

CONNECTED IO LIMITED
ACN 009 076 233

**Notice of Annual General Meeting
And
Explanatory Statement**

**Annual General Meeting of Shareholders to be held at
the offices of Trident Capital,
Level 24, 44 St Georges Terrace, Perth WA
at 10.30am (WST) on Wednesday 29 November 2017.**

Important

This Notice should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Connected IO Limited ACN 009 076 233 (**Company**) will be held at the offices of Trident Capital, Level 24, 44 St Georges Terrace, Perth WA 6000 commencing at 10.30am (WST) on Wednesday, 29 November 2017.

Business

Item 1 – Annual Report

To receive and consider the Annual Report of the Company for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1 – Adoption of Remuneration Report

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2017 be adopted.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution:

- (a) by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
 - (b) by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
 - (c) as a proxy by a member of Key Management Personnel or a Closely Related Party,
- unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman pursuant to an express authorisation to exercise the proxy.

Resolution 2 – Re-election of Mr Blaise Thomas as a Director

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

“That Mr Blaise Thomas, who retires by rotation in accordance with clause 6.3 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director.”

Resolution 3 – Ratification of issue of Advisory Shares

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 3,000,000 Advisory Shares to FFKM Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any person associated with those persons.

However, the Company need not disregard any 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) it is cast by the person chairing the meeting 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 4 – Ratification of issue of Shares under October Placement

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 100,000,000 Shares to Exempt Investors under the October Placement on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any person associated with those persons.

However, the Company need not disregard any 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) it is cast by the person chairing the meeting 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 5 – Approval of issue of Director Incentive Options to Mr Yakov Temov

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

“That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 4,000,000 Director Incentive Options to Mr Yakov Temov (and/or his nominee) under the Employee Incentive Plan as set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Yakov Temov, and any associate of that person (**excluded person**).

However, the Company need not disregard a vote if:

- (a) it is cast by a person who is not an excluded person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form;
- (b) it is cast by the Chair who is not an excluded person 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; or
- (c) it is cast by a person or the Chair who is an excluded person as proxy for a person who is entitled to vote in accordance with a specified and marked direction on the Proxy Form.

Resolution 6 – Approval of issue of Director Incentive Options to Mr Jason Ferris

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

“That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 4,000,000 Director Incentive Options to Mr Jason Ferris (and/or his nominee) under the Employee Incentive Plan as set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Jason Ferris, and any associate of that person (**excluded person**).

However, the Company need not disregard a vote if:

- (a) it is cast by a person who is not an excluded person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form;
- (b) it is cast by the Chair who is not an excluded person 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; or
- (c) it is cast by a person or the Chair who is an excluded person as proxy for a person who is entitled to vote in accordance with a specified and marked direction on the Proxy Form.

Resolution 7 – Approval of issue of Director Incentive Options to Mr Blaise Thomas

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

“That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 1,000,000 Director Incentive Options to Mr Blaise Thomas (and/or his nominee) under the Employee Incentive Plan as set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Blaise Thomas, and any associate of that person (**excluded person**).

However, the Company need not disregard a vote if:

- (a) it is cast by a person who is not an excluded person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form;
- (b) it is cast by the Chair who is not an excluded person 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; or
- (c) it is cast by a person or the Chair who is an excluded person as proxy for a person who is entitled to vote in accordance with a specified and marked direction on the Proxy Form.

Resolution 8 – Approval of 10% Placement Facility

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

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

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in an issue under the 10% Placement Facility and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard any 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) it is cast by the person chairing the meeting 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.

Other business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Annual General Meeting.

By Order of the Board



Jason Ferris
Chairman
Connected IO Limited
18 October 2017

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting to be held at the offices of Trident Capital, Level 24, 44 St Georges Terrace, Perth WA 6000, commencing at 10.30am (WST) on Wednesday 29 November 2017.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

1 Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolutions 1 and 5 to 7 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chair) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolutions 1 and 5 to 7.

If a Shareholder intends to appoint the Chair as its proxy on Resolutions 1 and 5 to 7, the Shareholder can direct the Chair how to vote by marking one of the boxes for Resolutions 1 and 5 to 7 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting).

