



Cancellation Summary

Entity name

DC TWO LIMITED

Announcement Type

Cancellation of previous announcement

Date of this announcement

29/9/2022

Reason for cancellation of previous announcement

The original 3B issued 2 May 2022 has been updated. Refer to ASX announcement and related 3B dated 29 September 2022.

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

DC TWO LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ACN

Registration Number

155473304

1.3 ASX issuer code

DC2

1.4 The announcement is☒ Cancellation of previous announcement**1.4c Reason for cancellation of previous announcement**

The original 3B issued 2 May 2022 has been updated. Refer to ASX announcement and related 3B dated 29 September 2022.

1.4d Date of previous announcement to this cancellation

2/5/2022

1.5 Date of this announcement

29/9/2022

1.6 The Proposed issue is:☒ A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?☒ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	30/6/2022	<input checked="" type="checkbox"/> Estimated	No

Comments

Up to 24.97m fully paid ordinary shares may be issued on conversion of the Face Value of the T2 Notes and Dir Loan Notes, subject to shareholder approval.

Number of shares the Notes, Dir Loans and Interest Shares will convert into is based on a 20% discount to the 20-Day VWAP with a floor price of 5c, and also subject to a max conversion price of 15c. This appendix reflect the max number of shares that may be issued.

Conversion of the Dir Loans to con notes is subject to shareholder approval.

Up to 7,946,118 Interest Shares may be issued if the Company elects to settle the interest on the Notes of 12% through the issue of Shares at maturity at the conversion price, subject to shareholder approval.

Up to 17.51m unlisted options ex at 11c each exp 2 years after the date of issue, to be issued on conversion of the Notes, subject to shareholder approval.

4m unlisted options ex at 11c each exp 2 years after the date of issue as part of corp adv fee, subject to shareholder approval.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ New class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ Yes



Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

☒ Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

☒ No

ASX +security code

New class-code to be confirmed

+Security description

CONVERTIBLE NOTES (Tranche 1)

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

502,500

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 1.00000

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

+Convertible debt securities details

These securities are:

Convertible

Type of security

Convertible note or bond

+Security currency

AUD - Australian Dollar

Face value

AUD 1.0000

Interest rate type

Fixed rate

Frequency of coupon/interest payments per year

Quarterly

First interest payment date

6/8/2022

**Interest rate per annum**

12.00000 %

Is the interest rate per annum estimated at this time?☒ No**s128F of the Income Tax Assessment Act status applicable to the +security**

s128F exemption status unknown

Is the +security perpetual (ie. no maturity date)?☒ No**Maturity date**

28/4/2024

Select other features applicable to the +security☒ None of the above**Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?**☒ No**Details of the type of +security that will be issued if the securities are converted, transformed or exchanged**

DC2 : ORDINARY FULLY PAID

Number of +securities that will be issued if the +securities are converted, transformed or exchanged (including, if applicable, any interest)

10,050,000

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Refer to the announcement dated 2 May 2022.

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?☒ New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)****Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**☒ Yes**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**☒ No

**ASX +security code**

New class-code to be confirmed

+Security description

UNLISTED OPTS EX \$0.11 EXP 2 YEARS (Tranche 1)

+Security type

Options

Number of +securities proposed to be issued

5,025,000

Offer price details**Are the +securities proposed to be issued being issued for a cash consideration?**☒ No**Please describe the consideration being provided for the +securities**

On conversion of the Notes, and subject to shareholder approval, the Noteholders will receive 1 unquoted option for every 2 Shares issued on conversion, with an exercise price of \$0.11 expiring two years after the date of issue.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities**Will all the +securities issued in this class rank equally in all respects from their issue date?**☒ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.1100

Expiry date

30/6/2024

Details of the type of +security that will be issued if the option is exercised

DC2 : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

5,025,000

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Refer to the announcement dated 2 May 2022.

