

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

SWIFT MEDIA LIMITED

ABN

54 006 222 395

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Unlisted Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 880,516 Convertible Notes |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>Unlisted convertible notes issued in replacement of the Convertible Notes issued on 25 and 25 September 2019 with a face value of \$1.00 per Note. Notes are unsecured with a Maturity date of 25 and 26 September 2020. The Notes are convertible at the lesser of:</p> <ol style="list-style-type: none">1. 92% of the average of the 5 lowest daily VWAP during the 20 actual trading days prior to the date of conversion (as notified in the relevant Conversion Notice), rounded down to the nearest cent; and2. 130% of the average of the daily VWAPs over the 5 actual trading days immediately prior to the purchase date of the relevant Convertible Notes, rounded down to the nearest cent. |

+ See chapter 19 for defined terms.

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4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No.</p> <p>The unlisted convertible notes are not quoted.</p> <p>Upon conversion of the convertible notes, the ordinary shares issued will rank equally with fully paid shares currently on issue.</p>
5	Issue price or consideration	\$Nil. Issued pursuant to the Convertible Securities Agreement in replacement of the Convertible Notes issued on 25 and 25 September 2019.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issue of Replacement Convertible Notes under the terms of the Convertible Securities Agreement
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	15 November 2019
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	880,516	
6f	Number of securities issued under an exception in rule 7.2	Nil	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 17,918,367 7.1A – 17,495,794	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	19 November 2019	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		168,333,092	Fully paid Ordinary Shares
		14,950,166	Fully paid Ordinary Shares subject to voluntary restriction until 15 Aug 2020

+ See chapter 19 for defined terms.

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9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		18,272,425	Class C Performance Shares. Conversion to ordinary shares at 1 ordinary share for 1 performance share.
		16,611,296	Class D Performance Shares. Conversion to ordinary shares at 1 ordinary share for 1 performance share.
		8,305,648	Class E Performance Shares. Conversion to ordinary shares at 1 ordinary share for 1 performance share.
		8,305,648	Class F Performance Shares. Conversion to ordinary shares at 1 ordinary share for 1 performance share.
		8,305,648	Class G Performance Shares. Conversion to ordinary shares at 1 ordinary share for 1 performance share.
		8,305,648	Class H Performance Shares. Conversion to ordinary shares at 1 ordinary share for 1 performance share.
		77,647	Deferred Options: Ex \$0.00, expiry 5 Sept 2022, vesting 5 Sept 2019.
		130,391	Class A Perf Rights. Conversion to 1 ordinary share for 1 performance right. Vesting 1 July 2019.
		Nil – Replaced 19 Nov 2019	Convertible Notes. Conversion to a maximum of 13,333,333 shares maturing 24 December 2019.
		880,516	Convertible Notes. Maturing 25 and 26 September 2020
		5,133,333	Options Ex \$0.15. expiry 19 May 2021,

+ See chapter 19 for defined terms.

1,000,000	Options Ex \$0.35 expiry 31 May 2021
1,000,000	Options Ex \$0.42 expiry 31 May 2021
692,818	2018 STI Rights. Conversion to 1 ordinary share for 1 right. Expiry 2 October 2023
1,066,717	2018 LTI Performance Rights. Conversion to 1 ordinary share for 1 right. Vesting 1 July 2020, Expiry 2 October 2023.

- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required?

- 12 Is the issue renounceable or non-renounceable?

- 13 Ratio in which the +securities will be offered

- 14 +Class of +securities to which the offer relates

- 15 +Record date to determine entitlements

- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

- 17 Policy for deciding entitlements in relation to fractions

- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.

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19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	

+ See chapter 19 for defined terms.