2 Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 7.00pm (AEST) on

27 November 2017. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

3 Item 1 – Annual Report

The Annual Report, comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report for the year ended 30 June 2017, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve these Reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about these Reports and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions about the:

- (a) conduct of the audits;
- (b) preparation and content of the Auditor's Report;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) independence of the auditor in relation to the conduct of the audits.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the Auditor's Report or the conduct of the audit, may be submitted no later than 5 business days before the date of the Annual General Meeting to the Company Secretary at c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, WA 6000, or by facsimile to +61 8 9218 8875.

The Company's Annual Report is available on the Company's website at www.connectedio.com.au.

4 Resolution 1 – Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2017 is included in the Directors' Report in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report adopted be put to the vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is "advisory only" resolutions which does not bind the Directors. Under section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting

If at least 25% of the votes on Resolution 1 are voted against the adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2018 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting (**Spill Meeting**) to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the Company's 2018 annual general meeting. All of the Directors who are in office when the Company's 2018 Directors' Report is approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the directors of the Company.

At the Company's previous Annual General Meeting, the votes cast against the remuneration report considered at that Annual General Meeting were not more than 25%. Accordingly, the Spill Resolution will not be relevant for this Annual General Meeting.

5 Resolution 2 – Re-election of Blaise Thomas as a Director

In accordance with clause 6.3 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Mr Blaise Thomas retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

Mr Thomas has over 25 years' experience in building and managing businesses in Australia and the UK and has held executive level positions in private and publicly listed companies. His corporate experience has been within the resources, engineering, technology and banking & financial services industries. With expertise across business and market development, contract management, operations, strategy, finance and people management.

Mr Thomas has advised a number of early-stage businesses on sales & marketing strategies, leadership structure, commercial partnerships and investor relations.

The Directors (excluding Mr Thomas) unanimously recommend that Shareholders vote in favour of Resolution 2. Resolution 2 is an ordinary resolution.

6 Resolution 3 – Ratification of issue of Advisory Shares

On 11 April 2017, the Company issued 3,000,000 Shares to FFKM Pty Ltd pursuant to a corporate advisory mandate for the provision of corporate services to the Company (**Advisory Shares**). Shareholder approval is sought to ratify the 3,000,000 Advisory Shares previously issued.

6.1 Listing Rule 7.4

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 3 for the purposes of Listing Rule 7.4:

- (a) A total of 3,000,000 Shares were issued.
- (b) The Advisory Shares were issued for nil cash consideration as they were issued for corporate advisory services provided to the Company pursuant to a corporate advisory mandate.

- (c) The Advisory Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.
- (d) The Advisory Shares were issued to FFKM Pty Ltd, a non-related party of the Company.
- (e) No funds were raised from the issue of the Advisory Shares.

6.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

7 Resolution 4 – Ratification of issue of Shares under October Placement

On 12 October 2017, the Company announced that it had issued 95,000,000 Shares to Exempt Investors at \$0.03 per share, with an additional 5,000,000 Shares subsequently to be issued during October 2017 (**October Placement**). Shareholder approval is sought to ratify the 100,000,000 Shares issued under the October Placement.

7.1 Listing Rule 7.4

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.2 Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 4 for the purposes of Listing Rule 7.4:

- (a) A total of 100,000,000 Shares were issued under the October Placement.
- (b) The Shares were issued at a price of \$0.03 per Share.
- (c) The Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.
- (d) The Shares under the October Placement were issued to Exempt Investors. None of the subscribers were related parties of the Company.
- (e) The funds raised will be used for working capital as the Company seeks to meet increasing purchase orders as announced on the Company's ASX announcement platform.

7.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

8 Resolutions 5 to 7 – Proposed issue of Director Incentive Options to Directors and/or their nominees

Resolutions 5 to 7 seek the approval of Shareholders to issue a total of 9,000,000 Incentive Options to the Directors, being Mr Yakov Temov, Mr Jason Ferris and Mr Blaise Thomas (and/or

their nominees). Approval is sought pursuant to section 208 of the Corporations Act and Listing Rule 10.14.

8.1 Background

The Director Incentive Options contemplated by Resolutions 5 to 7 will be issued to the Directors to align the long term goals of the Directors with that of Shareholders and to establish an incentive for the Directors to provide ongoing dedicated services to the Company. These Director Incentive Options are intended to provide remuneration to the Directors that is linked to the performance of the Company. The benefit would only be received from the Director Incentive Options upon the Share price exceeding the exercise price of the Director Incentive Options and thereby warranting their exercise.

