



SYN TONIC LIMITED
ACN 123 867 765

NOTICE OF GENERAL MEETING

A general meeting of the Company will be held at 945 Wellington Street, West Perth, Western Australia 6005 on Friday, 7 June 2019 at 10.00am (WST).

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

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9322 7600

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

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SYNTONIC LIMITED

ACN 123 867 765

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Syntonic Limited (**Company**) will be held at 945 Wellington Street, West Perth, WA 6005 on 7 June 2019 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 5 June 2019 at 10.00am (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

1. RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE OF DECEMBER PLACEMENT SHARES

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 201,999,998 Shares on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the December Placement or an associate of those persons.

However, the Company need 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) 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.

2. RESOLUTION 2 - RATIFICATION OF PRIOR ISSUE OF APRIL PLACEMENT SHARES

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 233,336,450 Shares on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the April Placement or an associate of those persons.

However, the Company need 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) 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.

3. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF COMMITMENT SHARES

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 3,737,500 Shares on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Obsidian Global Partners LLC or any of its associates.

However, the Company need 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) 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.

4. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF INITIAL CONVERTIBLE NOTES

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 950,000 Initial Convertible Notes on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Obsidian Global Partners LLC or any of its associates.

However, the Company need 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) 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.

5. RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE OF CONVERSION SHARES

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 12,706,367 Shares on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Obsidian Global Partners LLC or any of its associates.

However, the Company need 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) 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.

6. RESOLUTION 6 - APPROVE ISSUE OF REPLACEMENT CONVERTIBLE NOTES

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 950,000 Replacement Convertible Notes on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Obsidian Global Partners LLC or any of its associates.

However, the Company need 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) 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.

7. RESOLUTION 7 - APPROVE ISSUE OF TRANCHE 2 CONVERTIBLE NOTES

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 750,000 Tranche 2 Convertible Notes on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Obsidian Global Partners LLC or any of its associates.

However, the Company need 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) 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.

8. RESOLUTION 8 - ADOPTION OF NEW INCENTIVE OPTION PLAN

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.2, exception 9 and for all other purposes, Shareholders approve the New Incentive Option Plan and the issue of Options and the issue of the underlying Shares upon exercise of such Options on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any of their associates.

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) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 - RATIFICATION OF PRIOR ISSUE OF OPTIONS

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 15,000,000 Options to Mr Gavin Dunhill on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Gavin Dunhill or any of his associates.

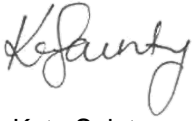
The Company will not disregard a vote if:

- (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) it is cast by the Chairman 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.

Dated: 9 May 2019

By order of the Board

A handwritten signature in black ink, appearing to read 'Kate Sainty', written in a cursive style.

Kate Sainty
Joint Company Secretary

SYNTONIC LIMITED

ACN 123 867 765

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 945 Wellington Street, West Perth, WA 6005 on Friday, 7 June 2019 at 10.00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Background
Section 4:	Resolutions 1 and 2 – Ratification of Prior Issue of December Placement Shares and April Placement Shares
Section 5:	Resolution 3 – Ratification of Prior Issue of Commitment Shares
Section 6:	Resolution 4 – Ratification of Prior Issue of Initial Convertible Notes
Section 7:	Resolution 5 – Ratification of Prior Issue of Conversion Shares
Section 8:	Resolution 6 - Approve issue of Replacement Convertible Notes
Section 9:	Resolution 7 - Approve issue of Tranche 2 Convertible Notes
Section 10:	Resolution 8 - Adoption of Incentive Option Plan
Section 9:	Resolution 9 - Ratification of Prior Issue of Options
Schedule 1:	Definitions
Schedule 2:	Terms and Conditions of the Convertible Notes
Schedule 3:	Summary of Incentive Option Plan
Schedule 4:	Details of Issues of Equity Securities
Schedule 5:	Summary of the Terms and Conditions of the Options

A Proxy Form is located at the end of this Explanatory Memorandum.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10.00am (WST) on 5 June 2019 being at least 48 hours before the Meeting

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibitions by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolution 8 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. BACKGROUND

On 24 December 2018, the Company announced that it had completed the issue and allotment of 201,999,998 Shares at \$0.0055 each (**December Placement Shares**) in respect to a placement to new and existing sophisticated investors (**December Placement**). Resolution 1 seeks Shareholder approval to ratify the issue of the December Placement Shares.

On 3 April 2019, the Company announced that it had:

- (a) received firm commitments for a placement of 233,336,450 Shares at an issue price of A\$0.0079 per Share to existing and new sophisticated and professional investors to raise A\$1.84 million (before costs) (**April Placement**); and
- (b) entered into a convertible securities agreement with Obsidian Global Partners LLC (**Obsidian**) pursuant to which it had agreed to issue secured Convertible Notes (**Convertible Securities Agreement**).