Is the proposed security a 'New
class' (+securities in a class that is

Will the proposed issue of this
+security include an offer of



not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

DC2 : ORDINARY FULLY PAID

Number of +securities proposed to be issued

7,946,118

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

Interest will accrue on the Notes at the rate of 12% per annum and may be settled at the election of DC Two by the payment of cash on a quarterly basis or, subject to shareholder approval, through the issue of Shares at maturity at the conversion price.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ New class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ Yes

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and

Will the entity be seeking quotation of the 'new' class of +securities on ASX?



equitable under listing rule 6.1?

☒ Yes☐ No

ASX +security code

New class-code to be confirmed

+Security description

CONVERTIBLE NOTES (Tranche 2)

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

1,248,500

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 1.00000

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

+Convertible debt securities details

These securities are:

Convertible

Type of security

Convertible note or bond

+Security currency

AUD - Australian Dollar

Face value

AUD 1.0000

Interest rate type

Fixed rate

Frequency of coupon/interest payments per year

Quarterly

First interest payment date

30/9/2022

Interest rate per annum

12.00000 %

Is the interest rate per annum estimated at this time?

☒ No

**s128F of the Income Tax Assessment
Act status applicable to the +security**

s128F exemption status unknown

**Is the +security perpetual (ie. no
maturity date)?**☒ No**Maturity date**

28/4/2024

**Select other features applicable to
the +security**☒ None of the above**Is there a first trigger date on which a
right of conversion, redemption, call
or put can be exercised (whichever is
first)?**☒ No**Details of the type of +security that will be issued if the securities are converted, transformed or
exchanged**

DC2 : ORDINARY FULLY PAID

**Number of +securities that will be issued if the +securities are converted, transformed or exchanged (including, if
applicable, any interest)**

24,970,000

**Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities
proposed to be issued or provide the information by separate announcement.**

Refer to the announcement dated 2 May 2022.

Attaching +Security

**Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX)
or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?**☒ New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)****Have you received confirmation from ASX that the terms
of the proposed +securities are appropriate and
equitable under listing rule 6.1?**☒ Yes**Will the entity be seeking quotation of the 'new' class of
+securities on ASX?**☒ No**ASX +security code**

New class-code to be confirmed

+Security description

UNLISTED OPTS EX \$0.11 EXP 2 YEARS (tranche 2)

+Security type

Options



Number of +securities proposed to be issued

12,485,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

On conversion of the Notes, and subject to shareholder approval, the Noteholders will receive 1 unquoted option for every 2 Shares issued on conversion, with an exercise price of \$0.11 expiring two years after the date of issue.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.1100

Expiry date

30/6/2024

Details of the type of +security that will be issued if the option is exercised

DC2 : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

12,485,000

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Refer to the announcement dated 2 May 2022.

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ New class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No



Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?
☒ Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?
☒ No

ASX +security code

+Security description

+Security type

Options

Number of +securities proposed to be issued

4,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.1100

Expiry date

30/6/2024

Details of the type of +security that will be issued if the option is exercised

DC2 : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities



proposed to be issued or provide the information by separate announcement.

Refer to the announcement dated 2 May 2022.

Part 7C - Timetable

7C.1 Proposed +issue date

6/5/2022

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☒ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☒ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

502,500 convertible notes (tranche 1) which may convert into a maximum of 10,050,000 Shares.

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☒ No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

☒ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

☒ Yes

7E.1a Who is the lead manager/broker?

Alto Capital and Xcel Capital acted as Joint Lead Managers



7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

6% capital raising fee and 4m options exercisable at \$0.11 expiring 2 years after the date of issue. The options are subject to shareholder approval.

7E.2 Is the proposed issue to be underwritten?

☒ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Refer to announcement dated 2 May 2022.

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Funds will be utilised for expansion of Bibra Lake, sales and marketing and working capital. Refer to announcement dated 2 May 2022.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue

The convertible notes will convert into fully paid ordinary shares in DC Two at the higher of \$0.05 and a 20% discount to the 20-day VWAP over the 20 consecutive trading days immediately prior to conversion, and are also subject to a maximum conversion price of \$0.15.

Details in this ASX Appendix are based on a floor price of \$0.05.

Interest shares detailed in this ASX Appendix assumes the Company's election to settle the interest to accrue on the Notes, by way of shares.

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☒ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)