

**TIMPETRA RESOURCES LIMITED
(TO BE RENAMED "MURRAY COD AUSTRALIA LIMITED")
ACN 143 928 625**

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the offices of the Company, at Level 1, 153 Yambil Street, Griffith, New South Wales on Friday, 16 December 2016 at 10am (AEDT).

The Directors recommend that you vote in favour of all Resolutions at this Annual General Meeting.

The Independent Expert has determined that the Acquisition outlined in this Notice of Annual General Meeting is fair and reasonable to the non-associated Shareholders.

The Notice of Annual General Meeting and accompanying Independent Expert's Report should be read in their 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 2 6964 1544.

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

TIMPETRA RESOURCES LIMITED (TO BE RENAMED "MURRAY COD AUSTRALIA LIMITED")

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Timpetra Resources Limited (to be renamed "Murray Cod Australia Limited") (**Company**) will be held at the offices of the Company, at Level 1, 153 Yambil Street, Griffith, New South Wales on Friday, 16 December 2016 at 10am (AEDT) (**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 the 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 of the Company on Wednesday, 14 December 2016 at 5pm (AEDT).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

ORDINARY BUSINESS

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person 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 proxy by writing that specifies the way the proxy is to vote on the Resolution; or

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

3. Resolution 2 - Spill Resolution

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

"That, for the purposes of Section 250V(1) of the Corporations Act and for all other purposes, Shareholders approve the following:

- (a) *the Company holding another meeting of Shareholders within 90 days of this Meeting (Spill Meeting);*
- (b) *all Vacating Directors ceasing to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated pursuant to (b) being put to the vote at the Spill Meeting."*

Voting Prohibition and Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

Note: If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 2.

4. Resolution 3 - Re-election of Director - Mr Ross Anderson

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

"That, for the purposes of Articles 28.3 and 28.6 of the Constitution and for all other purposes, Mr Ross Anderson, a Director who was appointed on 26 November 2015, retires and, being eligible, is re-elected as a Director."

5. Resolution 4 - Re-election of Director - Mr Morgan Barron

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

"That, for the purposes of Articles 28.3 and 28.6 of the Constitution and for all other purposes, Mr Morgan Barron, a Director who was appointed on 26 November 2015, retires and, being eligible, is re-elected as a Director."

6. Resolution 5 - Removal of auditor

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

"That, pursuant to and in accordance with section 329(1) of the Corporations Act and for all other purposes, approval is given for the removal of Ernst & Young as the current auditor of the Company effective from the date of the Meeting."

7. Resolution 6 - Appointment of auditor

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

"That, subject to Resolution 5 being passed, pursuant to and in accordance with section 327D of the Corporations Act and for all other purposes, PinnacleHPC Accountants, being qualified and having been nominated and consented in writing to act in the capacity of auditor of the Company, be appointed as auditor of the Company effective from the date of the Meeting and the Directors be authorised to agree the remuneration of PinnacleHPC Accountants."

8. Resolution 7 - Approval of issue of Shares

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 7.1 and for all other purposes, Shareholders approve the issue of 600,000 Shares to Zebina Minerals Pty Ltd, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Zebina Minerals Pty Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a 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.

9. Resolution 8 - Approval to change in nature and scale of activities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the nature and scale of the Company's activities resulting from the Acquisition and the Capital Raising, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

10. Resolution 9 - Approval to purchase Ryan Farm and issue MBRPL Consideration Securities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with item 7 of section 611 of the Corporations Act and Listing Rule 10.1 and for all other purposes, Shareholders approve the issue of:

- (a) 58,928,572 Initial Consideration Shares;
- (b) 19,642,857 Deferred Consideration Shares; and
- (c) 40,000,000 Options (and the issue of 40,000,000 Shares on the exercise of those Options),

*(together, **MBRPL Consideration Securities**) to Mr Mathew Ryan or his nominee on the terms and conditions set out in the Explanatory Memorandum as consideration for the acquisition by the Company of the Ryan Farm and MBRPL's interests in Bidgee and Riverina Aquaculture."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a party to the transaction (being MBRPL, Mr Mathew Ryan (and their nominee/s)) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

11. Resolution 10 - Approval to issue Vendors' Consideration Securities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:

- (a) 22,357,143 Initial Consideration Shares;
- (b) 6,785,714 Deferred Consideration Shares; and
- (c) 24,000,000 Options,

*(together, **Vendors' Consideration Securities**) to the Vendors (or their respective nominees) (other than MBRPL) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Vendors (and their respective nominees) and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

12. Resolution 11 - Approval to issue Performance Rights

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 15,000,000 Performance

Rights to Kimbalex or its nominee on the terms and conditions set out in Schedule 3 and the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Kimbalex and Mr Ross Anderson (and their nominee/s) and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

13. Resolution 12 - Approval to issue Capital Raising Shares

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 200,000,000 Shares (Capital Raising Shares) at \$0.05 each on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

14. Resolution 13 - Approval of Employee Incentive Scheme

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with exception 9 of Listing Rule 7.2, Shareholders approve the establishment of an employee incentive scheme to be called the 'Murray Cod Australia Limited Employee Incentive Scheme' and the issue of Securities under that scheme on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

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

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

15. Resolution 14 - Approval to issue Director Options

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 21,000,000 Options to the Directors as follows:

- (a) 15,000,000 Options to Mr Ross Anderson;
- (b) 2,000,000 Options to Mr Morgan Barron;
- (c) 2,000,000 Options to Mr Martin Priestley; and
- (d) 2,000,000 Options to Mr Douglas O'Neill,

*(together the **Director Options**) on the terms and conditions set out in Schedule 2 and the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors (and their nominees) and any of their respective associates.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (b) it is cast by the Chair 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.

16. Resolution 15 - Approval to issue Options to Panaquatic Health Solutions Pty Ltd for consulting fees

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 5,000,000 Options to Panaquatic Health Solutions Pty Ltd (or its nominee) on the terms and conditions set out in Schedule 2 in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Panaquatic Health Solutions Pty Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

17. Resolution 16 - Approval to issue Adviser Securities

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

"That, , subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,000,000 Adviser Shares and up to 2,000,000 Adviser Options on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Alto Capital Pty Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

18. Resolution 17 - Election of Director - Mr Mathew Ryan

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

"That, subject to each of the other Acquisition Resolutions being passed and completion of the Acquisition, Mr Mathew Ryan be elected as a Director."

19. Resolution 18 - Election of Director - Mr George Roger Commins

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

"That, subject to each of the other Acquisition Resolutions being passed and completion of the Acquisition, Mr George Roger Commins be elected as a Director."