On 9 April 2019, the Company:

- (a) announced that it had completed the allotment and issue of 233,336,450 Shares under the April Placement (**April Placement Shares**);
- (b) announced that it had issued 3,737,500 Shares at a price of A\$0.0079 per Share (**Commitment Shares**) to Obsidian as part payment for a commitment fee in respect to the Initial Convertible Notes (refer below); and
- (c) lodged a prospectus (**Prospectus**) in respect to the issue of the initial tranche of 1,000,000 Convertible Notes (**Initial Convertible Notes**) which will be subject to a maximum cap on conversion of 152,640,050 Shares (**Maximum Cap**) and to remove any trading restrictions on the sale of the Placement Shares and Commitment Shares.

Resolution 2 seeks Shareholder approval to ratify the issue of the April Placement Shares and Resolution 3 seeks Shareholder approval to ratify the issue of the Commitment Shares.

On 10 April 2019, the Company announced that it had completed the allotment of 1,000,000 Initial Convertible Notes subject to the Maximum Cap to Obsidian following the receipt of US\$1.0 million (\$1.42 million). As at the date of this Notice, Obsidian has converted 50,000 Initial Convertible Notes and the Company has issued 12,706,367 Shares (**Conversion Shares**) in respect to the conversion. Resolution 4 seeks Shareholder approval to ratify the issue of, and the subsequent conversion of, the remainder of the Initial Convertible Notes, being 950,000 Convertible Notes. Resolution 5 seeks Shareholder approval to ratify the issue of the Conversion Shares.

Under the terms of the Convertible Securities Agreement, the Company must within 60 days from the issue of the Initial Convertible Notes, seek Shareholder approval to issue replacement Convertible Notes that will not be limited by the Maximum Cap (**Replacement Convertible Notes**). Refer to the ASX announcement dated 3 April 2019 and the Prospectus dated 9 April 2019 for further details. Subject to the Company obtaining Shareholder approval, the Company will cancel the Initial Convertible Notes and issue the Replacement Convertible Notes. Resolution 6 seeks Shareholder approval for the issue of the Replacement Convertible Notes. Shareholders should note that if Resolution 6 is not passed, and the Initial Convertible Notes are not cancelled and replaced, the Initial Convertible Notes will mature 90 days following the date of issue, which occurred on 10 April 2019.

The Convertible Securities Agreement also provides that the Company may, at its election and subject to Shareholder approval, issue further 1,500,000 Convertible Notes to Obsidian. Resolution 7 seeks Shareholder approval for the proposed issue of an additional 750,000 Convertible Notes (**Tranche 2 Convertible Notes**).

In addition, the Company is also seeking to ratify the prior issue of 15,000,000 Options to Mr Gavin Dunhill. Mr Dunhill was appointed as a strategic advisor to the Board and the Options were issued as part of his remuneration. Resolution 9 seeks to ratify the prior issue of 15,000,000 Options to Mr Dunhill.

4. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

4.1 General

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the prior issue of the December Placement Shares and April Placement Shares.

4.2 Resolution 1 - Listing Rule 7.1

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

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and

provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that previous issues did not breach Listing Rule 7.1.

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

4.3 Resolution 2 - Listing Rule 7.1A

Listing Rule 7.1A provides that, in addition to the issues under Listing Rule 7.1, a company which has obtained the approval of holders of ordinary securities under Listing Rule 7.1A may issue or agree to issue during any 12 month period, that amount which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1A. The Company confirms that previous issues did not breach Listing Rule 7.1.

By ratifying this issue, the Company will retain flexibility to issue equity securities in the future up to the 10% of the annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.4 Specific Information Required by Listing Rule 7.5

For the approval of the placement under Listing Rule 7.4, the following information is required pursuant to and in accordance with Listing Rule 7.5:

- (a) the Company issued 435,336,448 Shares on the following basis:
 - (i) 201,999,998 Shares issued pursuant to Listing Rule 7.1 on 24 December 2019; and
 - (ii) 233,336,450 Shares issued pursuant to Listing Rule 7.1A on 9 April 2019;
- (b) the December Placement Shares had an issue price of \$0.0055 each to raise A\$1.1 million (before costs);
- (c) the April Placement Shares had an issue price of \$0.0079 each to raise \$1.84 million (before costs);
- (d) the December Placement Shares and April Placement Shares were issued to existing and new sophisticated and professional investors identified by the lead managers;
- (e) the funds raised will provide the Company with working capital to accelerate its growth to capture, manage, and support its pipeline of potential clients and will be used for expanding the Company's general working capital expenditure;
- (f) a voting exclusion statement is included in the Notice for Resolutions 1 and 2.

Resolutions 1 and 2 are ordinary resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolutions 1 and 2.

4.5 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 1 and 2.

5. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF COMMITMENT SHARES

5.1 General

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Commitment Shares.

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

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that previous issues did not breach Listing Rule 7.1.

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

5.2 Specific Information Required by Listing Rule 7.5

For the approval of the placement under Listing Rule 7.4, the following information is required pursuant to and in accordance with Listing Rule 7.5:

- (a) 3,737,500 Shares were issued;
- (b) the Commitment Shares had an issue price of A\$0.0079 per Share
- (c) the Commitment Shares were issued to Obsidian pursuant to the Convertible Securities Agreement (refer to the ASX announcement dated 3 April 2019);
- (d) no funds will be raised from the issue of the Commitment Shares as they are being issued for nil cash consideration but as part payment for a commitment fee in respect to the Initial Convertible Notes; and
- (e) a voting exclusion statement is included in the Notice for Resolution 3.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

5.3 Director Recommendation

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

6. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF INITIAL CONVERTIBLE NOTES

6.1 General

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Initial Convertible Notes being, as at the date of this Notice, 950,000 Initial Convertible Notes.