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
 (tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a) Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)


38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number N/A	+Class N/A

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Company Secretary)

Date: 19 November 2019

Print name:

Stephen Hewitt-Dutton

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	121,312,903
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	1,500,000– Exercise of options 1,071,341 – Conversion of 2018 STI Rights 790,191 – Conversion of 2017 Incentive Plan Rights 14,950,166 – Approved 12 Feb 2019 33,333,334 – Approved 26 Apr 2016 2,000,000 – Approved 15 Nov 2019
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	174,957,935

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	26,243,690
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	332,226 7,993,097
“C”	8,325,323
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	26,243,690
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	8,325,323
Total [“A” x 0.15] – “C”	17,918,367 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	174,957,935
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	17,495,794
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	Nil
“E”	Nil

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	17,495,794
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	17,495,794 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

19 November 2019

The Company Announcements Office
ASX Limited Via E Lodgement

Issue of Convertible Notes – Section 708A(12C)(e) Notice Not For Distribution to United States Newswire Services or for Dissemination in the United States

This cleansing notice (**Cleansing Notice**) is given by Swift Media Limited (ASX:SW1) (ACN 006 222 395) (**Swift** or the **Company**) under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally inserted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82).

The Company advises that it has today issued the convertible notes referred to in section 1 below without disclosure to investors under Part 6D.2 of the Corporations Act.

The purpose of this Cleansing Notice is to enable the fully paid ordinary shares in the capital of the Company (**Shares**) that may be issued on the conversion of the convertible notes to be on-sold to retail investors without further disclosure.

This Cleansing Notice is an important document and should be read in its entirety. Neither ASIC nor ASX takes any responsibility for the contents of this Cleansing Notice.

1 BACKGROUND

On 20 September 2019, the Company announced that it has secured debt funding from L1 Capital Global Opportunities Master Fund (**L1**) and Lind Global Macro Fund, LP (**Lind**)(together the **Investors**). The facility is in the form of a convertible securities agreement (**Convertible Securities Agreement**).

The Convertible Securities Agreement provides for four tranches of Convertible Notes, with the first tranche being drawn, and 1,000,000 Convertible Notes issued, on 25 and 26 September 2019 (the **Initial Convertible Notes**). Under the terms of the Convertible Securities Agreement the Initial Convertible Notes are to be replaced by the Replacement Tranche 1 Notes following shareholder approval, which was obtained at the Annual General Meeting held on 15 November 2019. The Replacement Tranche 1 Notes are on identical terms to the Initial Convertible Notes, except that they are not subject to the Share Cap and they will have a maturity date of 12 months after the date the Initial Convertible Notes were issued (being 25 and 26 September 2020).

The directors of the Company consider that the raising of capital by the issue of the Convertible Notes (as set out above) is in the best interests of the Company.

THE EFFECT OF THE ISSUE ON THE COMPANY

2.1 Summary

There is no financial effect on the Company by the issue of the Replacement Tranche 1 Notes as they are a replacement for the Initial Convertible Notes.

The Replacement Tranche 1 Notes may convert in whole or in part into Shares at the Conversion Price (see section 3 'Conversion terms' below). If the Replacement Tranche 1 Notes are converted, either in whole or in part, this will dilute existing shareholders in the Company. The effect of the conversion on the Company's capital structure is shown in section 2.3 below.

2.2 Pro forma consolidated statement of financial position of the Company taking into account the issue of the first tranche of Convertible Notes

- (a) Set out below is a pro forma consolidated statement of financial position of the Company as at 30 June 2019, based on the audited financial statements balance as at 30 June 2019 adjusted to reflect the issue of the Initial Convertible Notes and the Replacement Tranche 1 Notes, and prepared on the basis of the accounting policies normally adopted by the Company.
- (b) The pro forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to the annual financial statements. The pro forma financial information is not audited.
- (c) Cash proceeds of \$0.9 million (before costs and expenses) arising from the issue of 1,000,000 Initial Convertible Notes have been recognised. The Convertible Notes have been provisionally accounted for as financial liabilities, and presented in current Borrowings.
- (d) The issue of 7,993,097 Ordinary Shares at an issue price of \$0.145 per share on 22 October 2019 under the placement.
- (e) The issue of the Collateral shares on 20 September 2019 at an issue price of \$0.18 per share.
- (f) The redemption of 119,484 Convertible Notes under the Early Redemption clause following the capital raising announced on 17 October 2019.
- (g) The provisional accounting for the Convertible Notes and allocations between liabilities and equity may change in the future.