20. Resolution 19 - Participation in Capital Raising by related party - Mr Ross Anderson

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 10.11 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 10,000,000 Capital Raising Shares to Mr Ross Anderson (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Ross Anderson (and his nominee), and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of their respective associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

21. Resolution 20 - Participation in Capital Raising by related party - Mr George Roger Commins

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 10.11 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 4,000,000 Capital Raising Shares to

Mr George Roger Commins (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr George Roger Commins (and his nominee), and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of their respective associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

22. Resolution 21 - Approval of potential termination benefits to Mr Mathew Ryan

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

"That, subject to each of the other Acquisition Resolutions being passed, approval be given for all purposes (including for the purposes of sections 200B and 200E of the Corporations Act), for the giving of benefits by the Company or any of its related bodies corporate to Mr Mathew Ryan in connection with Mr Ryan ceasing to be a director or ceasing to hold a managerial or executive office in the Company as set out in the Explanatory Notes."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Mathew Ryan (and his nominee), and any of their respective associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

23. Resolution 22 - Approval to change Company name

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

"That, subject to each of the other Acquisition Resolutions being passed and completion of the Acquisition, and pursuant to and in accordance with section 157 of the Corporations Act and for all other purposes, the name of the Company be changed to "Murray Cod Australia Limited" with effect from the date that ASIC alters the details of the Company's registration."

24. Resolution 23 - Replacement of Constitution

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

"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair for identification purposes."

25. Resolution 24 - Approval for the Company to acquire Relevant Interest in Securities

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

"That, subject to and conditional on the passing of each of the Acquisition Resolutions, pursuant to and in accordance with item 7 of section 611 of the Corporations Act and for all other purposes, Shareholders approve the acquisition by the Company of a Relevant Interest in up to 107,714,286 Shares, 64,000,000 Options, 15,000,000 Performance Rights as a result of the voluntary escrow arrangements under the Acquisition Agreements, on the terms and conditions in the Explanatory Memorandum."

BY ORDER OF THE BOARD



Ross Anderson
Chairman
Timpetra Resources Limited
Dated: 17 November 2016

TIMPETRA RESOURCES LIMITED (TO BE RENAMED "MURRAY COD AUSTRALIA LIMITED")

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EXPLANATORY MEMORANDUM

1. Introduction

The 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 the offices of the Company, at Level 1, 153 Yambil Street, Griffith, New South Wales on Friday, 16 December 2016 at 10am (ADST).

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

The 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
<i>Ordinary Business</i>	
Section 3	Annual Report
Section 4	Resolution 1 - Remuneration Report
Section 5	Resolution 2 - Spill Resolution
Section 6	Resolutions 3 & 4 - Re-election of Directors - Mr Anderson & Mr Barron
Section 7	Resolution 5 - Removal of Auditor
Section 8	Resolution 6 - Appointment of Auditor
Section 9	Resolution 7 - Approval of Issue of Shares
<i>Special Business - Acquisition of Merged Group</i>	
Section 10	Conditional Acquisition Resolutions
Section 11	Background to the proposed acquisition of the Merged Group
Section 12	Risks associated with the Acquisition
Section 13	Independent Expert's Report
Section 0	Resolution 8 - Approval to change in nature and scale of activities

Section 15	Resolution 9 - Approval to purchase Ryan Farm and issue MBRPL Consideration Securities
Section 16	Resolution 10 - Approval to issue Vendors' Consideration Securities
Section 17	Resolution 11 - Approval to issue Performance Rights
Section 18	Resolution 12 - Approval to issue Capital Raising Shares
Section 19	Resolution 13 - Approval of Employee Incentive Scheme
Section 20	Resolution 14 - Approval to issue Director Options
Section 21	Resolution 15 - Approval to issue Options to Panaquatic Health Solutions Pty Ltd for consulting fees
Section 22	Resolution 16 - Approval to issue Adviser Shares
Section 23	Resolutions 17 & 18 - Election of Directors - Mr Ryan & Mr Commins
Section 24	Resolutions 19 to 20 - Participation in Capital Raising by related parties, Mr Anderson & Mr Commins
Section 25	Resolution 21 - Approval of potential termination benefits to Mr Mathew Ryan
Section 26	Resolution 22 - Approval to change Company name
Section 27	Resolution 23 - Replacement of Constitution
Section 28	Resolution 24 - Approval for the Company to acquire Relevant Interest in Securities
Schedule 1	Definitions
Schedule 2	Terms and conditions of Options
Schedule 3	Terms and conditions of Performance Rights
Schedule 4	Summary of Employee Incentive Scheme
Schedule 5	Valuation of Director Options
Schedule 6	Pro forma balance sheet
Annexure A	Independent Expert's Report
Annexure B	Auditor's Nomination Letter

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

2. Action to be taken by Shareholders

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

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

(a) Voting by proxy

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. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

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

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

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;

- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

ORDINARY BUSINESS

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2016.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.timpetra.com;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

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

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Part 2G.2, Division 9 of the Corporations Act provides Shareholders with the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report received a Strike at the 2015 annual general meeting. Shareholders should be aware that if a second Strike is received at this Meeting (2016 annual general meeting), this may result in the re-election of the Board (see Resolution 2).

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

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

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

5. Resolution 2 - Spill Resolution

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 2.

The Corporations Act requirements for this Resolution 2 to be put to vote are set out in Section 4.

The effect of this Resolution being passed is the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

Resolution 2 is an ordinary resolution.

Where a Shareholder has appointed the Chair as their proxy, the Chair will vote against Resolution 2 unless the Shareholder has expressly indicated a different voting intention. This is so notwithstanding that the Resolution is connected directly or indirectly with the remuneration of key management personnel, which includes the Chair.

6. Resolutions 3 & 4 - Re-election of Directors - Mr Ross Anderson and Mr Morgan Barron

Article 28.2 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.

Any Director so appointed must retire at the next annual general meeting of the Company and is then eligible for election by Shareholders under Article 28.3 of the Constitution.

Article 28.6 of the Constitution also requires that at each AGM, one-third of the Directors are subject to retirement by rotation (or, if the number of Directors is not a multiple of three then the number nearest to but not exceeding one-third of the Directors must retire from office as Directors), provided that no Director where the Company has 3 or more Directors, one third of the Directors must retire at each annual general meeting. Article 28.6(d) of the Constitution provides that a Director who retires is eligible for re-election.

The Company currently has 4 directors, and accordingly, 1 must retire. Mr Douglas O'Neill is retiring in accordance with Article 28.6 and is not seeking to be re-elected.

On 26 November 2015, Mr Ross Anderson and Mr Morgan Barron were appointed as Directors of the Company.

Accordingly, Mr Ross Anderson and Mr Morgan Barron resign as Directors at this annual general meeting and, being eligible, seek approval to be re-elected as Directors.