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

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that previous issues did not breach Listing Rule 7.1.

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

If Shareholders approve Resolution 4, the Shares issued on conversion of the Initial Convertible Notes, including any Shares issued prior to the Meeting, will also be issued without utilising the Company's existing placement capacity (in reliance of Listing Rule 7.2, Exception 4).

6.2 Specific Information Required by Listing Rule 7.5

For the approval of the placement under Listing Rule 7.4, the following information is required pursuant to and in accordance with Listing Rule 7.5:

- (a) 950,000 Initial Convertible Notes were issued;
- (b) the Initial Convertible Notes had an issue price of US\$1.00 and the face value of each Initial Convertible Note was US\$1.15;
- (c) the 950,000 Initial Convertible Notes may convert to up to a maximum of 139,933,683 Shares based on a face value of US\$1.15 at a price that is the lesser of:
 - (i) 90% lowest trading VWAP during the 5 trading days prior to the conversion notice date; and
 - (ii) a fixed conversion price of A\$0.015;
- (d) the Shares issued on conversion will be fully paid ordinary shares in the capital of the Company issued on the same terms as existing Shares;
- (e) the Initial Convertible Notes were issued on the terms and conditions detailed in Schedule 2 of this Notice;
- (f) the Initial Convertible Notes were issued to Obsidian pursuant to the Convertible Securities Agreement;
- (g) the funds raised from the issue will provide the Company with working capital to accelerate its growth to capture, manage, and support its pipeline of potential clients and will be used for expanding the Company's global sales and support team and general working capital expenditure; and
- (h) a voting exclusion statement is included in the Notice for Resolution 4.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

6.3 Director Recommendation

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

7. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF CONVERSION SHARES

7.1 General

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Conversion Shares.

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

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that previous issues did not breach Listing Rule 7.1.

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

7.2 Specific Information Required by Listing Rule 7.5

For the approval of the placement under Listing Rule 7.4, the following information is required pursuant to and in accordance with Listing Rule 7.5:

- (a) 12,706,367 Shares were issued;
- (b) the Conversion Shares had an issue price of A\$0.0063 per Share
- (c) the Conversion Shares were issued to Obsidian pursuant to the conversion of 50,000 Initial Convertible Notes;
- (d) no funds will be raised from the issue of the Shares as they are being issued for nil cash consideration; and
- (e) a voting exclusion statement is included in the Notice for Resolution 5 .

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

7.3 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

8. RESOLUTION 6 - APPROVE ISSUE OF REPLACEMENT CONVERTIBLE NOTES

8.1 General

Resolution 6 seeks Shareholder approval for the issue of the Replacement Convertible Notes to Obsidian (and/or its nominees).

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

The effect of Resolution 6 will be to allow the Company to issue the Replacement Convertible Notes during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

Resolution 6 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 6.

8.2 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of Replacement Convertible Notes to be issued is 950,000;
- (b) the Replacement Convertible Notes will have an issue price of US\$1.00 each and a face value of US\$1.15 each;
- (c) each Replacement Convertible Notes is convertible based on the face value of US\$1.15 at a price that is the lesser of:
 - (i) 90% lowest trading VWAP during the 5 trading days prior to the conversion notice date; and
 - (ii) a fixed conversion price of A\$0.015;
- (d) the Replacement Convertible Notes will be issued to Obsidian (and/or its nominees);
- (e) the Replacement Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the Replacement Convertible Notes will be issued on the terms and conditions detailed in Schedule 2 of this Notice;
- (g) no funds will be raised from the issue of the Shares as they are being issued for nil cash consideration to replace the Initial Convertible Notes;
- (h) the issue of all of the Replacement Convertible Notes will occur within 5 business days following completion of the Meeting; and
- (i) a voting exclusion statement is included in the Notice for Resolution 6.

8.3 Directors recommendation

Directors recommend that Shareholders vote in favour of Resolution 6.

9. RESOLUTION 7 - APPROVE ISSUE OF TRANCHE 2 CONVERTIBLE NOTES

9.1 General

Under the terms of the Convertible Securities Agreement, the Company may elect to issue to Obsidian (and/or its nominee) additional Convertible Notes. The Company seeks Shareholder approval for the proposed issue of Tranche 2 Convertible Notes to Obsidian (and/or its nominee).

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

The effect of Resolution 4 will be to allow the Company to issue Tranche 2 during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity

Resolution 7 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 7.

