



**NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM**

To be held at 3:30pm AWST on
Friday 26 May 2017 at
The Registered Offices of Dropsuite Limited
Suite 4, 16 Ord Street
West Perth WA 6005

Shareholders who have elected not to receive a printed copy of the Company's 2016 Annual Report may obtain a copy from the Company's website www.dropsuite.com under Investor Relations

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Dropsuite Limited ('Dropsuite' or 'Company') will be held on Friday 26 May 2017 at Suite 4, 16 Ord Street, West Perth WA 6005 commencing at 3:30am (AWST).

The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

Ordinary Business

Consideration of Financial Report

To receive and consider the Company's financial report and the report of the Directors and the Auditor for the financial year ended 31 December 2016.

Neither the Corporations Act 2001 nor the Company's Constitution requires a vote of shareholders on the annual report or financial statements. However, shareholders will be given the opportunity to ask questions or make comments on the annual report at the meeting.

Resolution 1 – Non-Binding Resolution to Adopt Remuneration Report

To consider and, if thought fit, to pass the following in accordance with section 250R(2) of the Corporations Act:

"That the Remuneration Report for the year ended 31 December 2016 be adopted."

NB: This resolution shall be determined as if it were an ordinary (majority) resolution, but under section 250R(3) of the Corporations Act, the vote does not bind the directors of the company.

Voting Prohibition Statement:

The Company will disregard any votes cast on Resolution 1 by, or on behalf of, any 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.

However, a person described above may cast a vote on the resolution if:

- The person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution;
- The vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; and
- The vote is cast by the Chairman, as the nominated proxy for a person who is permitted to vote, with express authorization given to the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

Resolution 2 – Approval of 10% placement capacity

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"That, for the purposes of ASX Listing Rule 7.1A and all other purposes, approval is given for the Company to allot and issue Equity Securities up to 10% of the Company's issued share capital (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.

Voting Prohibition Statement:

The Company will disregard any votes cast on Resolution 2 by any person who may participate in the

proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associate of those persons. However, the Company will not disregard a vote if:

(a) 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

(b) the vote is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 3 – Re-election of Mr Theo Hnarakis

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

‘That Mr Theo Hnarakis, who retires as a Director of the Company by rotation in accordance with rule 6.3(c) of the Company’s constitution, and being eligible, be re-elected as a Director of the Company.’

Voting Prohibition Statement:

Under the ASX Listing Rules, a director appointed by the Board shall only hold office until the end of the next annual general meeting following their appointment, but shall be eligible for re-election at that meeting. Mr Theo Hnarakis retires at the end of the meeting in accordance with this rule and, being eligible, offer themselves for election.

Resolution 4 – Re-election of Dr Bruce Tonkin

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

‘That Dr Bruce Tonkin who retires as a Director of the Company by rotation in accordance with rule 6.3(c) of the Company’s constitution, and being eligible, be re-elected as a Director of the Company.’

Voting Prohibition Statement:

Under the ASX Listing Rules, a director appointed by the Board shall only hold office until the end of the next annual general meeting following their appointment, but shall be eligible for re-election at that meeting. Dr Bruce Tonkin retires at the end of the meeting in accordance with this rule and, being eligible, offer themselves for election.

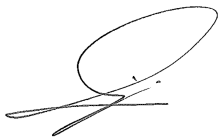
Resolution 5 –Approval of Performance Shares as per the Prospectus

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 49,500,000 performance rights to Greenbase Corporation Pty Limited as per the Supplementary Prospectus dated 30 September.”

Dated 24 April 2017

BY ORDER OF THE BOARD



Zoran Grujic
Company Secretary

Notes

These Notes and the accompanying Explanatory Memorandum form part of the Notice of Meeting.

Shareholders of Dropsuite

Dropsuite has determined that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded on the Dropsuite register of shareholders as at 7:00 pm (AWST) on 24 May 2017.

Appointment of Proxy

If you are a shareholder, and you are unable to attend and vote at the meeting, and wish to appoint a proxy, please complete and return the enclosed proxy form. A proxy need not be a shareholder of Dropsuite.

To vote by proxy, you need to:

complete and sign the relevant proxy form enclosed with this Notice of Meeting and return the proxy form either:

- by post to Dropsuite Limited, PO Box 1779, West Perth WA 6872 or in person to Dropsuite Limited, Suite 4, 16 Ord Street, West Perth WA 6005; or
- by facsimile to Dropsuite Limited on facsimile number (+61 8) 9486 1011, so that it is received not later than 10:30am (AEDT) on 24 May 2017.