Under the Company's current circumstances, the Directors consider that the incentive noted above, represented by the issue of Director Incentive Options, is a cost effective and efficient reward and incentive to provide the Directors, as opposed to alternative forms of incentive such as the payment of cash compensation only. In addition, the Directors consider it prudent to remunerate the Directors by way of Director Incentive Options so as to preserve the cash reserves of the Company.

The Company proposes that the Director Incentive Options will be exercisable at \$0.05 each. The Options shall be issued, and will vest, upon approval by the Shareholders of Resolutions 5 to 7, and expire within 36 months of the issue date.

The full terms and conditions of the Options to be granted to the Directors (and/or their nominee) are set out in Annexure A.

8.2 Section 208 of the Corporations Act

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

Each of the Directors is a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the Director Incentive Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit the issue of the Director Incentive Options on the terms set out in Resolutions 5 to 7 to the Directors (and/or their nominees) as related parties of the Company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 to 7:

(a) **Related party to whom the financial benefit is to be given**

Yakov Temov, Jason Ferris and Blaise Thomas (and/or their nominees).

(b) **Nature of the financial benefit**

The number of Director Incentive Options proposed to be issued to each Director (and/or its nominees) is as follows:

Director	Number of Director Incentive Options
Mr Yakov Temov	4,000,000
Mr Jason Ferris	4,000,000

Mr Blaise Thomas	1,000,000
Total	9,000,000

(c) **Valuation of the financial benefit**

BDO Advisory (WA) Pty Ltd (**BDO**) has conducted a valuation report on the Director Incentive Options. BDO's findings are summarised in the below table.

Item	
Underlying share price	\$0.031
Exercise price	\$0.050
Valuation date	11 October 2017
Expiration date	10 October 2020
Life of the Options (years)	3
Volatility	90%
Risk free rate	2.10%
Number of Options	9,000,000
Valuation per Option	\$0.015
Total Value	\$135,000

Based on BDO's report, the estimated value of the Director Incentive Options proposed to be issued to each Director (and/or its nominees) is as follows:

Director	Value of Director Incentive Options
Mr Yakov Temov	\$60,000
Mr Jason Ferris	\$60,000
Mr Blaise Thomas	\$15,000
Total	\$135,000

(d) **Current remuneration and Relevant Interests**

Details of the Directors' current annualised remuneration, as well as their interests (both direct and interest) in the Company as at the date of the Notice of Meeting are outlined below:

Director	Salary/Fees p.a. (excl. of GST and inclusive of superannuation)
Mr Yakov Temov	US\$225,000
Mr Jason Ferris	\$240,000 (plus super)

Mr Blaise Thomas	\$60,000
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The Directors' interests (both direct and interest) in the Company as at the date of the Notice of Meeting are outlined below:

Director	Shares	
	Ordinary Shares	Performance Shares
Mr Yakov Temov ¹	46,000,000	51,825,000
Mr Jason Ferris	-	-
Mr Blaise Thomas	-	-

Notes:

1. 34,550,000 Class A Performance Shares and 17,275,000 Class B Performance Shares were issued to Mr Temov as part of the consideration under the Vendor Offer for the acquisition of the Connected Group.

(e) Terms of the Director Incentive Options

Full terms and conditions of the Director Incentive Options are set out in Annexure A.

(f) Dilution

If all of the Director Incentive Options under Resolutions 5 to 7 (inclusive) were exercised, and no other Shares were issued by the Company (including pursuant to Resolution 8), the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 1.0%.

(g) Opportunity costs to the Company

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the Director Incentive Options.

(h) Funds raised

No funds will be raised from the issue of the Director Incentive Options. Funds raised in the event of exercise of the Director Incentive Options will be applied towards working capital requirements or in any other manner that the Board considers appropriate at the relevant time. However, there is no guarantee that any of the Director Incentive Options will be exercised at any future time.

(i) Directors' interests

Each Director, as a recipient of the Director Incentive Options, has a material personal interest in the outcome of the Resolution that applies specifically to him.

No Director has a material personal interest in the outcome of Resolutions 5 to 7 other than in respect of the proposed issue of Director Incentive Options to him or his nominee.

(j) Directors' recommendation

See section 8.4 below.