9.2 Specific information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of Tranche 2 Convertible Notes proposed to be issued is 750,000;
- (b) the Tranche 2 Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Tranche 2 Convertible Notes will have an issue price of US\$1.00 each and a face value of US\$1.15 each;
- (d) each Tranche 2 Convertible Notes is convertible based on the face value of US\$1.15 at a price that is the lesser of:
 - (i) 90% lowest trading VWAP during the 5 trading days prior to the conversion notice date; and
 - (ii) a fixed conversion price of A\$0.015;
- (e) Tranche 2 Convertible Notes will be issued to Obsidian (and/or its nominees);
- (f) Tranche 2 Convertible Notes will be issued on the terms and conditions detailed in Schedule 2 of this Notice
- (g) the funds raised from the issue will provide the Company with working capital to accelerate its growth to capture, manage, and support its pipeline of potential clients and will be used for expanding the Company's global sales and support team and general working capital expenditure;
- (h) if the Company elects to issue the Tranche 2 Convertible Notes, the issue of all of the Tranche 2 Convertible Notes will occur within 15 business days following completion of the Meeting; and
- (i) a voting exclusion statement is included in the Notice for Resolution 7.

9.3 Directors recommendation

Directors recommend that Shareholders vote in favour of Resolution 7.

10. RESOLUTION 8 - ADOPTION OF NEW INCENTIVE OPTION PLAN

10.1 General

At the Company's general meeting held on 1 November 2017, Shareholders adopted the Company's current incentive option plan (**Incentive Option Plan**). The purpose of the Incentive Option Plan is to ensure that the Company has appropriate mechanisms to continue to engage, attract, retain and incentivise the services of directors and employees of a high calibre.

Since 1 November 2017, the Company has (amongst other matters) undertaken a number of equity capital raisings, including the December Placement, the April Placement and the issue of the Initial Convertible Notes, to (amongst other matters) provide the Company with working capital to

accelerate its growth to capture, manage, and support its pipeline of potential clients and, as a result of these activities, the total issued share capital of the Company has increased. Accordingly, having regard to the increase in the total issued share capital of the Company, the Company seeks to increase the maximum number of Shares that may be issued upon the exercise of Options from 200,000,000 Shares (being approximately 10% of the then issued share capital of the Company) to 320,000,000 (being approximately 10% of the current issued share capital of the Company).

The Company considers that the amendments of the Incentive Option Plan to increase the maximum number of Shares that may be issued upon the exercise of any Option constitutes a material change to the Incentive Option Plan, and, in accordance with Listing Rule 7.2 exception 9, seeks shareholder approval to adopt the a new incentive option plan (**New Incentive Option Plan**).

The material change from the Incentive Option Plan as approved by Shareholders on 1 November 2017 compared the New Incentive Option Plan subject to Shareholder approval pursuant to this Resolution is to amend the number of Options that may be offered pursuant of the New Incentive Option Plan (refer to subparagraph (n) of Schedule 3).

A summary of the key terms of the New Incentive Option Plan are detailed in Schedule 3.

Resolution 8 is an ordinary resolution.

10.2 Listing Rule 7.1 and Listing Rule 7.2, Exception 9

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as a Performance Right), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 9 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 9 is that any issues of securities under the New Incentive Option Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 9 lasts for a period of three years.

The Company adopted the Incentive Option Plan on 1 November 2017. For the reasons set out in Section 10.1 above, the Company is seeking to adopt the New Incentive Option Plan and the Company's ability to issue Options under the New Incentive Option Plan as an exception to Listing Rule 7.1, for a period of a further three years from the date on which Resolution 8 is passed.

A summary of the material terms of the New Incentive Option Plan is set out in Schedule 3 to this Notice. A copy of the New Incentive Option Plan can be obtained by contacting the Company.

10.3 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 exception 9, information is provided as follows:

- (a) the material terms of the New Incentive Option Plan are summarised in Schedule 3;
- (b) the date of the last approval under Listing Rule 7.2 exception 9 with respect to the Incentive Option Plan is 1 November 2017;
- (c) since 1 November 2017, the Company has issued the following Options under the Incentive Option Plan:
 - (i) 17,286,763 on 6 July 2018; and
 - (ii) 97,167,357 on 14 November 2018,(refer to Schedule 4 for further details); and
- (d) a voting exclusion statement is included in the Notice for Resolution 8.

10.4 Directors recommendation

As the Directors are entitled to participate in the New Incentive Option Plan, they make no recommendation in relation to Resolution 8.

11. RESOLUTION 9 - RATIFICATION OF PRIOR ISSUE OF OPTIONS

11.1 General

As part of Mr Gavin Dunhill's remuneration, the Company issued to Mr Dunhill 15,000,000 Options on 24 January 2019.

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12-month 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.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that previous issues did not breach Listing Rule 7.1.

The effect of passing Resolution 9 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 9 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 9 .

11.2 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided as follows:

- (a) 15,000,000 Options were issued on 24 January 2019;
- (b) the Options were issued for nil cash consideration pursuant to Mr Gavin Dunhill's appointment as a strategic advisor to the Board.
- (c) no funds were raised from the grant of the Options.
- (d) the Options were issued on the terms and conditions contained in Schedule 5 and are comprise of:
 - (i) 5,000,000 Options exercisable at \$0.02 each on or before 1 January 2024; and
 - (ii) 10,000,000 Options exercisable at \$0.04 each on or before 1 January 2024;
- (e) a voting exclusion statement is included in the Notice for Resolution 9.

11.3 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

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SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum:

\$ means Australian Dollars.

April Placement has the meaning given to it in Section 3.