Proforma Balance Sheet	Opening balance 1 July 2019	Adjustments	Closing balance
Current Assets			
Cash at bank	422,771	1,913,100	2,335,871
Trade and other receivables	5,275,916	-	5,275,916
Inventory	531,708	-	531,708
Other current assets	494,569	-	494,569
Total Current Assets	6,724,964	1,913,100	8,638,064
Non Current Assets			
Trade and other receivables	3,502,557	-	3,502,557
Property, plant and equipment	3,120,664	-	3,120,664
Right of use assets	2,537,528	-	2,537,528
Other non current assets	454,630	-	454,630
Deferred tax assets	3,379,003	-	3,379,003
Intangibles	19,161,986	-	19,161,986
Total Non Current Assets	32,156,368	-	32,156,368
Total Assets	38,881,332	1,913,100	40,794,432
Current Liabilities			
Trade and other payables	8,110,543	-	8,110,543
Contract liabilities	1,375,876	-	1,375,876
Provisions	639,182	-	639,182
Borrowings	2,455,086	880,516	3,335,601
Financial liabilities	3,666,667	-	3,666,667
Lease liabilities	1,222,358	-	1,222,358
Total Current Liabilities	17,469,712	880,516	18,350,227
Non Current Liabilities			
Provisions	17,816	-	17,816
Contract liabilities	48,960	-	48,960
Financial liabilities	7,568,522	-	7,568,522
Deferred tax liabilities	1,456,457	-	1,456,457
Lease liabilities	1,878,067	-	1,878,067
Total Non Current Liabilities	10,969,822	0	10,969,822
Total Liabilities	28,439,534	880,516	29,320,049
Net Assets	10,441,798	1,032,584	11,474,383
Shareholders Equity			
Issued capital	47,028,669	1,519,000	48,547,669
Reserves	3,628,978	-	3,628,978
Accumulated losses	(40,215,849)	(486,416)	(40,702,264)
Total Shareholders Equity	10,441,798	1,032,584	11,474,383

2.3 Potential effect of the Replacement Tranche 1 Notes on capital structure

The total issued capital of the Company as at the date of this Cleansing Notice is summarised in the table below:

Securities	Number
Existing Shares	183,283,258
Options exercisable at \$0.15, expiring on 19 May 2021	5,133,333
Options exercisable at \$0.35, expiring on 31 May 2021	1,000,000
Options exercisable at \$0.42, expiring on 31 May 2021	1,000,000
Class C Performance Shares	18,272,425
Class D Performance Shares	16,611,296
Class E Performance Shares	8,305,648
Class F Performance Shares	8,305,648
Class G Performance Shares	8,305,648
Class H Performance Shares	8,305,648
Various Executive Incentive Scheme rights/securities	4,236,576
Fully diluted share capital	262,759,480

- (a) The capital structure of the Company will be affected by the conversion of the Replacement Tranche 1 Notes by the Convertible Note holders (**Noteholders**), which will result in additional Shares being issued.
- (b) The Replacement Tranche 1 Notes must be redeemed at the maturity (being 12 months after the date of issue of the Initial Convertible Notes) unless the Investor converts the Replacement Tranche 1 Notes. Swift has the right to redeem the Replacement Tranche 1 Notes early, but this right is subject to the Noteholders' right to require that 50% of the amount to be redeemed instead be converted into Shares.
- (c) The actual effect on the issued share capital of the Company will depend on what percentage of the Convertible Notes are actually converted and on the applicable Conversion Price. The effect on the issued ordinary share capital of the Company on conversion of all the Convertible Notes set out in the table below, and assumes conversion to 7,656,661 Shares based on the closing price of the Company's shares on ASX on 19 November 2019 of \$0.115.

