joint Lead Managers (and/or their nominee(s)).
- (b) The maximum number of securities to be issued are:
- (i) 30,000,000 Placement Options (Resolution 4B).
 - (ii) 160,000,000 Note Shares and 160,000,000 Note Options (Resolution 4C).
 - (iii) 11,400,000 JLM Shares and 11,400,000 JLM Options (Resolution 4D).
 - (iv) Up to 16,525,644 JLM Shares and up to 16,525,644 JLM Options (Resolution 4E).
 - (v) 60,000,000 JLM Options (Resolution 4F).
- (c) Note Shares will be fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Placement Options, Note Options and JLM Options have the common terms set out in Annexure A. The Company may apply for quotation of the Placement Options, Note Options and JLM Options (if any) subject to meeting the quotation requirements of ASX.
- (d) The Company proposes issuing the Placement Options, Note Shares, Note Options and JLM Options shortly after the Meeting and in any event no later than three (3) months after the Meeting.
- (e) No funds are being raised from the issue of any of the securities the subject of Resolutions 4B to 4F. The consideration and purpose of the issues of securities are as follows:
- (i) Placement Options are being issued as free-attaching to Placement Shares on the basis of one Placement Option for every one Placement Shares. Funds raised on exercise of Placement Options (if any) will be applied to meeting working capital requirements of the Company upon exercise.
 - (ii) Note Shares are being issued at a conversion price of \$0.005 (0.5 cents) each upon conversion of the face value of Notes. Note Options are being issued as free-attaching to Note Shares on the

basis of one Note Option for every one Note Share. Assuming shareholders approve Resolution 4B and the Notes are converted to Note Shares and Note Options, funds raised from the issue of the Notes will be used to meet the costs of the issue and for working capital purposes. Funds raised on exercise of Note Options (if any) will be applied to meeting working capital requirements of the Company upon exercise.

- (iii) JLM Shares and JLM Options the subject of Resolution 4D are being issued in satisfaction of the fee payable to the Joint Lead Managers in connection with the issue of the Placement Shares and the Notes in lieu of cash (excluding GST which will be paid in cash). Funds raised on exercise of JLM Options (if any) will be applied to meeting working capital requirements of the Company upon exercise.
 - (iv) JLM Shares and JLM Options the subject of Resolution 4E are being issued in satisfaction of the fee payable to the Joint Lead Managers in connection with the Rights Issue in lieu of cash (excluding GST which will be paid in cash). Funds raised on exercise of JLM Options (if any) will be applied to meeting working capital requirements of the Company upon exercise.
 - (v) JLM Options the subject of Resolution 4F are being issued as part of the fees payable to the Joint Lead Managers in connection with the role of the Joint Lead Managers in the Placement, issue of the Notes and the Rights Issue in combination. The issue of the JLM Options the subject of Resolution 4F are also subject to the Company achieving the maximum subscription under the Rights Issue, including following the allocation of any shortfall under the Rights Issue. Funds raised on exercise of JLM Options (if any) will be applied to meeting working capital requirements of the Company upon exercise.
- (f) The Note Shares and Note Options are to be issued upon conversion of the Notes, which is subject to shareholder approval. A summary of the terms of the Notes is set out in Annexure B.
- (g) A voting exclusion for Resolutions 4B to 4F is contained in the Notice accompanying this Memorandum.

Director recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolutions 4B to 4F.

Background to Resolutions 5A and 5B

On 2 August 2021, the Company announced that it had receive binding commitments for a capital raising of \$2.9 million before costs by way of an issue of 52.6 million shares and convertible notes with a face value of \$1.5 million. The capital raising was completed in early August 2021 and the issue of the securities under the capital raising was ratified or approved by shareholders at the 2021 AGM on 27 September 2021.

The Joint Lead Managers acted as the joint lead manager of the capital raising in August 2021. On 8 October 2021, the Company issued the Joint Lead Managers (and/or their nominee(s)) 6,488,888 fully paid ordinary shares (**Fee Shares**) in settlement of cash fees otherwise due to the Joint Lead Managers in connection with the capital raising in August 2021. On 25 October 2021, the Company issued the Joint Lead Managers (and/or their nominee(s)) 3,244,445 options (each with an exercise price of \$0.08, expiring 15 February 2023 and otherwise having the terms set out in Annexure C) (**Fee Options**) as free-attaching to Fee Shares on the basis of one Fee Option for every two Fee Shares issued. Fee Shares and Fee Options were issued under the placement capacity available to the Company under Listing Rule 7.1.

Resolutions 5A and 5B seek shareholder ratification of the prior issue of the Fee Shares and Fee Options.

Resolutions 5A and 5B – ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions including ASX Listing Rule 7.1A, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with

rights to conversion to equity, if the number of those securities exceeds 15% of the share capital of the Company at the commencement of that twelve (12) month period.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities, or an agreement to issue securities, made pursuant to ASX Listing Rule 7.1 (provided the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued or agreed to be issued with shareholder approval for the purposes of ASX Listing Rule 7.1. The Company seeks approval under ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under ASX Listing Rule 7.1.