April Placement Shares has the meaning given to it in Section 3.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Convertible Securities Agreement has the meaning given to it in Section 3.

Closely Related Party means:

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

Commitment Shares has the meaning given to it in Section 3.

Company means Syntonic Limited (ACN 123 867 765).

Conversion Shares has the meaning given to it in Section 3.

Convertible Note means a convertible note with the terms and conditions detailed in Schedule 2.

Corporations Act means the *Corporations Act 2001* (Cth).

December Placement has the meaning given to it in Section 3.

December Placement Shares has the meaning given to it in Section 3.

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Incentive Option Plan has the meaning given in Section 8.1.

Initial Convertible Notes has the meaning given to it in Section 3.

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

Listing Rules means the listing rules of ASX.

Managing Director means the managing director of the Company.

Maximum Cap has the meaning given to it in Section 3.

Meeting has the meaning in the introductory paragraph of the Notice.

New Incentive Option Plan has the meaning given in Section 8.1.

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Obsidian means Obsidian Global Partners LLC.

Office means office as a Director.

Option means an option which entitles the holder to subscribe for a Share.

Placement Shares has the meaning given in Section 3.

Prospectus has the meaning given to it in Section 3.

Proxy Form means the proxy form attached to the Notice.

Replacement Convertible Notes has the meaning given to it in Section 3.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means the share registry of the Company, which is currently Computershare Investor Services Pty Limited.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Tranche 2 Convertible Notes has the meaning given to it in Section 3.

VWAP means volume weighted average price of a Share as defined in the Listing Rules.

WST means Western Standard Time.

SCHEDULE 2 - TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

Detailed below is a summary of the key terms and conditions of the Convertible Notes issued or to be issued under the Convertible Securities Agreement, being the Initial Convertible Notes, the Replacement Convertible Notes and the Tranche 2 Convertible Notes:

(a) **Term**

The Initial Convertible Notes will mature on the date that is 90 days after the date of issue.

The Replacement Convertible Notes will mature on the date that is 12 months after the issue of the Initial Convertible Notes.

The Tranche 2 Convertible Notes will mature on the date that is 12 months after the date of issue.

(b) **Purchase Price and Face Value**

Each Convertible Note has a purchase price of US\$1.00 (**Purchase Price**) and a face value of US\$1.15 (**Face Value**).

(c) **Tranches and Issue Dates**

The Convertible Notes to be issued under the Convertible Securities Agreement will be issued as follows:

- (i) 1,000,000 Convertible Notes, being the Initial Convertible Notes;
- (ii) subject to the Company obtaining the requisite Shareholder approval within 60 days from the issue of the Initial Convertible Notes, the Company will cancel the Initial Convertible Notes and issue to Obsidian (and/or its nominees) the Replacement Convertible Notes that will not be limited to the Maximum Cap (defined below); and
- (iii) at the Company's election and subject to the Company obtaining the requisite Shareholder approval, the Company may issue up to an additional:
 - (A) 750,000 Convertible Notes, being the Tranche 2 Convertible Notes; and
 - (B) 750,000 Convertible Notes.

(d) **Conditions to Issue of Convertible Notes**

Prior to the issue of the Convertible Notes under the Convertible Securities Agreement, the Company must:

- (i) deliver to Obsidian:
 - (A) a Board resolution approving the issue;
 - (B) a signed certificate of compliance; and
 - (C) a signed purchase statement setting out the net Purchase Price; and
- (ii) pay the commitment fee (detailed in paragraph (e) below); and
- (iii) execute the General Security Agreement.

The Company has entered into a general security agreement (**General Security Agreement**) pursuant to which the Company has agreed to grant a charge and a security interest to Obsidian in respect to the whole of the undertaking, property and assets of the Company.

(e) **Commitment Fee**

The Company must pay to Obsidian a commitment fee of 2.5% of the Purchase Price.

(f) **Interest**

No interest is payable on the convertible notes, other than if an Event of Default (detailed below) occurs or if the Company fails to pay Obsidian when due an amount payable under the Convertible Securities Agreement, in which case interest shall be payable at a rate of 10% per annum accruing daily and compounded monthly from the date of the Event of Default or the date upon which the amount was required to be paid until the Company discharges the amount outstanding in full.

(g) **Security**

The Convertible Notes are secured by the General Security Agreement.

(h) **Conversion**

Prior to the maturity date, the noteholders may elect to convert some or all of the issued Convertible Notes provided the Face Value of the Convertible Notes being converted is A\$30,000 or more. Following such an election, the Face Value of the Convertible Notes being converted will convert into Shares at price that is the lesser of:

- (i) 90% lowest trading VWAP during the 5 trading days prior to the conversion notice date; and
- (ii) a fixed conversion price of A\$0.015 (**Fixed Conversion Price**).

The maximum number of Shares that the Initial Convertible Notes can convert into is 152,640,050 Shares (**Maximum Cap**).

Subsequent Convertible Notes to be issued following the Company obtaining Shareholder approval (including the Replacement Convertible Notes and the Tranche 2 Convertible Notes) will not be subject to the Maximum Cap.