Mr Anderson is a Chartered Accountant with over 25 years' experience. He is a fellow of the Taxation Institute of Australia and is a Chartered Tax Adviser. He is a registered company auditor and is the principal of the licensed securities dealer, Anderson's Investment Services Pty Ltd. He is the Chairman of Clearpoint Capital Ltd which manages a fund specialising in derivatives and alternative assets. He was President of the MF Global Client Support Group in Australia and has a wide and varied commercial experience in dealing with agribusiness and capital markets.

Mr Barron is a Chartered Accountant and has over 13 years' experience as a corporate advisor. Mr Barron has advised and guided many companies undertaking fundraising activities in Australia and seeking to list on the ASX. In addition, Mr Barron has been involved in many corporate restructures, mergers and acquisitions and has played a key role in the recapitalisation of a number of ASX listed companies.

The Board (excluding Mr Ross Anderson) recommends that Shareholders vote in favour of Resolution 3.

The Board (excluding Mr Morgan Barron) recommends that Shareholders vote in favour of Resolution 4.

Resolutions 3 & 4 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 3 and 4.

7. Resolution 5 - Removal of auditor

Under section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given.

The notice of intention to remove Ernst & Young was served on the Company and the Company has sent a copy of the notice of intention to Ernst & Young and ASIC in accordance with section 329(2) of the Corporations Act.

It should be noted that under section 329 of the Corporations Act, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

Resolution 5 is an ordinary resolution seeking the approval of the Shareholders to remove Ernst & Young as the Company's auditor. This Resolution is not conditional on any other resolution also being passed. Accordingly, if this Resolution is passed, the removal of Ernst & Young as the Company's auditor will take effect at the close of the Meeting. If this Resolution is not passed, Ernst & Young will remain the Company's auditor.

8. Resolution 6 - Appointment of auditor

Under section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under section 329 of the Corporations Act, provided that a copy of the notice of nomination of the auditor has previously been sent to the proposed replacement auditor and to each person entitled to receive a notice of meeting.

Further, section 328A of the Corporations Act provides that a company must not appoint an auditor unless the auditor has first consented to act as auditor and has not withdrawn that consent before the appointment is made.

The Company has received a nomination from one of the Company's members for PinnacleHPC Accountants (**PinnacleHPC**) to be appointed as the new auditor of the Company, and a copy of the nomination has been sent to PinnacleHPC. A copy of the nomination is also attached to this Notice of Meeting at Annexure A.

PinnacleHPC is a full service accountancy firm based in Griffith, New South Wales. PinnacleHPC has 8 principals and 65 employees and has been operating for over 80 years, and regularly audits large private and public unlisted entities. The appointment of PinnacleHPC as the Company's auditor going forward is appropriate as it has the requisite experience that the Company needs for its proposed operations post Completion, having a large agricultural client base, including other aquaculture clients. Being locally based, PinnacleHPC is able to satisfy the Company's requirements post-Completion with respect to availability of staff for rolling stock audits. Other than the recent audits undertaken on MBRPL and Silverwater, PinnacleHPC has had no prior dealings or previously acted for the Company or the Vendors, so it is independent.

PinnacleHPC has given its written consent to act as the Company's auditor pursuant to section 328A(1) of the Corporations Act, subject to this resolution being approved by Shareholders at the Meeting. As at the date of this Notice, PinnacleHPC has not withdrawn that consent.

The purpose of Resolution 6 is to appoint PinnacleHPC as the Company's auditor, pursuant to either section 327D(2) or section 327B(1) of the Corporations Act. Resolution 6 is conditional on Resolution 5 also being passed.

Accordingly, the proposed appointment of PinnacleHPC will only occur if Ernst & Young is removed as auditor by Resolution 5.

If this Resolution is passed, the appointment of PinnacleHPC as the Company's auditor will take effect at the close of the Meeting.

Resolution 6 is a special resolution and as such requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote at the Meeting (by proxy, attorney or otherwise).

9. Resolution 7 - Approval of Issue of Shares

9.1 Background

The Company entered into a binding term sheet on 8 September 2015 with Zebina Minerals Pty Ltd (**Zebina**) to earn up to an 80% interest in tenements owned by Zebina, located in the Murchison province of Western Australia (**Tenements**) (**Terms Sheet**). Pursuant to the Terms Sheet, the Company is required to spend a minimum of \$75,000 on the Tenements by the first anniversary of the execution of the Terms Sheet.

The Company did not meet the first year minimum expenditure requirement under the Terms Sheet and has agreed to issue 600,000 Shares to Zebina as full settlement of this under expenditure in order to maintain its interest in the Tenements under the Terms Sheet.

9.2 General

Resolution 8 seeks Shareholder approval for the allotment and issue of 600,000 Shares to Zebina Minerals Pty Ltd.

The effect of Resolution 8 will be to allow the Directors to issue the Shares during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

9.3 Application of 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 than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

9.4 Technical Information Required by Listing Rule 7.3

The following information is provided in relation to the proposed issue of Shares to Zebina pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of Shares to be issued is 600,000;
- (b) the Shares will be issued for a deemed issue price of \$0.05 each;
- (c) the Shares will be issued no later than three (3) months after the date of the Annual General Meeting (or such later date to the extent permitted by any

ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;

- (d) the Shares will be issued to Zebina who is not a related party of the Company;
- (e) the Shares are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares; and
- (f) no funds will be raised from the issue of the Shares as they are to be issued as consideration for a liability arising under the Terms Sheet.

SPECIAL BUSINESS - ACQUISITION OF MERGED GROUP

10. Conditional Acquisition Resolutions

The Acquisition Resolutions (Resolutions 8 to 22 and 24, inclusive) are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Acquisition Resolutions are not approved at the Meeting, none of the Acquisition Resolutions will take effect and the Acquisition Agreements and other matters contemplated by the Acquisition Resolutions will not be completed.

Resolutions 17 and 18 (Election of Directors) and Resolution 22 (Change of Company name) are further conditional on Completion of the Acquisition.

11. Background to the proposed acquisition of the Merged Group

11.1 Existing activities of the Company

The Company is an ASX-listed gold exploration company. The Company was incorporated on 28 May 2010 and admitted to the Official List of ASX on 30 March 2011.

The Company's recent focus has been on exploration activities on the Jillewarra Project, following the Company's entry into a farm-in agreement with respect to that project in October 2015. The Jillewarra Project area is located between 50km and 75km west-northwest of Meekatharra, within the Meekatharra Mineral Field in the Murchison Province of Western Australia. The project comprises two granted exploration licences and one granted prospecting licence, which covers a large part (~226km²) of the prospective Mingah Hills greenstone belt.

The Company is proposing to transform into an aquaculture business aiming to become one of the largest producers and distributors of Murray Cod in Australia.

