



SYN TONIC LIMITED
ACN 123 867 765

NOTICE OF GENERAL MEETING

The general meeting of the Company will be held at Blackwall Legal, Level 26, 140 St Georges Terrace, Perth Western Australia on 13 February 2020 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 6558 0886

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

SYNTONIC LIMITED

ACN 123 867 765

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of Syntonic Limited (**Company**) will be held at 13 February 2020 and 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 11 February 2020 at 10am WST.

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

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

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 section 254H of the Corporations Act, the Listing Rules, the Constitution and for all other purposes, approval is given for the Company to consolidate its issued capital on the basis that:

- (a) every 30 Shares be consolidated into 1 Share;
- (b) all Options on issue be consolidated in accordance with Listing Rule 7.22.1; and
- (c) all Performance Rights on issue be consolidated in accordance with Listing Rule 7.21,

with such consolidation to take effect in accordance with the timetable detailed in the Explanatory Memorandum and where such consolidation results in a fraction of a Share, Option or Performance Right being held, the Company be authorised to round that fraction up or down to the nearest whole number."

2. RESOLUTION 2 – RE-ELECTION OF DAVID WHEELER AS DIRECTOR

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 14.4, article 6.3(i) of the Constitution and for all other purposes, David Wheeler, Director, who was appointed as an addition to the Board on 13 November 2019, retires and being eligible is elected as a Director on the terms and conditions on the Explanatory Memorandum."

3. RESOLUTION 3 – APPROVAL OF ISSUE OF OPTIONS

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 25,000,000 Options (on a post-Consolidation basis) to CPS Capital Group Pty Ltd (and/or its nominee) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

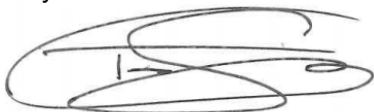
The Company will disregard any votes cast in favour of this Resolution by CPS Capital (and/or its nominee) or any associate of CPS Capital (and/or its nominee).

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

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

Dated: 14 January 2020

By order of the Board



Tim Slate
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 Blackwall Legal, Level 26, 140 St Georges Terrace, Perth, Western Australia on 13 February 2020 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 3:	Resolution 1 – Consolidation of Capital
Section 4:	Resolution 2 – Re-Election of David Wheeler as Director
Section 5:	Resolution 3 – Approval of Issue of Options
Schedule 1:	Definitions
Schedule 2:	Terms and Conditions of 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.

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am (WST) on 11 February 2020, being at least 48 hours before the Meeting. Any Proxy Form received after that time will not be valid for the Meeting.

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

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

3. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

3.1 General

On 18 October 2019, the Company dispatched a notice of annual general meeting which included (amongst other matters) a resolution seeking to consolidate the entire issued capital of the Company. On 15 November 2019, the Company announced (amongst other matters) that it was undertaking a capital raising by way of a pro-rata entitlement offer (which has been completed) and advised Shareholders that the resolution to consolidate the entire issued capital of the Company (as detailed in the notice of annual general meeting) will be withdrawn. Refer to the ASX announcements dated 15 November 2019, 21 November 2019 and 9 December 2019 for further details.

Resolution 1 seeks Shareholder approval for the consolidation of Shares, Options and Performance Rights on issue on a 30 for 1 basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward.

The Directors intend to implement the Consolidation following completion of the Meeting.

The Directors of the Company believe that Resolution 1 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

Resolution 1 is an ordinary resolution.

3.2 Corporations Act and Listing Rules requirements

Section 254H of the Corporations Act provides that a Company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The Listing Rules also requires that the number of options on issue be consolidated in the same ratio as the ordinary shares and the exercise price of options be amended in inverse proportion to that ratio. Similarly, the number or the conversion price (or both) of convertible securities (other than options) must be reorganised so that the holders of the convertible securities do not receive a benefit that holders of ordinary securities do not receive.

3.3 Effect of Resolution 1 to Shareholders

As at the date of the Notice, the Company has 6,944,065,512 Shares on issue.

In accordance with Listing Rule 7.20, the Consolidation proposed by Resolution 1 will have the effect of reducing the number of Shares on issue to approximately 231,468,850 Shares. Individual holdings will be reduced in accordance with the Consolidation ratio.

As the Consolidation applies equally to all members (subject only to the rounding of fractions), it will have no material effect on the percentage interest of each member in the Company. Further, the aggregate value of each member's proportional interest in the Company will not materially change

solely as a result of the Consolidation as the only anticipated changes, which will be a result of rounding, will be immaterial.