Securities	Number
Existing Shares	183,283,258
Shares issued on conversion of Convertible Notes	7,656,660
Total Shares on issue after conversion	190,939,918
Fully diluted share capital after conversion	270,416,140

2 RIGHTS AND LIABILITIES ATTACHING TO THE CONVERTIBLE NOTES

The table below summarises at a high level the rights and liability attaching to the Convertible Notes under the Convertible Securities Agreement. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Noteholders.

Term and Maturity	<p>The maturity date for each tranche of the Convertible Notes is 12 months from the date of the issue of that tranche, other than the Initial Convertible Notes for which the maturity date is 90 days after the date of issue.</p> <p>The Company can elect whether to draw down on the remaining tranches (and each draw down is subject to certain conditions, including that the aggregate amount outstanding to the relevant Noteholder is less than \$650,000 and will be less than \$650,000 as a result of the draw down). The second, third and fourth tranche must be drawn down after 75 days, 150 days and 225 days of the draw down of the initial tranche.</p> <p>The Company has the right to extend the maturity date of a tranche by 3 months by paying an extension fee equal to 1.5% of the face value of the relevant Convertible Note tranche. The extension fee will be repaid if the Noteholder converts the relevant Convertible Note tranche within 20 days of the maturity date extension. This right can only be exercised twice for each tranche and cannot be exercised by the Company when an Event of Default (defined below) is subsisting.</p>
	<p>The Convertible Notes have a face value of AU\$1 each.</p> <p>The Convertible Notes are purchased by the Investors at 90% of their face value.</p>

Subsequent tranches	<p>If the average daily VWAP of any 5 consecutive trading days (excluding daily VWAPs on Excluded Days (defined below)) is less than A\$0.125 (Pricing Event), the Noteholders will have discretion as to whether to purchase any further tranches of Convertible Notes and the number of Convertible Notes of any such purchase will be agreed between the parties. If a Pricing Event occurs, the Noteholders must notify its intention to the Company within the earlier of:</p> <ol style="list-style-type: none"> 1. 20 business days after the Pricing Event; and 2. 10 business days after a period of 5 consecutive trading days over which the average daily VWAP is more than \$0.125.
Interest	<p>No interest is payable on the Convertible Notes, other than if an Event of Default occurs.</p> <p>If an Event of Default occurs, interest will accrue on the aggregate face value of the Convertible Notes then outstanding at the rate of 2% per annum, compounded monthly, until the Event of Default is remedied or all outstanding amounts are repaid.</p>
Drawdown fee	<p>The Company must pay a fee equal to 3% of the aggregate face value of the Convertible Notes on the drawdown of each tranche, payable by deducting that amount from the purchase price of that tranche.</p>
Permitted use of funds	<p>The Company must use the funds received for general corporate and working capital purposes and creditor payments, not for dividend payments.</p>
Security and collateral	<p>The Convertible Notes are unsecured and rank equally with all other unsecured obligations of the Company.</p> <p>However, the Company was required to issue 2,000,000 Shares to the Noteholders (Collateral Shares), or 1,000,000 Shares to each Noteholder, in consideration for the Noteholders entering into the Convertible Securities Agreement.</p> <p>The Noteholders are restricted from disposing of their Collateral Shares for 45 days after the issue of the first tranche of the Convertible Notes. They may freely deal with the Convertible Notes thereafter. In addition, a Noteholder may (but is not obliged to) use them in full or partial</p>

satisfaction of the Company's obligation to issue Shares on conversion of the Convertible Notes by the Noteholder.