11.2 Change in the nature and scale of the Company's activities

The Company has entered into the following conditional binding agreements:

- (a) a share sale agreement with Bidgee Fresh Pty Ltd (**Bidgee**), its shareholders (**Bidgee Vendors**) and Kimbalex Investments Pty Ltd (**Kimbalex**) to acquire 100% of the issued share capital and performance rights of Bidgee;
- (b) a business asset sale agreement with M&B Ryan Pty Ltd (**MBRPL**) to acquire the business known as Riverina Aquaculture and its assets (**Riverina Aquaculture**);

- (c) a land purchase agreement with Mr Mathew Ryan and Mrs Bonnie Ryan to acquire the 85 acre property where Riverina Aquaculture operates (**Ryan Farm**);
- (d) a sale agreement with Brigalow Enterprises Pty Ltd (**Brigalow**) to acquire three custom-built fish cages and a fish grading machine (**Brigalow Assets**); and
- (e) a business asset sale agreement and a land purchase agreement with Mr Ian Charles and Mrs Michelle Charles (**Charles**) to acquire the business known as Silverwater Native Fish and its assets (**Silverwater Native Fish**) and the 88 hectare property where Silverwater Native Fish operates (**Charles Farm**),

(together the **Acquisition Agreements**).

See Section 11.3 for details on the operations of the Merged Group.

ASX has determined the Acquisition comprises a significant change in the nature and scale of the Company's activities and requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. Resolution 8 seeks Shareholder approval for a change in the nature and scale of the activities of the Company pursuant to Listing Rule 11.1.2.

The Company proposes to, subject to the receipt of Shareholders' approval of the Acquisition Resolutions and the terms of the Acquisition Agreements (including the conditions precedent summarised in Section 11.8(e) below):

- (a) proceed to Completion of the Acquisition Agreements, pursuant to which the Company will:
 - (i) acquire the Ryan Farm for cash consideration of \$1,450,000;
 - (ii) issue 38,571,429 Initial Consideration Shares, 12,857,143 Deferred Consideration Shares and 20,000,000 Options to MBRPL in consideration for the business known as Riverina Aquaculture (Resolution 9);
 - (iii) issue 40,714,286 Initial Consideration Shares, 13,751,428 Deferred Consideration Shares and 40,000,000 Options to the Bidgee Vendors (or their respective nominees) in consideration for 100% of the issued shares of Bidgee, together with a cash payment of \$1,100,000 (Resolutions 9 and 10);
 - (iv) issue 15,000,000 Performance Rights to Kimbalex in consideration for the Bidgee Performance Rights (Resolution 11); and
 - (v) issue 2,000,000 Shares and 4,000,000 Options and pay \$1,300,000 in cash to Charles in consideration for the business known as Silverwater Native Fish and the farm on which it operates (Resolution 10);
- (b) raise up to \$10,000,000 via an offer of up to 200,000,000 Capital Raising Shares pursuant to a Prospectus (Resolution 12);
- (c) establish a new employee incentive scheme (**Scheme**) (Resolution 13);
- (d) issue 21,000,000 Director Options to the Directors under the Scheme; (Resolution 14);

- (e) appoint Mr Mathew Ryan and Mr Roger Commins to the Board (Resolutions 17 and 18); and
- (f) change the Company's name to "Murray Cod Australia Limited" (Resolution 22).

Other information considered material to the Shareholders' decision on whether to pass the Acquisition Resolutions is set out in this Explanatory Memorandum, and Shareholders are advised to read this information carefully.

11.3 About the Merged Group

(a) Value proposition and business model summary

The Company's value proposition is as follows:

- (i) **Integrated value chain:** the merger of three successful aquaculture businesses located in New South Wales which specialise in different areas of production across the entire Murray Cod lifecycle.
- (ii) **Experienced management and operational knowledge:** significant know-how and technical aquaculture knowledge developed over years of operations to be retained, with Vendors to be employed by the Company.
- (iii) **Expansion strategy:** Riverina Aquaculture has increased its productive capacity from 18 tonne per annum to 90 tonne since July 2015. Based on these figures and developed expansion plans, management of the Merged Group has a reasonable basis to expect that a productive capacity of 1,000 tonne per annum of consumption sized Murray Cod can be achieved within five years.
- (iv) **High value commodity:** Murray Cod able to achieve high prices (up to and exceeding \$20kg/kg) relative to other farmed species in Australia and Asia if farmed under the right conditions.
- (v) **Green & sustainable model:** Murray Cod grown in native waters in a controlled and monitored natural environment, strong synergies with irrigated agriculture and low environmental footprint (compared to traditional aquaculture activities).
- (vi) **Agricultural innovation:** Land based aquaculture model enables two products (fish and crops) to be generated from every megalitre of water used. Nutrient enriched waters used in aquaculture may be used to irrigate crops and pastures to potentially enhance farm-scale water-use efficiency and productivity gains.
- (vii) **Significant barriers to entry:** Significant land and access to quality water required, developed infrastructure, management knowledge and expertise, geographical location (species native to the Murray Darling Basin and environment).
- (viii) **Market opportunity:** Sales growth domestically year-on-year, with Company strategy to create "premium" product branding and develop export markets in Asia, with the potential for significantly increased demand.

The Company is proposing to acquire three aquaculture businesses; Silverwater Native Fish, Bidgee Fresh Pty Ltd (**Bidgee**) and Riverina

Aquaculture which together, hatch and farm Murray Cod. Upon Completion and subject to the passing of the Acquisition Resolutions, the Company will rename itself "Murray Cod Australia Limited". The Company's operations will be located in Griffith, in the Riverina region of New South Wales.

The Company will integrate the hatching, nursing and grow out of Murray Cod to control the entire life cycle of the fish. The Company intends to utilise existing capacity and knowledge within the individual businesses to cost effectively expand production while developing domestic markets for Murray Cod. As production allows, the Company will explore opportunities to export Murray Cod to overseas markets including Asia.

The Company will control the breeding, feeding, water conditions and biological inputs throughout the life cycle of the fish, with the aim to provide consumer confidence in the quality and sustainability of the fish. The marketing strategy of the Company will be to use these factors to educate consumers and to position Murray Cod in the marketplace as a "premium" product.

The Company's strategy is to build production capacity to ensure the supply of fully grown Murray Cod to developed markets. In addition to its planned expansion, the Company intends to utilise contract growers to grow out Murray Cod fingerlings to consumption sized fish on behalf of the Company.

The land based aquaculture model being used by the Company and contract growers may enable two products (fish and crops) and thereby two income streams to be generated from every megalitre of water used. The Directors believe this model to be ecologically sustainable as no water is discharged from the property with nutrient enriched waters from the production ponds used to irrigate crops and pastures. This integrated approach potentially enhances farm-scale water-use efficiency and productivity gains.