(k) Other information

Other than as set out in this Explanatory Statement, there is no further information which the Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolutions 5 to 7.

8.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a company must not issue equity securities to a director or an associate of a director of the company under an employee incentive scheme without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained. Further, ASX Listing Rule 7.2 (Exception 14) states that approval pursuant to ASX Listing Rule 7.1 is not required if shareholder approval is obtained under ASX Listing Rule 10.14.

The Directors are related parties of the Company within the definition specified in ASX Listing Rule 19.12. Accordingly, Shareholder approval is sought under ASX Listing Rule 10.14 to permit the issue of 9,000,000 Director Incentive Options to the Directors (and/or their nominees) as related parties of the Company on the terms set out in this Explanatory Statement and Annexure A.

The issue of the Director Incentive Options under Resolutions 5 to 7 will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1, as those Director Incentive Options (once issued) will be excluded from the calculations under ASX Listing Rule 7.1.

For the purposes of Listing Rule 10.14, the following information is provided to Shareholders in relation to Resolutions 5 to 7:

(a) **Maximum number of securities to be issued**

The maximum number of Director Incentive Options proposed to be issued to each Director (and/or its nominees) is as follows:

Director	Number of Director Incentive Options
Mr Yakov Temov	4,000,000
Mr Jason Ferris	4,000,000
Mr Blaise Thomas	1,000,000
Total	9,000,000

(b) **Terms for each Incentive Option**

The Director Incentive Options are issued for no cash consideration. The key terms of the Director Incentive Options to be issued under Resolutions 5 to 7 are set out in the following table:

Key Terms	
Expiry Date	36 months from the date of issue
Exercise Price	\$0.05
Shares Issued	Fully paid ordinary shares which rank equally with existing Shares on issue
Vesting Criteria	Immediately upon issue

Full terms and conditions of the Director Incentive Options are set out in Annexure A.

(c) **Persons referred to in Listing Rule 10.14 who received securities under the Employee Incentive Plan since the last approval**

No persons referred to in Listing Rule 10.14 have ever received any securities under the Employee Incentive Plan.

(d) **Persons referred to in Listing Rule 10.14 entitled to participate in the Employee Incentive Plan**

Yakov Temov, Jason Ferris and Blaise Thomas (and/or their nominees).

(e) **Loans in relation to acquisition of Director Incentive Options**

There are no loans in relation to the acquisition of Director Incentive Options.

(f) **Date by which entity will issue the securities**

The Director Incentive Options will be issued as soon as possible after the General Meeting and in any event, no later than 12 months after the General Meeting (or such later date to the extent permitted by any ASX waiver of the ASX Listing Rules).

8.4 Directors Recommendations

Each Director, as a recipient of the Director Incentive Options, has a material personal interest in the outcome of the Resolution that applies specifically to him.

No Director has a material personal interest in the outcome of Resolutions 5 to 7 other than in respect of the proposed issue of Director Incentive Options to him or his nominee.

Resolution 5

Mr Yakov Temov expresses no opinion and makes no recommendation in respect of the issue of the Director Incentive Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 5.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Director Incentive Options to Mr Yakov Temov (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Director Incentive Options:

- (i) provides a long-term incentive to Mr Temov linked to the future success of the Company;
- (ii) is a fair and reasonable alternative to additional cash payment of Director's fees;

- (iii) recognises the contribution Mr Temov has and will continue to make to the Company; and
- (iv) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment.

Resolution 6

Mr Jason Ferris expresses no opinion and makes no recommendation in respect of the issue of the Director Incentive Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 6.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Director Incentive Options to Mr Jason Ferris (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Director Incentive Options:

- (i) provides a long-term incentive to Mr Ferris linked to the future success of the Company;
- (ii) is a fair and reasonable alternative to additional cash payment of Director's fees;
- (iii) recognises the contribution Mr Ferris has and will continue to make to the Company; and
- (iv) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment.

Resolution 7

Mr Blaise Thomas expresses no opinion and makes no recommendation in respect of the issue of the Director Incentive Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 7.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Director Incentive Options to Blaise Thomas (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Director Incentive Options:

- (i) provides a long-term incentive to the Mr Thomas linked to the future success of the Company;
- (ii) is a fair and reasonable alternative to additional cash payment of Director's fees;
- (iii) recognises the contribution Mr Thomas has and will continue to make to the Company; and
- (iv) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment.