If shareholders approve Resolution 5A, the Fee Shares will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. If shareholders do not approve Resolution 5A then the Fee Shares will continue to use the placement capacity of the Company under the ASX Listing Rules.

If shareholders approve Resolution 5B, Fee Options will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. Any shares issued upon exercise of Fee Options will also increase the placement capacity available to the Company under the ASX Listing Rules. If shareholders do not approve Resolution 5B then the Fee Options will continue to use the placement capacity of the Company under the ASX Listing Rules.

The following information is provided for Resolutions 5A and 5B in accordance with ASX Listing Rule 7.5:

- Fee Shares and Fee Options were issued to CoPeak Pty Ltd and Cumulus Wealth Pty Ltd (being the Joint Lead Managers) (and/or their nominee(s)).
- 6,488,888 Fee Shares and 4,244,445 Fee Options were issued.
- Fee Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Fee Options have an exercise price of \$0.08, expire 15 February 2023 and otherwise having the terms set out in Annexure C).
- Fee Shares were issued on 8 October 2021 and Fee Options were issued on 25 October 2021.
- No funds were raised from issue of the Fee Shares and Fee Options, which were issued in lieu of cash fees for services provided in connection with the capital raising announced to ASX on 2 August 2021.
- Voting exclusions for Resolutions 5A and 5B are set out in the Notice accompanying this Memorandum.

Director recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolutions 5A and 5B.

RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

On 13 October 2021, the Company announced that it had entered into a binding terms sheet to acquire 100% of the issued capital of Virtual Information Technology Pty Limited (**VIT**) from the sole shareholder of VIT (**VIT Vendor**). A summary of the terms of the acquisition was set out in the announcement on 13 October 2021.

The Company completed the acquisition of VIT on 25 November 2021 and issued the VIT Vendor 10,200,000 fully paid ordinary shares (**Vendor Shares**) as part consideration for the acquisition. The Vendor Shares were issued under the placement capacity available to the Company under Listing Rule 7.1. Resolution 6 seeks shareholder approval to ratify the prior issue of the Vendor Shares.

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

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities, or an agreement to issue securities, made pursuant to ASX Listing Rule 7.1 (provided the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued or agreed to be issued with shareholder approval for the purposes of ASX Listing Rule 7.1. The Company seeks approval under ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under ASX Listing Rule 7.1.

If shareholders approve Resolution 6, the Vendor Shares will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. If shareholders do not approve Resolution 6 then the Vendor Shares will continue to use the placement capacity of the Company under the ASX Listing Rules.

The following information is provided for Resolution 6 in accordance with ASX Listing Rule 7.5:

- Vendor Shares were issued to the VIT Vendor.
- 10,200,000 Vendor Shares were issued.
- Vendor Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue.
- Vendor Shares were issued on 25 November 2021.
- No funds were raised from issue of the Vendor Shares, which were issued in lieu of cash fees for corporate advisory services provided to the Company.
- A voting exclusion for Resolution 6 is set out in the Notice accompanying this Memorandum.

Director recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 6.

RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES

On 24 March 2022, the Company issued 3,333,333 fully paid ordinary shares (**Adviser Shares**) to CoPeak Pty Ltd (Peak Asset Management) and Cumulus Wealth Pty Ltd, who are unrelated third party advisers (and/or their nominee(s)) in lieu of cash for corporate advisory services rendered. The Adviser Shares were issued under the placement capacity available to the Company under ASX Listing Rule 7.1. Resolution 7 seeks shareholder approval to ratify the prior issue of the Adviser Shares.

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

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities, or an agreement to issue securities, made pursuant to ASX Listing Rule 7.1 (provided the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued or agreed to be issued with shareholder approval for the purposes of ASX Listing Rule 7.1. The Company seeks approval under ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under ASX Listing Rule 7.1.

If shareholders approve Resolution 7, the Adviser Shares will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. If shareholders do not approve Resolution 7 then the Adviser Shares will continue to use the placement capacity of the Company under the ASX Listing Rules.

The following information is provided for Resolution 7 in accordance with ASX Listing Rule 7.5:

- Adviser Shares were issued to CoPeak Pty Ltd (Peak Asset Management) and Cumulus Wealth Pty Ltd (and/or their nominee(s)).

- 3,333,333 Adviser Shares were issued.
- Adviser Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue.
- Adviser Shares were issued on 24 March 2022.
- No funds were raised from issue of the Adviser Shares, which were issued in lieu of cash fees for corporate advisory services provided to the Company.
- A voting exclusion for Resolution 7 is set out in the Notice accompanying this Memorandum.

Director recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 7.