Murray Cod is native to Australia and occurs naturally in freshwaters of the Murray-Darling Basin in Queensland, New South Wales, Victoria and South Australia. It is the largest freshwater fish in Australia and one of the largest freshwater fish in the world.

The wholesale market price of Murray Cod can fetch a premium over other popular table fish such as salmon and tuna if it is farmed under the right conditions.

As at the date of this Notice, there is currently no wild catch of Murray Cod for commercial sale.

(b) The Business restructure

In order to restructure its business, the Company is proposing to acquire the following three aquaculture operations:

- (i) a Murray Cod hatchery - Silverwater Native Fish;
- (ii) a nursery - Bidgee; and
- (iii) a 'grow out' farm - Riverina Aquaculture.

Upon Completion, the Merged Group will be one of the largest Murray Cod aquaculture business by production volume in Australia which is considered to have the following barriers to entry for potential competitors:

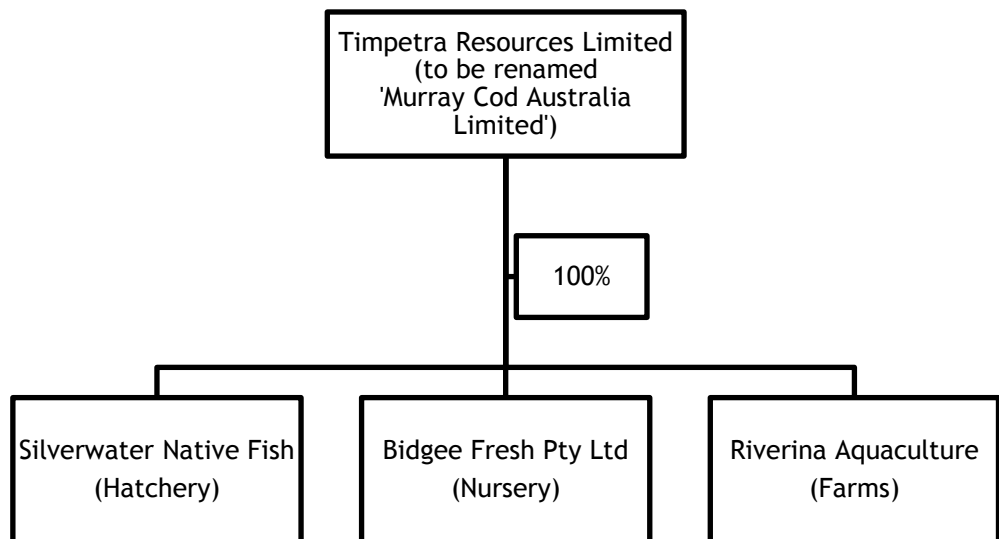
- (i) investment and construction of significant aquaculture infrastructure, which also has a large land requirement;
- (ii) access to sufficient quality freshwater. Murray Cod are entirely a freshwater species and will not tolerate high salinity levels and may be susceptible to bacterial and fungal infections unless excellent water quality is maintained;
- (iii) intellectual property comprising aquaculture operational 'know-how' and experienced management and personnel, including specific knowledge of the Murray Cod species;
- (iv) geographic location, with the natural habitat of Murray Cod being in the eastern states of Australia, predominately in New South Wales and Victoria;
- (v) Australian regulatory approval and ongoing inspection for aquaculture operations; and
- (vi) vertically integrated operations covering the entire life cycle and value chain of the Murray Cod grow out.

The Merged Group has existing trading relationships with wholesaler distributors and the Company expects to benefit from significant synergies from pooled management experience of the Merged Group and economies of scale.

A summary of each of the businesses and assets to be acquired is provided below.

(c) **Corporate structure**

The diagram below summarises the proposed corporate structure of the Company following Completion:



(d) **Merged Group team**

As part of the Acquisition Agreements, each of Mr Ryan and Mr Commins will join the Board of the Company. Mr Ryan and Mr Commins will be ably supported by Mr Ian Charles.

(i) Mr Mathew Ryan, Managing Director

Mr Mathew Ryan is the managing director of the Bidgee and Riverina Aquaculture businesses and has been instrumental with the growth of each. Previously Mr Ryan was managing director of Agrow Agronomy and Research which provided agronomic support services to agricultural clients and conducted significant research programmes for private and industry projects. Mr Ryan holds a Bachelor of Rural Science and has over 18 years of experience in the aquaculture and agricultural industries including marketing and sales and has detailed knowledge of the Murray Cod production cycle.

(ii) Mr Roger Commins, Non-executive Director

Mr George "Roger" Commins has extensive experience within the agricultural industry developed from over 30 years involvement in establishing and operating a diverse number of enterprises including large scale irrigation, development of the cotton industry in the region, seed production, agricultural transport, timber plantation, solar generation and high quality citrus amongst others. He is a Director of Commins Enterprises Pty Ltd, a company which is widely recognised as a regional innovator. Mr Commins is one of the founding members and current director of Southern Cotton NSW.

(iii) Mr Ian Charles, Hatchery Manager

Mr Ian Charles founded and has been operating Silverwater Native Fish for over 20 years.

Mr Charles is a respected figure in native fish spawning/production and undertakes aquaculture consulting work in China and Vietnam. Mr Charles will be involved with the Company as Hatchery Manager.

(e) **The Merged Group assets**

The Merged Group will have the following assets upon Completion:

- (i) **Murray Cod fish:** Riverina Aquaculture will hold not less than \$300,000 of stock of Murray Cod at Completion. Silverwater Native Fish will hold not less than \$200,000 of stock at Completion.
- (ii) **Land and water licences:** an 85 acre farm in Bilbul, New South Wales where Riverina Aquaculture operates and an 88 hectare farm in Grong Grong, New South Wales where Silverwater Native Fish operates, together with water licences in relation to the respective farms.
- (iii) **Plant and equipment:** various plant and equipment to carry out the Operations, including custom-built ponds, fish cages and a fish grading machine.
- (iv) **Intellectual property:** comprises management experience and 'know how' developed over many years of aquaculture operations. Further the Merged Group will acquire the intellectual property rights related to the design and manufacture of the fish cages, grading machines as well as design and management of the Ryan Farm grow out ponds.

11.4 The Merged Group Operations

(a) Hatchery business

Silverwater Native Fish was founded in 1995 and is a fish spawning and hatchery business, operated by the partnership of Ian and Michelle Charles. Silverwater Native Fish breeds "fry" (or baby fish), including native species of Murray Cod, Silver Perch and Golden Perch, which are then grown into "fingerlings" in dedicated "fry ponds" and weaned inside the hatchery facilities. The Company intends to supply the fingerlings to Bidgee, which operates a nursery (see Section 11.4(b) below).

Silverwater Native Fish comprises a farming property located in Grong Grong, New South Wales (being the Silverwater Farm). The Silverwater Farm has a large Recirculating Aquaculture System (RAS) comprising a housing shed, hatchery tanks, water licences, existing fish stock and associated plant and equipment, including a laboratory and cool room.