9 Resolution 8 - Approval of 10% Placement Facility

9.1 General

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

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

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

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

The Board believes that Resolution 8 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

9.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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

As at the date of this Notice of Annual General Meeting, the only quoted Equity Securities that the Company has on issue are its 887,916,052 Shares.

(c) Formula for calculating 10% Placement Facility

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

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

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

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

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

D is 10%.

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days 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.

(f) 10% Placement Period

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

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

or such longer period if allowed by ASX (**10% Placement Period**).

9.3 Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of Equity Securities in the same class calculated 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 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. 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 Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

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

The table also shows:

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

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.0155 50% decrease in Market Price	\$0.031 Current Market Price	\$0.062 100% increase in Market Price
Current Variable A 887,916,052	10% Voting Dilution	88,791,605 Shares	88,791,605 Shares	88,791,605 Shares
	Funds raised	\$1,376,269.88	\$2,752,539.76	\$5,505,079.52
50% increase in current Variable A 1,331,874,078	10% Voting Dilution	133,187,408 Shares	133,187,408 Shares	133,187,408 Shares
	Funds raised	\$2,064,404.82	\$4,128,809.64	\$8,257,619.28
100% increase in current Variable A 1,775,832,104	10% Voting Dilution	177,583,210 Shares	177,583,210 Shares	177,583,210 Shares
	Funds raised	\$2,752,539.76	\$5,505,079.52	\$11,010,159.04

The table has been prepared on the following assumptions:

- 1 The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- 2 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%.
- 3 The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- 4 The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- 5 The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- 6 The issue price is \$0.031, being the closing price of Shares on the ASX on 12 October 2017.

- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

- (ii) cash consideration. In such circumstances, the Company may use the funds raised towards its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisitions) and general working capital.

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

- (e) 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 persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the purpose of the issue;
 - (ii) 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;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the financial situation and solvency of the Company; prevailing market conditions; and
 - (v) advice from corporate, financial and broking advisers (if applicable).

The persons issued securities under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but are likely to be investors which are sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. No Equity Securities will be issued under Listing Rule 7.1A to related parties of the Company.

If the Company is successful in acquiring new assets or investments, it is likely that the persons issued securities under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company obtained Shareholder approval under Listing Rule 7.1A at the annual general meeting held on 30 November 2016.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
- (h) During the 12 months preceding the date of the Meeting the Company has or will have issued a total of 103,000,000 equity securities, representing 13.04% of the total number of equity securities on issue at the commencement of that 12 month period.

Date of issue	(i) 11 April 2017 (ii) 12 October 2017 (iii) Share Issue anticipated during October 2017
Number issued	(i) 3,000,000 (ii) 95,000,000 (iii) 5,000,000
Class of Security	(iv) Ordinary Fully Paid Shares (v) Ordinary Fully Paid Shares (vi) Ordinary Fully Paid Shares

Persons who received securities	(i) Corporate Advisors of the Company pursuant to a corporate advisory mandate. (ii) Sophisticated Investors under the October Placement (iii) Sophisticated Investors under the October Placement
Price (per Share)	(i) Nil (ii) \$0.03 (iii) \$0.03
Discount to market	(i) Not applicable (ii) 3.2% (iii) 3.2%
Non cash consideration	(i) Corporate Advisory Services provided to the Company pursuant to a corporate advisory mandate (ii) Nil (iii) Nil
Current value of non-cash consideration	(i) \$93,000 (ii) Not applicable (iii) Not applicable
Total cash consideration	(i) Not applicable (ii) \$2,850,000 (iii) \$150,000
Amount of cash spent	(i) Not applicable (ii) 0% (iii) 0%
Use of cash	(i) Not applicable (ii) General working capital as the Company seeks to meet increasing purchase orders (iii) General working capital