(i) **Early Redemption by the Company**

Prior to the maturity date, the Company may elect to redeem all of the outstanding Convertible Notes by paying to the noteholders the redemption amount of 110% of the Face Value (**Redemption Amount**).

(j) **Early Redemption on raise**

Obsidian may at any time following the Company obtaining at least US\$2,000,000 in aggregate from any source, require the Company to apply up to the lesser of:

- (i) 25% of the proceeds of the raising that exceed US\$2,000,000; and
- (ii) 25% of the Face Value of the outstanding Convertible Notes,

to the redemption of outstanding Convertible Notes at the Redemption Amount by giving notice to the Company.

(k) **Amortisation Payments**

The Company must on each day which is 180 days after the date of purchase, and every 30th day after, redeem outstanding Convertible Notes at the Redemption Amount by paying to Obsidian in immediately available funds the lesser of:

- (i) US\$25,000; and
- (ii) 110% of the Face Value of the outstanding Convertible Notes issued at that purchase.

(l) **Protective Provisions**

- (i) Upon the occurrence of a consolidation, subdivision or pro-rata cancellation of the Company's issued capital, the fixed conversion price will be reduced or, as the case may be, increased, in the same proportion as the issued capital of the Company is, as the case may be, consolidated, subdivided or cancelled.
- (ii) If the Company:
 - (A) issues or agrees to issue Shares to any person at a per Share price which is less than the fixed conversion price;
 - (B) issues options to acquire Shares to any person with an exercise price which is less than the fixed conversion price; or
 - (C) issues any debt, equity or equity-linked securities to any person which are convertible into, exchangeable or exercisable for, or include the right to receive Shares or other securities at a fixed price which is less than the fixed conversion price,

(all of which prices will be a **Lesser Price**) then the fixed conversion price for the Replacement Convertible Notes and Tranche 2 Convertible Notes to be issued will be reduced to the Lesser Price.

(m) **Transferability**

The Convertible Notes may be assigned or transferred by Obsidian provided that the assignee executes a deed of covenant in favour of the Company agreeing to be bound by the terms of the Convertible Securities Agreement and is a sophisticated or professional investor as defined under the Corporations Act.

(n) **Events of Default**

The Events of Default are detailed below.

If an Event of Default occurs and either:

- (i) it is not capable of being remedied;
- (ii) it continues unremedied for a period of 10 business days; or
- (iii) there has been two or more previous Events of Default,

and the Event of Default has not been expressly waived by Obsidian in writing then Obsidian may:

- (iv) declare at any time by notice to the Company that the amount outstanding and all other amounts payable by the Company to Obsidian are immediately due and payable;
- (v) terminate the Convertible Securities Agreement; and/or
- (vi) exercise any other right, power or remedy granted to it under the Convertible Securities Agreement or at law.

If an unremedied Event of Default occurs, the Face Value of all outstanding Convertible notes will automatically increase by 10%.

(o) **Event of Default** are (amongst others) the following:

- (i) The Company fails to repay the Redemption Amount in respect of the convertible notes to Obsidian in cash on the Maturity Date.

- (ii) The Company breaches or otherwise fails to comply in full with any of its material obligations under the Convertible Securities Agreement and/or the General Security Agreement (and does not cure that breach or failure within 5 business days of notice of it by Obsidian) or any event of default (however described) occurs under the Convertible Securities Agreement and/or the General Security Agreement.
- (iii) Any of the materials delivered or written statements made by the Company is inaccurate, false or misleading in any material respect (including by omission), as of the date on which it is made or delivered.
- (iv) The Company (and/or its subsidiaries) admits that it is, is declared by a court of competent jurisdiction to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts as and when they become due.
- (v) The Company and/or its subsidiaries take action to reduce its capital or pass a resolution referred to in section 254N(1) of the Corporations Act.
- (vi) The convertible notes are not issued to Obsidian within 2 business days of the purchase date or Shares not issued to Obsidian within 2 business days of the date of lodgement of a cleansing prospectus.
- (vii) If ASX has determined that the Company has failed to comply with the Listing Rules in any material respect.
- (viii) A stop order, cessation of quotation, or removal of the Company or the Shares from the ASX Official List is requested by the Company or requested or imposed by any governmental authority, or the Shares are suspended from trading on ASX, after the execution date except for a suspension of trading not exceeding 10 trading days in a rolling twelve month period or as agreed by Obsidian.
- (ix) Any present or future liabilities, including contingent liabilities, of the Company and/or its subsidiaries for an amount or amounts totalling more than A\$250,000 are not satisfied on time, or become prematurely payable.
- (x) The Company or any of its subsidiaries is in default under a document or agreement (including a governmental authorisation) binding on it or its assets which has a material adverse effect.
- (xi) A material adverse effect occurs.
- (xii) The Company does not obtain Shareholder approval for the replacement of the Obsidian Notes.
- (xiii) The Company or any of its subsidiaries grants any security interest over any of its assets, or a security interest comes into existence over any assets of the Company or any of its subsidiaries (save for a permitted security), without the prior written consent of Obsidian.
- (xiv) Any event of default (however described) occurs under the General Security Agreement.