Picture 1: Aerial view of Silverwater Native Fish hatchery



Picture 2: Inside the Silverwater Native Fish Hatchery



Picture 3: Inside the Silverwater Native Fish Hatchery

(b) Nursery business

Bidgee was founded in April 2015 and owns and operates a customised fish nursery located in Bibul, News South Wales (being the Ryan Farm). Bidgee is jointly owned by Brigalow, controlled and owned by proposed director Mr George "Roger" Commins and M & B Ryan Pty Ltd, a company jointly controlled and owned by proposed director Mr Matthew Ryan and Mrs Bonnie Ryan.

Murray Cod are received as fingerlings at Bidgee's nursery and grown into "advanced stockers" of approximately 100mm in size, that are then transferred to the fish farming operations of Riverina Aquaculture, which is also located on Ryan Farm.

Bidgee's assets comprise tanks, pumps, plumbing, filtration equipment, fish handling equipment and a quarantine room. Also, built into the nursery is a fish processing plant comprising a cool room, ice machine and other associated equipment.

The nursery system includes a range of small and large tanks to allow for grading of fish by size in order to reduce losses through aggression from larger fish towards smaller fish.



Picture 4: Inside the Bidgee Nursery

(c) **Fish farming**

Riverina Aquaculture was established in July 2012 by Mr Matthew Ryan and Mrs Bonnie Ryan. Riverina Aquaculture receives fingerlings weighing approximately 100 grams each and 'grows out' fish to a weight of 1 to 2 kilograms or more each, over a period of 8 to 24 months within earthen ponds fitted out with purpose built integrated cage systems located on the Ryan Farm.

Riverina Aquaculture stocked its first caged pond with fingerlings in January 2013, while the first sales of Murray Cod were achieved in March 2014.

Currently two ponds on the Ryan Farm are fitted with cage systems that are stocked with fish, with a capacity of approximately 20,000 fish for each pond, which enables an annual production capacity of Murray Cod of approximately 36,000 kilograms (18,000 kilograms per pond) based on an average weight of 1 kilogram per fish and after allowing for 10% mortality in total (from fingerling stock). The fish cages are divided into sections via a series of pontoons which provide access for work to be undertaken such as inspection, feeding and harvest.

The second stocked pond was fitted in October 2015 with a cage system that was designed and manufactured in the Griffith area on behalf of Bidgee (see Picture 5 below).

As part of the Acquisition, the Company will acquire a further three integrated cage systems from Brigalow which are to be used to increase the number of 'cage fitted' ponds to expand the Riverina Aquaculture's total production capacity to approximately 90 tonnes per annum, which is calculated based on fish reaching an average weight of 1 kilogram within 12 months.

Further, development applications have been lodged for the construction of an additional six dams, on a neighbouring property intended to be leased by the Company. If these applications are successful, and the Company secures the property leasing, it is expected to increase annual productive capacity by an additional 108 tonnes. The Merged Group's objective is continue to expand its productive capacity to become the largest Murray Cod producer in Australia.



Picture 5: Custom designed cage system on the Ryan Farm

(d) **Cage Systems**

The Company will acquire three specialised grow out cage systems (already installed on dams at the Ryan Farm) from Brigalow along with the intellectual property associated with the design and production of specialised grow out cage systems (see Picture 5 above).

These cage systems allow easy monitoring of the fish stock for mortality and any signs of disease, with monitoring currently performed by Riverina Aquaculture's management on a daily basis. The cages also allow for fish to be graded and segregated easily based on size, which helps to prevent any aggression from larger fish that could lead to slower growth rate, higher mortality and 'stressed' fish stock. The addition of the grading machine to be purchased from Brigalow will automate this process thereby significantly reducing labour costs otherwise incurred. It will also allow the fish being graded to suffer less stress and damage during the process than would occur through manual grading with hand net and buckets.

Each cage has a customised integrated aeration system which aims to increase dissolved oxygen levels in each pond in order to maintain the health and growth rate of the Murray Cod stock.



Picture 6: Fish grading machine operating on contractor grower farm

The cage systems are specifically designed to keep the fish stock to a maximum depth of approximately two metres, within a total dam depth of approximately five metres. This design is intended to eliminate any muddy flavours of the fish stock, which are often associated with wild catch or RAS grown fish.

11.5 Industry competition

(a) **Competition**

Global aquaculture is considered by the Food and Agriculture Organization of the United Nations to be one of the fastest growing primary industries in the world, having consistently grown at an annual rate of 3% over the past decade.¹ The volume in Australian aquaculture production has experienced

¹ The State of World Fisheries and Aquaculture 2014, Food and Agriculture Organization of the United Nations, Part 4

strong growth at an average annual growth of 11 per cent over the last two decades, which has largely offset the decline in the wild capture sector.²

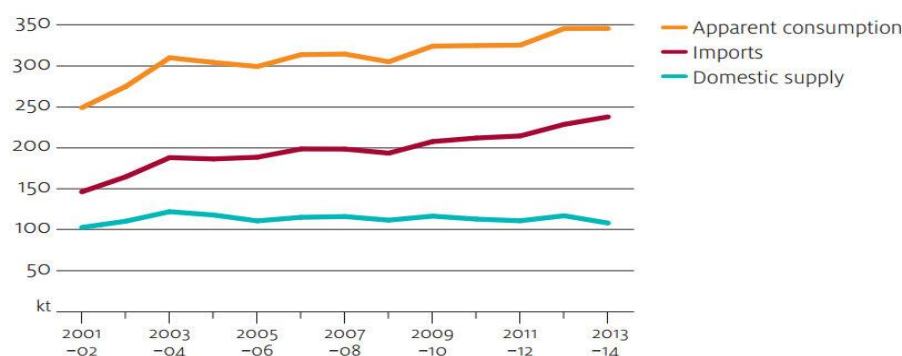
Total global production from aquaculture is forecast to increase by more than 35% by 2022 from 2013 production levels and aquaculture production is expected to exceed wild fisheries production for human consumption in 2018.³

The increasing appetite for seafood has been attributed to rising incomes and urbanisation, expansion of aquaculture production and growing consumer awareness and education around the health benefits of high-quality seafood in a balanced diet. Seafood consumption in Australia has increased 3% annually over the past decade and now surpasses consumption of sheep and lamb meat.⁴

In Australia, market demand for seafood has increased to approximately 350,000 tonnes in 2013 to 2014 from consumption of approximately 250,000 tonnes per annum in 2001.⁵ This equates to an annual consumption of around 15 kilograms per person.⁶ A large part of this demand in Australia is currently being met by imports, which makes up to 66% of total domestic consumption.⁷ In some developed countries, demand for seafood is greater than domestic production can support, such as in the United States, Japan and the United Kingdom.⁸ In Australia these imports are primarily frozen, low-value fish products with the majority of the products made up of processed, preserved or canned fish.⁹

The Directors consider that this large volume of imports indicates a promising opportunity for the development of a local alternative aquaculture product that is fresh, high quality and sustainable.