On termination or expiry of the Convertible Securities Agreement, if there are Collateral Shares remaining and no amounts outstanding under the Convertible Securities Agreement, each Noteholder must pay the Company for their remaining Collateral Shares at the average of the 5 lowest daily VWAPs (excluding daily VWAPs on Excluded Days (defined below)) over the 20 actual trading days immediately prior to the date on which the Convertible Securities Agreement terminates or expires or the date on which there are no amount outstanding, less brokerage costs.

Each Noteholder may elect to convert Convertible Notes into Shares by issuing a conversion notice to the Company (**Conversion Notice**).

Each Noteholder may only give a Conversion Notice once in each calendar month.

The conversion price in respect of each Conversion Notice will be the lesser of:

1. 92% of the average of the 5 lowest daily VWAP during the 20 actual trading days prior to the date of conversion (as notified in the relevant Conversion Notice), rounded down to the nearest cent; and
2. 130% of the average of the daily VWAPs over the 5 actual trading days immediately prior to the purchase date of the relevant Convertible Notes, rounded down to the nearest cent (adjusted for any changes in the capital structure of the Company).

Conversion terms

The above calculations exclude daily VWAPs on trading days on which a Noteholder sells shares in the Company in a volume which exceeds 10% of the total volume of shares in the Company sold on that day (**Excluded Days**).

If the Company is unable to issue shares within 2 trading days of receiving a Conversion Notice, the Noteholders may, but are not required to, either require the Company to:

1. hold over the conversion price and issue the conversion shares once the Company is able to issue them; or
2. pay an amount equal to the greater of (i) the conversion shares multiplied by the closing bid price the prior date

and (ii) 110% of the total face value of the applicable Convertible Notes.

Early redemption by the Company

Early redemption

The Company may redeem some or all of the outstanding Convertible Notes at any time at a 5% premium to the face value of such Convertible Notes by giving notice to the Noteholders (**Early Redemption Notice**). At any time after receipt of the Early Redemption Notice but prior to redemption of the Convertible Securities (which must occur within 20 business days), a Noteholder may issue a Conversion Notice for up to 50% of the Convertible Notes the subject of the Early Redemption Notice.

The Company cannot serve an Early Redemption Notice if an Event of Default has occurred.

Early redemption by the Noteholders

If the Company raises funds by issuing shares or convertible securities during the 2019 calendar year, the Noteholders may require the Company to repay the lower of \$200,000, 10% of the net amount raised and the total face value of the applicable Convertible Notes. Those Convertible Notes will be redeemed at a 3% discount.

Events of Default

There are a number of events which are Events of Default under the Convertible Securities Agreement, including but not limited to:

- a failure by the Company to pay amounts owing by it under the Convertible Securities Agreement;
 - unremedied material breaches of the Convertible Securities Agreement, including the failure to issue Shares to the Investor on conversion of the Convertible Securities or failure to apply for quotation of those Shares within certain timeframes;
 - insolvency of the Company or its subsidiaries;
 - any steps being taken by or against the Company or any of its subsidiaries in respect of the appointment of a controller, administrator or liquidator, winding up or composition with creditors;
 - failure by the Company to comply with the ASX Listing Rules in any material respect;
 - enforcement action being taken against the Company or its subsidiaries or in respect of any of their assets;
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- certain failures by the Company or its subsidiaries to pay their debts when and as they fall due;
 - a security interest being granted by the Company or any of its subsidiaries or otherwise coming into existence which is not permitted under the Convertible Securities Agreement;
 - failure to obtain a shareholder approval that is required for the issue of securities under the Convertible Securities Agreement;
 - a change in control of the Company;
 - a suspension of trading of Shares for more than 10 consecutive trading days or 15 trading days in any 12 month period; and
 - the Company or any of its subsidiaries ceases or to carry on business.

If an Event of Default occurs and either the Company does not remedy that default within 10 business days where remediable (or 15 business days for certain material breaches) or there has been at least two previous Events of Default, the Noteholders may demand repayment of the face value of all then outstanding Convertible Notes and any other amounts owing in connection with them and the Company is required to repay 105% of the then outstanding amount. The Noteholders may also terminate the Convertible Securities Agreement.