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

A shareholder entitled to attend and cast more than 2 votes at the meeting is entitled to appoint no more than 2 proxies to attend and vote in their stead. Where more than one proxy is appointed, each proxy should be appointed to represent a specified proportion of the shareholder's voting rights. Failure to apportion voting rights will result in each proxy being entitled to vote half of the shareholder's votes.

A corporation may elect to appoint a representative in accordance with s 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company before the meeting or at the registration desk on the day of the meeting.

A shareholder may appoint the Chairman of the meeting as their proxy by nominating him in the proxy form. If a shareholder returns their proxy form but does not nominate the identity of their proxy, the Chairman of the meeting will automatically be their proxy. If a shareholder returns their proxy form but their nominated proxy does not attend the meeting, then their proxy will revert to the Chairman of the meeting. For resolutions determined on a poll, if a shareholder's nominated proxy is either not recorded as attending the meeting or does not vote on the resolution in accordance with the shareholder's directions, the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the shareholder's proxy for the purposes of voting on the resolution.

If a shareholder appoints a member of the Company's key management personnel (KMP) (which includes each of the Directors) as proxy, the KMP will not be able to cast the shareholder's votes on Resolution 1 unless the shareholder directs them how to vote or the Chairman of the meeting is the shareholder's proxy. If a shareholder appoints the Chairman of the meeting as their proxy or the Chairman of the meeting is appointed as the shareholder's proxy by default, but the shareholder does not mark a voting box for Resolution 1, then by completing and submitting the proxy form the shareholder will be expressly authorising the Chairman of the meeting to exercise the proxy even though the relevant resolution is connected with the remuneration of the Company's KMP.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the shareholders of Dropsuite to provide information about the items of business to be considered at the Annual General Meeting of shareholders to be held Friday, 26 May 2017.

With the exception of Resolution 1 & 2, all of the resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution in order for it to be carried.

If appropriate and if time permits, the Chairman will discuss significant issues raised by shareholders prior to the Meeting and will invite questions and comments from shareholders on these key issues and any other appropriate and relevant matters that shareholders would like raised at the Meeting.

In addition, a reasonable opportunity will be given to members present at the Meeting to ask the Company's auditor, Greenwich & Co, questions relevant to the conduct of the audit, the preparation and content of the Auditors Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor. If you would like to submit a written question to Greenwich & Co before the Meeting on any of the foregoing matters, please send your question to the Company Secretary, Zoran Grujic, at zoran@Dropsuite.com before 24 May 2017.

If you have a more general issue or question that you would like discussed at the Meeting, please write to the Company Secretary, Zoran Grujic, at the above address.

Item 1 – Consideration of Financial Report

The Corporations Act requires that the report of the Directors, the report of the Auditor and the financial reports be presented to the annual general meeting. In addition the Company's constitution provides for such reports and statements to be received and considered at the meeting.

Resolution 1 – Remuneration Report

Consistent with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2016.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and Executives (which includes senior management) of the Company. The Remuneration Report can be located in the Company's Annual Report.

Following consideration of the Remuneration Report, the Chairman will give shareholders a reasonable opportunity to ask questions about or make comments upon, the Remuneration Report.

Board recommendation

The Board recommends that shareholders vote in favour of Resolution 1.

Resolution 2 – Approval of 10% Placement Capacity

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 capital through placements over a twelve 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 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 capitalisation of \$300 million or less. The Company is an eligible entity.

The effect of Resolution 2 will be to allow the Directors 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.

As at the date of this Notice of Meeting the Company has the capacity to issue 386,022,667 shares under listing rule 7.1.

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. Resolution 2 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).

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 to Section 12.2 (c) below). The Company may use funds raised from any 10% Placement Facility for funding specific projects and/or general working capital. It may also use the 10% Placement Facility for non cash consideration purposes such as joint venture or project acquisitions (although the Company presently has no intention to do so).

Formula for calculating Additional 10% Placement Capacity

Listing Rule 7.1A.2 provides that an eligible entity which has obtained shareholder approval at an annual general meeting may issue or agree to issue, during the Additional Placement Period (as defined below), a number of Equity Securities calculated in accordance with the following formula:

(AxD)-E

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

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 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;
- less the number of fully paid shares cancelled in the 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issue 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 Rules 7.1 or 7.4.

The Company is putting Resolution 2 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards general working capital.

Listing Rule 7.1A.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an

existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares (ASX: DSE) and Options on issue.