Theoretically, the market price of each share following the Consolidation should increase by 30 times its current value. Practically, the actual effect on the market price of each share will be dependent upon on a number of factors which will not be within the control of the Company. Therefore, this may result in the market price of each share following Consolidation being higher or lower than the theoretical post-Consolidation price.

3.4 Effect of Resolution 1 to Option holders

The Company currently has 2,057,442,815 Options on issue. In accordance with Listing Rule 7.22, and the terms of issue of the Options currently on issue, the Consolidation will involve a corresponding adjustment to Options, having the effect that the number of Options will reduce in proportion to the ordinary share capital and the exercise price will increase in inverse proportion to the Consolidation ratio. For the avoidance of doubt, this means that every 30 Options:

- (a) exercisable at \$0.014 each will instead become a single Option exercisable at \$0.42;
- (b) exercisable at \$0.012 each will instead become a single Option exercisable at \$0.36;
- (c) exercisable at \$0.04 each will instead become a single Option exercisable at \$1.20;
- (d) exercisable at \$0.03 each will instead become a single Option exercisable at \$0.90;
- (e) exercisable at \$0.02 each will instead become a single Option exercisable at \$0.60;
- (f) exercisable at \$0.009 each will instead become a single Option exercisable at \$0.27;
and
- (g) exercisable at \$0.002 each will instead become a single Option exercisable at \$0.06.

3.5 Effect of Resolution 1 to Performance Rights

The Company also currently has 398,601,660 Performance Rights on issue, comprising of:

- (a) 199,300,830 Class A Performance Rights; and
- (b) 199,300,830 Class B Performance Rights.

Each Performance Right is a right to receive one Share subject to the applicable service condition being met. If this Resolution is approved, in accordance with Listing Rule 7.21, every 30 Performance Rights on issue will be converted into one Performance Right (subject to rounding) and the number of Performance Rights will be reduced to approximately 13,286,722. As such holders of Shares and Performance Rights are treated equally in respect of the Consolidation.

The Consolidation will not result in any change to the substantive rights and obligations of existing holders of Performance Rights.

3.6 Fractional entitlements

Not all Shareholders, holders of Options or holders of Performance Rights will hold a number of Shares, Options or Performance Rights which can be evenly divided by 30. Where a fractional entitlement occurs, the Company will round the fraction up or down to the nearest whole number, with entitlements to less than half of a Share, Option or Performance Share rounded down.

3.7 Taxation

It is not considered that any taxation implications will arise for Shareholders, holders of Options or holders of Performance Rights from the Consolidation. However, Shareholders, holders of Options or holders of Performance Rights are advised to seek their own tax advice on the effect of the

Consolidation. The Company, the Directors and their advisers do not accept any responsibility for the individual taxation implications arising from the Consolidation or the other proposed Resolutions.

3.8 Holding Statements

From the date of the Consolidation, all holding statements for previously quoted Shares will cease to have any effect, except as evidence of an entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares proposed to be quoted to be issued to holders of those Shares.

It is the responsibility of each Shareholder to check the number of Shares held prior to subsequent disposal.

3.9 Indicative Timetable

Assuming that Resolution 1 is approved, the Consolidation will take effect in accordance with the following indicative timetable:

Event	Indicative Date
Company announces Shareholder approval of Consolidation	13 February 2020
Effective Date of Consolidation	14 February 2020
Last day for trading pre-Consolidation Securities	17 February 2020
If agreed by ASX, trading in post-Consolidation Securities commences on a deferred settlement basis.	18 February 2020
Last day to register transfers on a pre-Consolidation basis (record date)	19 February 2020
First day to register transfers on a post-Consolidation basis	20 February 2020
Latest date for Company to send notice to each Shareholder of pre and post-Consolidation holdings	26 February 2020

3.10 Board recommendation

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

4 RESOLUTION 2 – RE – ELECTION OF DAVID WHEELER AS DIRECTOR

4.1 General

In accordance with Listing Rule 14.4, a director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 6.2(b) of the Constitution allows the Directors to appoint a person as an addition to the Board at any time, providing that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

David Wheeler was appointed on 13 November 2019 as an addition to the Board.

In accordance with Article 6.3(i) of the Constitution, Resolution 2 provides that he retires from office and seeks re-election as a Director under Article 6.2(c) of the Constitution.