Figure 1: Australian volume of apparent consumption, domestic supply and imports of seafood, 2001 to 2014



Source: ABARES; Australian Bureau of Statistics, 2014

² Australia's fisheries and aquaculture statistics 2014: Department of Agriculture and Water Resources, Research by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), December 2015

³ The State of World Fisheries and Aquaculture 2014, Food and Agriculture Organization of the United Nations, Part 4

⁴ Australia's fisheries and aquaculture industry: key trends, global context and seafood consumption, 2014

⁵ Australia's fisheries and aquaculture industry: key trends, global context and seafood consumption, 2014

⁶ Australia's fisheries and aquaculture industry: key trends, global context and seafood consumption, 2014

⁷ Australia's Seafood Trade January 2015, Australian Government, Department of Agriculture

⁸ Australia's Seafood Trade January 2015, Australian Government, Department of Agriculture

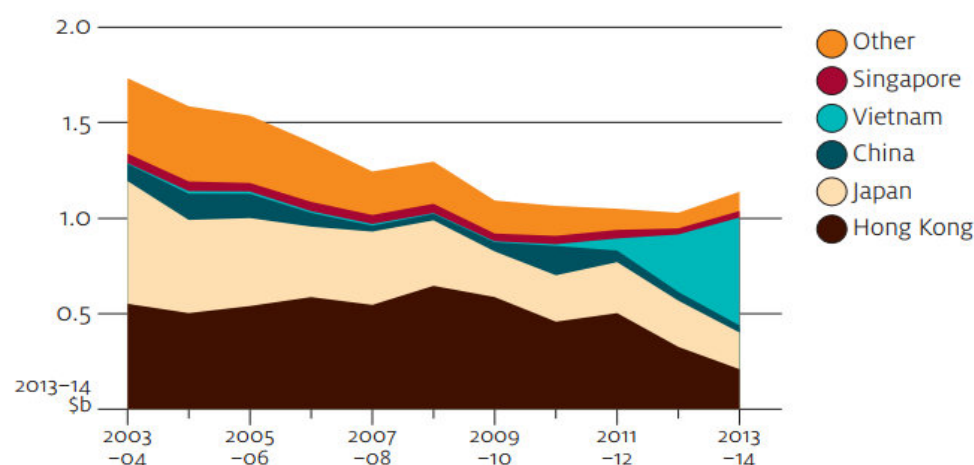
⁹ Australia's Seafood Trade January 2015, Australian Government, Department of Agriculture

Asia accounts for the majority of Australia's fisheries and aquaculture export market. Exports of Australian fisheries products (edible and non-edible) were valued at \$1.18 billion 2012 to 2013.¹⁰

A large proportion of Australian seafood products are sold to export markets which receive a premium price, likely due to Australia's reputation for producing some of the highest quality seafood in the world. The higher perceived value of Australia's seafood is evidenced by the value of Australia fisheries exports by volume when compared to imports. During the 2013 financial year Australian total export volume was 35,500 tonnes, valued at \$1.18 billion, compared to an import volume of 228,000 tonnes which was valued at \$1.5 to \$1.6 billion.¹¹

The Directors consider this to represent a strong value proposition for Australian seafood in the global market which is promising for the growth prospects of the Company through the supply of Murray Cod to high margin export markets.

Figure 2: Australian exports of edible fisheries and aquaculture products, by destination, 2003 to 2014



Source: ABARES; Australian Bureau of Statistics, 2014

(b) Murray Cod aquaculture - An untapped market

Murray Cod is native to Australian southern fresh water rivers. Murray Cod aquaculture production has been increasing following the curtailment of commercial fishing and with restrictions imposed on recreational fishing due to Murray Cod being listed as a threatened species under the *Environmental Protection Biodiversity Conservation Act 1999 (Cth)* since 2003.¹²

In the last five years, production of Murray Cod has increased in New South Wales and Victoria from approximately 50 to 100 tonnes per annum in 2013 to an annual production of 230 tonnes in 2014 to 2015,¹³ mainly due to new entrant farmers with RAS and pond based aquaculture facilities. Data on

¹⁰ Australia's Seafood Trade January 2015, Australian Government, Department of Agriculture

¹¹ Australia's Seafood Trade January 2015, Australian Government, Department of Agriculture

¹² http://www.pir.sa.gov.au/fishing/recreational_fishing/murray_cod

<http://agriculture.vic.gov.au/fisheries/education/fish-species/murray-cod>

¹³ A Review of Research and Development Needs for Murray Cod Aquaculture in Australia, NSW Department of Primary Industries

Murray Cod produced in other states of Australia is either not publicly available or estimated to be minimal.¹⁴

The Directors believe that an opportunity exists to capture a major market share in the developing Murray Cod industry, as well as capture market share from other white flesh table fish such as Barramundi, which has an annual consumption in Australia of approximately 20,000 tonnes.¹⁵

Murray Cod is considered to be a species well suited to aquaculture that has a large body of research and farm production history in order to support high growth rates of up to 600 grams/year.¹⁶ Domestic and international demand is generally for sizes between one and two kilograms, which in well managed production facilities, can be achieved within two years.

Murray Cod are sold predominantly on the domestic markets through wholesalers as a whole, fresh chilled or live.¹⁷ Whole fresh chilled Murray Cod are currently sold in small volumes, directly to markets in capital cities on Australia's eastern seaboard.

The Murray Cod domestic market price currently is believed to be between \$13.50 per kilogram and \$20.00 per kilogram, with the lower priced fish generally received for sales of RAS produced Murray Cod. Not including undeveloped export markets, the local demand is estimated to be well in excess of current production by the Company, based upon distributor and customer requests received by the Company. The Directors believe this supply and demand difference, combined with the taste, texture and fat content of Murray Cod, has resulted in the 'premium price' over other white flesh table fish in Australia.

The Victorian Government undertook a series of taste tests of Murray Cod in Singapore, Taiwan, Hong Kong and Tokyo by seafood wholesalers, importers, chefs and food journalists as part of an export market evaluation in 1999, with results being generally well received and Australian Murray Cod perceived as 'healthy', 'safe' and 'high quality'.¹⁸ Murray Cod white flesh was considered to be suitable for a wide variety of cooking methods that retain its flavour and moisture.