ANNEXURE A
TERMS OF OPTIONS – RESOLUTIONS 4B TO 4F

Placement Options, Note Options and JLM Options (**Options** in this Annexure A) have the following common terms:

- (a) Each Option entitles the holder to acquire one fully paid ordinary share (**Share**) in the capital of the Company. The Company proposes applying for official quotation (listing) of the Options.
- (b) The exercise price is \$0.01 (1 cent) (**Exercise Price**) per Option.
- (c) Each Option is exercisable at any time prior to 5:00pm Melbourne time 4 years from earliest of the date of issue of the Placement Options, JLM Options or the Note Options (**Expiry Date**).
- (d) Options may be exercised by providing written notice together with payment for the number of Shares in respect of which Options are exercised to the registered office of the Company.
- (e) Any Option that has not been exercised prior to the Expiry Date or cancelled in accordance with these terms shall automatically lapse.
- (f) An Option shall not be able to be exercised (and the Company will not be required to issue Shares upon such exercise) if it would be unlawful to do so.
- (g) Subject to compliance with applicable laws, Options are freely transferrable.
- (h) The Exercise Price is payable in full upon exercise of Options.
- (i) Where an Option holder determines to exercise some, but not all, of their held Options, the total aggregate amount payable to exercise the Options must be a minimum of \$1,000.
- (j) All Shares issued upon exercise of Options will rank pari passu in all respect with, and have the same terms as, the Company's then issued fully paid ordinary shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX and the Company being listed on ASX at the relevant time. The Options will not give any right to participate in dividends until shares are issued pursuant to the terms of the relevant Options.
- (k) There are no participation rights or entitlements inherent in the Options. Option holders are not entitled to participate in new issues of securities offers to shareholders without first exercising the Option. Prior to the Expiry Date and if required by the ASX Listing Rules, the Company will send notices to option holders in accordance with the time limits required by the ASX Listing Rules in respect of offers of securities made to shareholders.
- (l) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- (m) Options will otherwise have the terms as required by ASX and the ASX Listing Rules.

**ANNEXURE B
TERMS OF NOTES**

- Each Note has a face value of \$0.005.
- Interest accrues daily on the face value of each Note at 8.0% per annum (on a simple interest basis) and is payable monthly in cash.
- Notes have a maturity date which is 12 months from issue.
- Conversion of the Notes is subject to shareholder approval.
- Notes convert automatically within 5 days of the Company obtaining shareholder approval at a conversion price of \$0.005 per share (**Note Share**). Each Note Share will be accompanied by one free-attaching option (**Note Option**) with an exercise price of \$0.01 and expiring on the same date as the Placement Options.
- In the event shareholder approval is not obtained, then subject to compliance with relevant laws, regulations and directives the face value and accrued interest is redeemable on:
 - The occurrence of an event of insolvency in respect of the Company within 90 business days of the relevant event of insolvency occurring (or as soon as reasonably practicable in accordance with applicable law); or
 - The occurrence of an event of default (being an event of insolvency or a material breach of the Note terms which is not rectified within 10 business days).
- Unless converted or redeemed earlier, the face value and interest on Notes are repayable on the maturity date.
- Notes otherwise contain terms typical for securities of this nature, including warranties from the Company and the Note holders for the benefit of each other and governing law provisions.

ANNEXURE C
TERMS OF OPTIONS – RESOLUTION 5B

Fee Options (**Options** in this Annexure C) have the following terms:

- (n) Each Option entitles the holder to acquire one fully paid ordinary share (**Share**) in the capital of the Company. The Company proposes applying for official quotation (listing) of the Options.
- (o) The exercise price is \$0.08 (8 cents) (**Exercise Price**) per Option.
- (p) Each Option is exercisable at any time prior to 5:00pm Melbourne time on 15 February 2023 (**Expiry Date**).
- (q) Options may be exercised by providing written notice together with payment for the number of Shares in respect of which Options are exercised to the registered office of the Company.
- (r) Any Option that has not been exercised prior to the Expiry Date or cancelled in accordance with these terms shall automatically lapse.
- (s) An Option shall not be able to be exercised (and the Company will not be required to issue Shares upon such exercise) if it would be unlawful to do so.
- (t) Subject to compliance with applicable laws, Options are freely transferrable.
- (u) The Exercise Price is payable in full upon exercise of Options.
- (v) Where an Option holder determines to exercise some, but not all, of their held Options, the total aggregate amount payable to exercise the Options must be a minimum of \$1,000.
- (w) All Shares issued upon exercise of Options will rank pari passu in all respect with, and have the same terms as, the Company's then issued fully paid ordinary shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX and the Company being listed on ASX at the relevant time. The Options will not give any right to participate in dividends until shares are issued pursuant to the terms of the relevant Options.
- (x) There are no participation rights or entitlements inherent in the Options. Option holders are not entitled to participate in new issues of securities offers to shareholders without first exercising the Option. Prior to the Expiry Date and if required by the ASX Listing Rules, the Company will send notices to option holders in accordance with the time limits required by the ASX Listing Rules in respect of offers of securities made to shareholders.
- (y) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- (z) Options will otherwise have the terms as required by ASX and the ASX Listing Rules.