Details of David Wheeler's background and experience are set out in the announcement dated 13 November 2019.

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

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

4.2 Board recommendation

The Board (excluding David Wheeler being re-elected) supports the election of David Wheeler and recommends that Shareholders vote in favour of Resolution 2.

5. Resolution 3 – Approval of Issue of Options

5.1 General

The Company entered into mandate and underwriting agreement with CPS Capital pursuant to which CPS Capital agreed to underwrite a non-renounceable pro-rata entitlement offer undertaken by the Company. Under the terms of the mandate and underwriting agreement, the Company agreed, subject to the Company obtaining Shareholder approval, to issue 25,000,000 Options (on a post-Consolidation basis) to CPS Capital (and/or its nominee) as part consideration for services provided to the Company by CPS Capital in respect to the non-renounceable pro-rata entitlement offer which has been completed (refer to the ASX announcements dated 15 November 2019, 21 November 2019 and 9 December 2019).

A summary of the terms and conditions of the mandate and underwriting agreement is detailed in section 3.1 of the prospectus dated 21 November 2019.

Resolution 3 seeks approval from Shareholders to issue 25,000,000 Options (on a post-Consolidation basis) to CPS Capital (and/or its nominee) under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of 25,000,000 Options (on a post-Consolidation basis) to CPS Capital (and/or its nominee). In addition, the issue of 25,000,000 Options (on a post-Consolidation basis) will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of 25,000,000 Options (on a post-Consolidation basis) to CPS Capital (and/or its nominee).

The Chairman will cast all available proxies in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

5.2 ASX Listing Rule 7.1

Listing Rule 7.1 provides that a 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.

The effect of Resolution 3 will be to allow the Directors to issue the Options 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.

5.3 Technical Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) 25,000,000 Options (on a post-Consolidation basis) will be issued to CPS Capital (and/or its nominee);
- (b) no funds will be raised from the issue of Options as they will be issued for nil cash consideration;
- (c) 25,000,000 Options (on a post-Consolidation basis) are being issued as part consideration for services provided to the Company by CPS Capital in respect to the recently completed entitlement offer (refer to the ASX announcements dated 15 November 2019, 21 November 2019 and 9 December 2019 for further details);
- (d) the Options issued will have the terms and conditions detailed in SCHEDULE 2;
- (e) the Options will be issued no later than 3 months after the date of this Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules);
- (f) the issue of the Options will occur within three months following the completion of the Meeting; and
- (g) a voting exclusion statement is included in the Notice for Resolution 3.

5.4 Directors' Recommendation

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

SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum:

\$ means Australian Dollars.

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

Consolidation has the meaning given in Section 3.

Constitution means the memorandum and articles of association of the Company (as amended from time to time).

Company means Syntonic Limited (ACN 123 867 765).

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

CPS Capital means CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL 294 848).

Director means a director of the Company.

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

Listing Rules means the listing rules of ASX.

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

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

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

Performance Right means a right which entitles the holder to subscribe for a Share.

Placement means the Placement announced by the Company on 15 November 2019.

Proxy Form means the proxy form attached to the Notice.

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.

Shareholder means a shareholder of the Company.

WST means Western Standard Time.

SCHEDULE 2: SUMMARY OF TERMS AND CONDITIONS OF OPTIONS

1. Entitlement

Each Option entitles the holder (**Holder**) to subscribe for one Share upon the exercise of the Option.

2. Exercise Price and Expiry Date

The Options have an exercise price of \$0.06 per Option (on a post-consolidation basis) (**Exercise Price**) and an expiry date of 31 December 2022 (**Expiry Date**).

A Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date.

4. Quotation of the Options

The Company will apply for quotation of the Options on ASX.

5. Notice of Exercise

The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

6. 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 share registry.

7. Shares Issued on Exercise

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

8. Timing of the Issue of Shares on Exercise and Quotation

Within 10 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 applicable Exercise Price for each Option being exercised; and
- (b) 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 clause 5 above,

the Company will:

- (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

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- (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options

If, for any reason, a notice delivered under paragraph (d) is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

9. Participation in New Issue

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

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

11. Adjustment for Entitlement Issue

If the Company makes an issue of Shares pro rata to existing shareholders (other than as a bonus issue, to which paragraph 10 will apply) there will be no adjustment of the Exercise Price of a Option or the number of Shares over which the Options are exercisable.

12. Adjustment for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the Listing Rules.

13. Transferability

The Options are transferable.