SCHEDULE 3 – SUMMARY OF INCENTIVE OPTION PLAN

- (a) **(Eligibility and Grant of Plan Options)**: The Board may grant options to acquire Shares under the Incentive Option Plan (**Incentive Option Plan**) (**Plan Options**) to any full or part time employee or director of the Company or subject to, and in accordance with, any necessary ASIC relief being obtained, a casual employee or contractor of the Company (**Eligible Participant**). Plan Options may be granted by the Board at any time.
- (b) **(Consideration)**: Unless the Plan Options are quoted on ASX, Plan Options will be issued for no more than nominal cash consideration.
- (c) **(Conversion)**: Each Plan Option is exercisable into one Share ranking equally in all respect with the existing issued Shares.
- (d) **(Exercise Price and Expiry Date)**: The exercise price and expiry date for Plan Options granted under the Incentive Option Plan will be determined by the Board prior to the grant of the Plan Options.
- (e) **(Exercise Restrictions)**: The Plan Options granted under the Incentive Option Plan may be subject to conditions on exercise as may be fixed by the Board prior to grant of the Plan Options (**Exercise Conditions**). Any restrictions imposed by the Board must be set out in the offer for the Plan Options.
- (f) **(Renounceability)**: Eligible Participants may renounce their offer in favour of a nominee (the Eligible Participants and their nominees are each **Participants**).
- (g) **(Lapsing of Plan Options)**: Subject to the terms of the offer made to a Participant, an unexercised Plan Option will lapse:
- (i) on the Eligible Participant ceasing to be an Eligible Participant:
 - (A) any Exercise Conditions have not been met by the date the relevant person ceases to be an Eligible Participant (**Ceasing Date**); or
 - (B) where any Exercise Conditions have been met by the Ceasing Date or the Plan Option is not subject to any Exercise Conditions, the Participant does not exercise the Plan Option within a period of 6 months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);
 - (ii) if any Exercise Condition is unable to be met; or
 - (iii) the expiry date has passed.
- (h) **(Share Restriction Period)**: Shares issued on the exercise of Plan Options may, at the discretion of the Board, be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the Plan Options.
- (i) **(Disposal of Options)**: Plan Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.
- (j) **(Trigger Events)**: The Company may permit Plan Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (k) **(Participation)**: There are no participating rights or entitlements inherent in the Plan Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Plan Options.
- (l) **(Change in exercise price)**: A Plan Option will not confer a right to a change in exercise price or a change in the number of underlying Shares over which the Plan Option can be exercised.

- (m) **(Reorganisation):** If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

- (n) **(Limitations on Offers):** The Company must have reasonable grounds to believe that number of Shares that may be issued upon the exercise of any Plan Options offered to an Eligible Participant will not:
 - (i) if the offer is made in reliance on ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**), when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, exceed 5% of the total number of Shares on issue at the date of the offer; or

 - (ii) if the offer is not made in reliance on the Class Order, exceed the less of 10% of the total issued capital of the Company or 320,000,000 Shares.

SCHEDULE 4 DETAILS OF ISSUES OF EQUITY SECURITIES

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration
1.	6 July 2018	17,286,763	Incentive unlisted options exercisable at \$0.014 each on or before 6 July 2028, subject to vesting conditions	Employees and advisors of the Company pursuant to the Company's employee incentive stock option plan	Nil	NA	<p>Total consideration: Nil</p> <p>If cash consideration, amount of consideration spent (A\$): N/A</p> <p>If cash consideration, what consideration was spent on: N/A</p> <p>If cash consideration, intended use for remaining consideration: N/A</p> <p>If non cash consideration, current value: Based on the Black Scholes pricing model, the options would have a value of \$226,751.</p>
2.	14 November 2018	97,167,357	Unquoted options exercisable at \$0.009 each on or before 14 November 2028	U.S. employees and advisors of the Company Issue of incentive stock options to U.S. employees and advisors of the Company pursuant to the Company's Incentive Option Plan	Nil	N/A	<p>Total consideration: Nil</p> <p>If cash consideration, amount of consideration spent (A\$): N/A</p> <p>If cash consideration, what consideration was spent on: N/A</p> <p>If cash consideration, intended use for remaining consideration: N/A</p> <p>If non cash consideration, current value: Based on the Black Scholes pricing model, the options would have a value of \$621,897</p>

SCHEDULE 5 - SUMMARY OF TERMS AND CONDITIONS OF OPTIONS

1. Entitlement

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

2. Exercise Price, Vesting Date and Expiry Date

The Exercise Price, Vesting Date, and Expiry Date of each Option is referred to in the below table:

Number	Exercise Price	Vesting Date	Expiry Date
5,000,000	\$0.02	Following the completion of 12 months' of service under his agreement	1 January 2024
10,000,000	\$0.04	Following the completion of 24 months' of service under his agreement	1 January 2024

3. Change in Control

The Options will immediately vest if a Change in Control Event occurs in respect of the Shares and/or assets of the Company. For the purposes of this item 3, a “**Change in Control Event**” means:

- (a) an “**Asset Sale**” which means the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed; or
- (b) a “**Share Sale**” which means:
 - (i) the occurrence of the offer or under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares and that takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Options); or
 - (ii) the announcement by the Company that shareholders of the Company have, at a Court convened meeting of shareholders, voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.