Based on the number of shares on issue at the date of this Notice the Company will have 386,022,667 Shares on issue and therefore, subject to Shareholder approval being sought under Resolution 2, 38,602,267 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Specific Information required by Listing Rule 7.3A

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

(a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded 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 2 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also 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 amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that the variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- i. examples where variable "A" is at its current level and where variable "A" has increased by 50% and 100%;
- ii. examples of where the issue price of ordinary securities is the current market price as at close of trade on 21 April 2017, being \$0.07, (current market price), where the issue price is halved, and

where it is doubled; and

- iii. the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable "A"	Number of Shares issued and funds raised under the 10% Placement Capacity and dilution effect	Dilution		
		\$0.04	\$0.07	\$0.14
		Issue Price at half the current market price	Issue Price at current market price	Issue Price at double the current market price
Variable "A" Current Variable A 386,022,667 Shares	Shares issued Funds raised Dilution	38,602,267 \$1,351,079.33 10%	38,602,267 \$2,702,158.67 10%	38,602,267 \$5,404,317.34 10%
50% increase in current Variable A 579,034,001 Shares	Shares issued Funds raised Dilution	57,903,400 \$2,026,619.00 10%	57,903,400 \$4,053,238.00 10%	57,903,400 \$8,106,476.01 10%
100% increase in current Variable A 772,045,334 Shares	Shares issued Funds raised Dilution	77,204,533 \$2,702,159 10%	77,204,533 \$5,404,317 10%	77,204,533 \$10,808,635 10%

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

Note this table assumes:

- i. No Options are exercised and no Convertible Notes are converted before the date of the issue of the Equity Securities.
- ii. The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.
- iii. The current shares on issue are the Shares on issue as at 21 April 2017.
- iv. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- v. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- vi. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- vii. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- viii. 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%.
- ix. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

(c) Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- i. the date that is 12 months after the date of the Annual General Meeting; and
- ii. the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to that nature of 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. cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds raised towards the development and marketing of the business and to supplement the Company's working capital; or
- ii. non-cash consideration for the settlement of liabilities of the Group. If Equity Securities are issued for non-cash consideration, the Company will comply with Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) The Company' allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be determined having regard to purpose(s) of the issue(s) and the prevailing market conditions at the time of the proposed issue(s).

The identity of the allottees under the Additional 10% Placement Capacity will be determined on a case-by-case basis having regard to factors which may include the following:

- i. the methods of raising funds that are available to the Company, including but not limited to, entitlements issues or other issues in which existing security holders can participate;
- ii. the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issue of Equity Securities;
- iii. the financial situation and solvency of the Company; and
- iv. advice from professional advisers, including corporate, financial and broking advisers (if applicable).

The Company notes that:

- i. any funds raised from the issue of Shares under the Additional 10% Placement Capacity are likely to be applied towards continued development and marketing of the business and for general working capital purposes;
- ii. it is not possible to determine whether any existing Shareholders, or class of Shareholders, would be invited to apply for any Shares to be issued under the Additional 10% Placement Capacity, or to determine the category of any new investors that may be invited to participate in such a fundraising;
- iii. prior to undertaking any fundraising, the Board will have regard to whether it is in the Company's best interests to structure such a fundraising as an entitlements issue to all of the Company's existing Shareholders at that time; and

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- iv. the reason for undertaking any particular issue under the Additional 10% Placement Capacity would be announced at the time the Company sought to issue shares under that Additional 10% Placement Capacity.

At the date of this notice, the allottees under the Additional 10% Placement Capacity have not been determined. They may, however, include substantial Shareholders and/or new Shareholders who are not related parties (or their associates) of the Company. If the Company issues the Equity Securities for the settlement of liabilities of the Group, it is likely that the allottees under the Additional 10% Placement Capacity will be those parties to whom the liabilities are owed.

(f) Previous approval under ASX Listing Rule 7.1A

- i. The Company has not previously requested approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting.

(g) When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give the ASX:

- i. A list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- ii. The information required by Listing Rule 3.10.5A for release to the market.

(h) A voting exclusion statement is included in the notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the 10% Placement Capacity. The Company has not, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 2.

Board recommendation

The Directors of the Company believe that Resolution 2 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

Voting intention

The Chairman of the meeting intends to vote all undirected proxies in favour of the Resolution.

Resolution 3 – Re-election of Mr Theo Hnarakis

Details of the qualifications and experience of Mr Theo Hnarakis are contained in the Annual Report. Each of the other Directors intend to vote in favour of Mr Hnarakis' re-election. If approved by shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

Resolution 4 – Re-election of Dr Bruce Tonkin

Details of the qualifications and experience of Dr Bruce Tonkin are contained in the Annual Report. Each of the other Directors intend to vote in favour of Dr Tonkin's re-election. If approved by shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

Resolution 5 –Approval of Performance Shares as per the Prospectus

This resolution deals with the issue of Performance Shares to Greenbase Corporation Pty Limited under the details of the proposed acquisition of the assets of the company. Please refer to the Schedule 1 of the Supplementary Prospectus issued 30 September for full details of the Performance Shares issued.

We note that these shares have already been issued as part of the relisting of the company on the ASX.