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Advisory Shares	a fully paid ordinary share in the capital of the Company issued to corporate advisors (as contemplated by Resolution 3).
Annexure	an annexure to this Explanatory Statement.
Annual General Meeting or Meeting	the annual general meeting of the Shareholders convened by the Notice of Meeting.
Annual Report	the Company's annual report for the year ended 30 June 2017 comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's report.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in sections 11-17 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
ASX Listing Rules	the official listing rules of the ASX.
Board	the board of Directors.
Chair	the chair of the Meeting.
Closely Related Party	a closely related party to Key Management Personnel as defined in Section 9 of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Employee Incentive Plan or Plan	the employee incentive plan of the Company.
Exempt Investor	a professional and/or sophisticated investor for the purposes of section 708 of the Corporations Act.
Existing Shares	the 887,916,052 fully paid ordinary Shares issued as at the date of the Notice of Meeting.
Explanatory Statement	this Explanatory Statement accompanying the Notice of Meeting.
Key Management Personnel	the key management personnel of the Company as defined in section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Notice or Notice of Meeting	the notice convening the Annual General Meeting accompanying this Explanatory Statement.

October Placement	the placement raising completed in October 2017 of \$3,000,000 through the issue of 100,000,000 Shares at \$0.03 per share (as contemplated by Resolution 4).
Proxy Form	the proxy form attached to this Notice.
Remuneration Report	the section of the Directors' Report in the Annual Report of the Company entitled "Remuneration Report".
Resolution	a resolution to be considered at the Annual General Meeting or contained in the Notice of Meeting.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of a Share.
WST	Western Standard Time in Australia.

Annexure A – Terms of Director Incentive Options

Connected Limited (“Company”) – Director Incentive Option Terms

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Expiry Date**

Each Option will expire at 5.00pm (WST) on the date that is 3 years after the date that the Option is issued (**Expiry Date**).

(c) **Exercise Price**

Each Option will have an exercise price equal to \$0.05 (**Exercise Price**).

(d) **Exercise period and lapsing**

Subject to clause (i), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(e) **Exercise Notice and payment**

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Payment in connection with the exercise of Options must be in Australian currency, and made payable to the Company in cleared funds.

(f) **Shares issued on exercise**

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of Shares**

Subject to clause (i) (Shareholder and regulatory approvals), within 5 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price in cleared funds for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price in cleared funds for each Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and

- (v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

If the Company is unable to lodge a notice that complies with section 708A(5)(e) of the Corporations Act then the Company may, in its absolute discretion, issue the Shares after the lodgement of a disclosure document issued by the Company complying with Part 6D.2 of the Corporations Act in respect of an offer of Shares or, if agreed by the holder, issue the Shares after the holder signs an undertaking not to deal in the Shares for 12 months from their issue, and agrees to a holding lock being placed on the Shares for the 12 month period.

(i) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) **Quotation**

The Company will not apply for quotation of the Options on ASX.

(o) **Transferability**

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

**Connected IO Limited
ACN 009 076 233**

PROXY FORM

I/We

of

being a member of Connected IO Limited ACN 009 076 233 entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

OR

the Chairman of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting, or the Chairman's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 10.30am (WST) on the offices of Trident Capital, Level 24, 44 St Georges Terrace, Perth WA 6000 on Wednesday 29 November 2017, and at any adjournment thereof.

The Company will disregard any votes cast on Resolutions 1 and 5 to 7 by any person (including the Chair) who is an excluded person as proxy on your behalf unless you mark the appropriate box opposite Resolutions 1 and 5 to 7 in the panel below (directing the person to vote for, against or to abstain from voting).

The Chair intends to vote all available proxies in favour of all Resolutions. If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (directing the Chair to vote for, against or to abstain from voting).

OR

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report – 2017 Annual Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Blaise Thomas as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of issue of Advisory Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of issue of Shares under October Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Director Incentive Options to Mr Yakov Temov	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of issue of Director Incentive Options to Mr Jason Ferris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of issue of Director Incentive Options to Mr Blaise Thomas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Date: _____

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Proxy Form

1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chairman of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chairman will be your proxy. A proxy need not be a Shareholder.

3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

4. Signing instructions

You must sign this form as follows in the spaces provided:

- **(Individual)** Where the holding is in one name, the holder must sign.
- **(Joint holding)** Where the holding is in more than one name, all of the shareholders should sign.
- **(Power of Attorney)** If you have not already lodged the Power of Attorney with the Company's share registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies)** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, as sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any Power of Attorney and/or second Proxy Form) and return by:

- post to the Company at c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, Western Australia 6000; or
- facsimile to the Company on (08) 9218 8875,

so that it is received by no later than 10.30am (WST) on 27 November 2017. **Proxy Forms received later than this time will be invalid.**