4. Exercise Period

The Options are exercisable at any time after the Vesting Date in item 2 above and on or prior to the Expiry Date.

5. Notice of Exercise

- (a) The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised.
- (b) Any notice of exercise of an Option received by the Company (**Notice of Exercise**) will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (c) The Options must be exercised in minimum parcels of 50,000 Options, but the Board may, in its absolute discretion, accept a Notice of Exercise that does not comply with this item 5(c).

6. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

7. Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

8. Timing of issue of Shares and quotation of Shares on exercise

Within 15 Business Days after the later of the following:

- (a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (b) the earlier to occur of:
 - (i) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Notice of Exercise as set out in item 8(a) above; or
 - (ii) the holder elects that the Shares to be issued pursuant to the exercise of the Options will be subject to a holding lock for a period of 12 months in accordance with item 9 below,

the Company will:

- (c) allot and issue the Shares pursuant to the exercise of the Options;
- (d) in the circumstances where item 8(b)(i) applies, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares issued upon exercise of the Options for resale under section 708A(11) of the Corporations Act;
- (e) in the circumstances where item 8(b)(ii) applies, apply a holding lock in accordance with item 9 in respect of the Shares issued upon exercise of the Options; and
- (f) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

9. Holding lock

- (a) The holder may make an election as set out in item 9(b)(ii) at any time following delivery of a Notice of Exercise and payment of the Exercise Price for each Option being exercised.
- (b) If the holder makes an election pursuant to item 9(b)(ii), then:
 - (i) the Company will apply a holding lock on the Shares to be issued;
 - (ii) the Company shall release the holding lock on the Shares on the earlier to occur of:
 - A. the date that is 12 months from the date of issue of the Shares; or
 - B. the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
 - C. the date a transfer of the Shares occurs pursuant to item 9(b)(iii); and
 - (iii) the Shares shall be transferable by the holder and the holding lock will be lifted provided that:
 - A. the offer of the Shares for sale does not require disclosure under section 707(3) of the Corporations Act;

- B. the transferee warrants for the benefit of the holder and the Company that they are an exempt investor pursuant to one of the exemptions in section 708 of the Corporations Act; and
- C. the transferee of the Shares agrees to the holding lock applying to the Shares following their transfer for the balance of the period in item 9(b)(ii).

10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and the holder 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 ten business days after the issue is announced. This will give the holder the opportunity to exercise his Options prior to the date for determining entitlements to participate in any such issue.

11. 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):

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

12. Adjustment for rights issue

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

13. Adjustments for reorganisation

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

14. Adjustment for compliance with Listing Rules

The terms of the Options may be amended from time to time by the issue of a notice from the Company to the holder setting out the details of such amended terms. Any such amendment may only be made by the Company solely to the extent that it is necessary for the Company to comply with the Listing Rules.

15. Quotation of Options

No application for quotation of the Options will be made by the Company.

16. Options non transferable

The Options are transferable provided that the transfer of Options complies with section 707(3) of the Corporations Act.

17. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

SYNTONIC LIMITED

ACN 123 867 765

PROXY FORM

The Company Secretary
Syntonic Limited

By delivery:
945 Wellington Street
West Perth WA 6005

By post:
PO Box 1263
West Perth WA 6872

By facsimile:
+61 8 9322 7602

Name of Shareholder:

Address of Shareholder:

Number of Shares entitled to vote:

Please mark to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 - Appoint a Proxy to Vote on Your Behalf

The Chairperson of the Meeting (mark box)

OR if you are **NOT** appointing the Chairperson as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairperson of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at 10.00am (WST) on Friday, 7 June 2019, at 945 Wellington Street, West Perth, Western Australia 6005 and at any adjournment or postponement of that Meeting.

Important – If the Chairperson is your proxy or is appointed as your proxy by default

The Chairperson intends to vote all available proxies in favour of the Resolutions. If the Chairperson is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to a Resolution, you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on that Resolution even if that Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel or a Closely Related Party of Key Management Personnel.

Step 2 - Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Ratification of Prior Issue of December Placement Shares			
Resolution 2	Ratification of Prior Issue of April Placement Shares			
Resolution 3	Ratification of Prior Issue of Commitment Shares			
Resolution 4	Ratification of Prior Issue of Initial Convertible Notes			
Resolution 5	Ratification of Prior Issue of Conversion Shares			
Resolution 6	Approve Issue of Replacement Convertible Notes			
Resolution 7	Approve Issue of Tranche 2 Convertible Notes			
Resolution 8	Adoption of Incentive Option Plan			
Resolution 9	Ratification of Prior Issue of Options			

The Chairperson intends to vote all available and undirected proxies in favour of each Resolution.

In exceptional circumstances, the Chairperson may change his voting intent on any Resolution, in which case an ASX announcement will be made.

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name	Contact Daytime Telephone	Date
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Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

- Joint Holding: where the holding is in more than one name all of the holders must sign.
- Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
- Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (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 deposited at or received at the Perth office of the Company (PO Box 1263, West Perth WA 6872 or +61 8 9322 7602 if faxed or by email at sw@grangeconsulting.com.au) not less than 48 hours prior to the time of commencement of the Meeting (WST).