The Noteholders must give the Company 30 days to make the repayment where the Event of Default is a failure to obtain shareholder approval.

In addition, the Company agrees to indemnify the Noteholders and their affiliates against any losses that arise or are incurred in connection with an Event of Default or potential Event of Default.

Assignment and transferability

Each Noteholder may assign or transfer its rights under or in connection with the Convertible Securities Agreement, without the consent of the Company, to an affiliate or to any person while an Event of Default is subsisting.

Each Noteholder may also nominate a third party to be issued Shares on conversion of the Convertible Notes.

Governing law

The Convertible Securities Agreement is governed by the laws of the state of Western Australia.

3 RIGHTS AND LIABILITIES ATTACHING TO THE SHARES

The Shares to be issued to Noteholders on conversion of the Convertible Notes will rank equally in all respects with all of the Company's existing Shares. A summary of the rights and liabilities attaching to Shares, including the Shares to be issued to Noteholders holders (who will become shareholders) on conversion of the Convertible Notes is set out below.

The summary is not exhaustive and does not purport to constitute a definitive statement of the rights and liabilities of shareholders, and is qualified by the terms of the Company's Constitution (a full copy of which is available from Company on request free of charge and can be found in the 'Corporate Governance' section of the Company's website).

Ranking of Shares

At the date of this Cleansing Notice, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued on conversion of the Convertible Notes will rank equally with Existing Shares.

Voting rights

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

Dividend rights

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of 75% of the Shares, or with the sanction of a special resolution passed at a general meeting.

Transfer of Shares

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

General meetings

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

Rights on winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution;

- divide among the shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

Alteration of Constitution

The Company's Constitution can only be amended by a special resolution.

ASX Listing Rules

To the extent of any inconsistency, the ASX Listing Rules prevail over the Company's Constitution.

4 COMPLIANCE WITH DISCLOSURE OBLIGATIONS

The Company is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

Broadly, these obligations require:

- (a) the Company to notify ASX immediately of any information (subject to certain exceptions) of which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its securities. That information is available to the public from ASX; and
- (b) the preparation of yearly and half-yearly financial statements and a report of the Company's operations during the relevant account period, together with an audit or review report prepared by the Company's auditor. These documents are lodged with ASIC and ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2019; and
- (b) any of the other continuous disclosure documents given by the Company to ASX after the lodgement of the financial report referred to above and before the lodgement of this Cleansing Notice with ASX.

A list of those continuous disclosure documents follows:

Announcement	Date
Results of Annual General Meeting	15/11/2019
Annual General Meeting Presentation	15/11/2019
Annual General Meeting - Chairman's Address	15/11/2019
New Debt Facility to Fund Growth, Strengthen Balance Sheet	11/11/2019

Announcement	Date
Notice of General Meeting - 2 December 2019	1/11/2019
New Contract Win - Rio Tinto Ltd	1/11/2019
Share Purchase Plan - Offer Document	24/10/2019
Change in substantial holding	24/10/2019
Appendix 3B and s708A Notice	22/10/2019
Placement and Share Purchase Plan	17/10/2019
Notice of Annual General Meeting/Proxy Form	16/10/2019
Investor Presentation	15/10/2019
Trading Halt	15/10/2019
Appendix 3B and s708A Notice	3/10/2019
Final Director's Interest Notice	1/10/2019
Initial Director's Interest Notice	1/10/2019
Director Appointment/Resignation	1/10/2019

5 INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICES

As at the date of this Cleansing Notice, other than as set out in this Cleansing Notice, the Company advises that there is no information that:

- (a) the Company has excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (1) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (2) the rights and liabilities of the Convertible Notes (and the underlying Shares) offered by the Company.

For more information please contact the Company on +61 8 6103 7595.

Stephen Hewitt-Dutton
Company Secretary