The high value Asian markets have not been developed to date, with only small volumes of Murray Cod being sold into Japan in 2013, at approximately 750 consumption sized fish, and with approximately 7,000 consumption sized fish sold into Vietnam in 2014. There were negligible numbers sold into Asian markets in 2015.¹⁹ The barrier to entry into these markets is considered to be consistency of supply and quality.

The Directors believe that one of the greatest challenges facing the development of the Murray Cod export market is the need for robust and

¹⁴ A Review of Research and Development Needs for Murray Cod Aquaculture in Australia, NSW Department of Primary Industries

¹⁵ Australian Barramundi Farmers Association, 28 July 2014, Submission to the Senate Standing Committee on Rural and Regional Affairs and Transport

¹⁶ <http://agriculture.vic.gov.au/fisheries/aquaculture/murray-cod-aquaculture/murray-cod-aquaculture-a-potential-industry/an-industry-in-the-making>

¹⁷ A Review of Research and Development Needs for Murray Cod Aquaculture in Australia, NSW Department of Primary Industries

¹⁸ <http://agriculture.vic.gov.au/fisheries/aquaculture/murray-cod-aquaculture/murray-cod-aquaculture-a-potential-industry/export-market-evaluation-for-murray-cod>

¹⁹ A Review of Research and Development Needs for Murray Cod Aquaculture in Australia, NSW Department of Primary Industries

strategic marketing and controlled distribution supply chains, which selectively target premium markets.

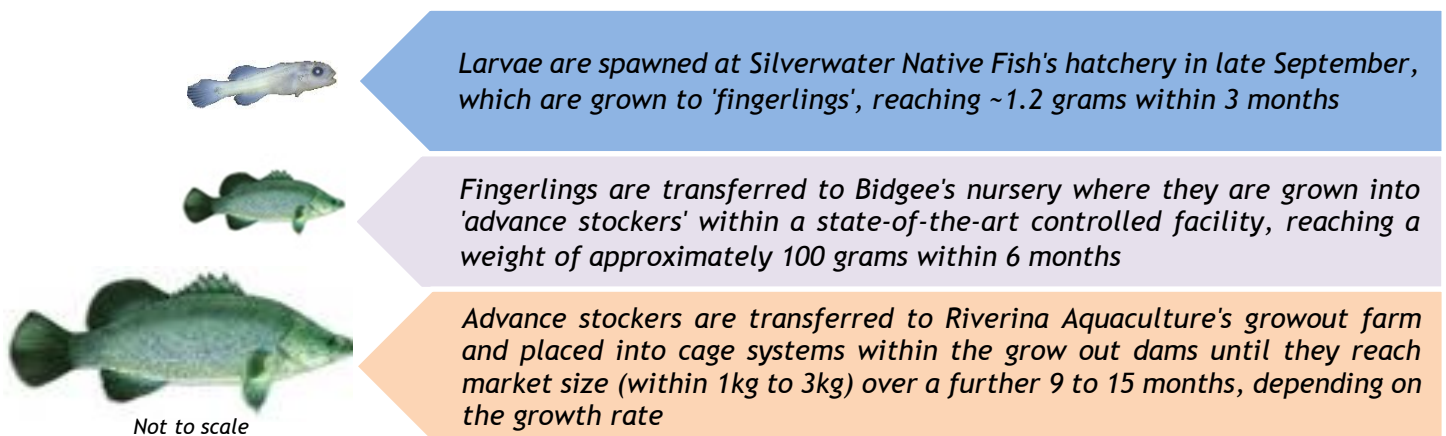
The Company intends to develop a strong export brand that reflects a premium "clean" fish that is sustainably grown in order to build on consumer perception of value.

With growing demand for Australian aquaculture product both in Australia and internationally, the Directors believe that Murray Cod as a premium seafood product is well positioned to take advantage of the growth in the global aquaculture market.

11.6 Business model and development and commercialisation objectives

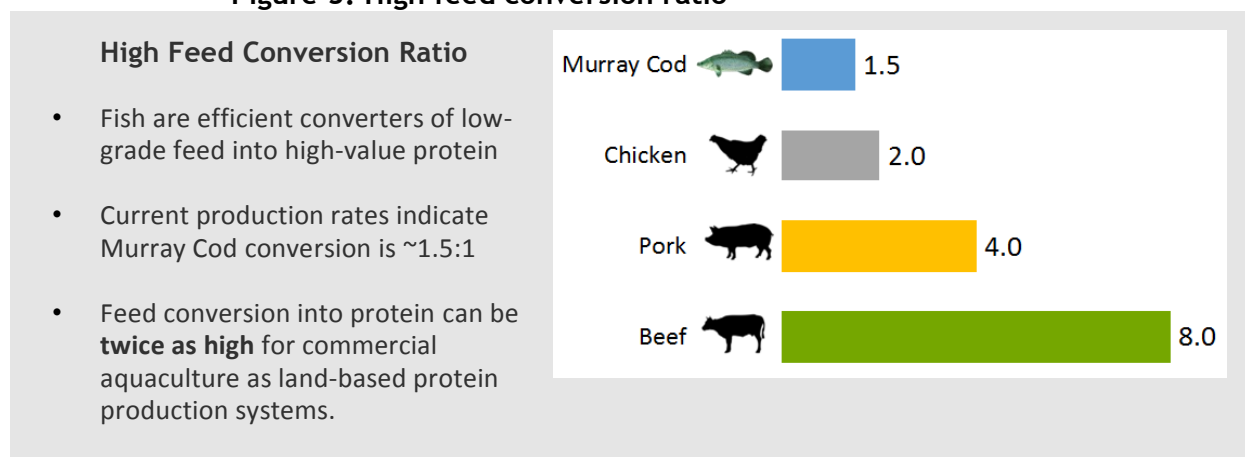
(a) The Murray Cod lifecycle through the Company's Operations

The Murray Cod lifecycle is approximately 18 months from spawning through to market, broken down as follows:



Murray Cod are relatively efficient converters of feed into high-value protein compared to other animals, with current production rates indicating a conversion ratio of approximately 1.5:1 (see Figure 3 below).

Figure 3: High feed conversion ratio



Source: <http://www2.deloitte.com/au/en/pages/consumer-business/articles/the-growth-of-aqua-culture-fishy-business.html>

(b) **Comparison of open pond grown fish versus RAS***

	Open Ponds	RAS*
Large economies of scale	✓	×
Lower set up costs	✓	×
Lower operating costs	✓	×
Premium pricing for fish	✓	×
Better environmental/disease control	×	✓
Faster growth	×	✓

Source: <http://agriculture.vic.gov.au/fisheries/aquaculture/production-systems>)

*Recirculating Aquaculture Systems (RAS) have limited water exchange (typically up to 10% per day) and reuse the culture water. Mechanical and biological water treatment is used to maintain water quality.

(c) **Land assets/water licences**

As part of the Acquisition, the Company will acquire the land and the water licences owned by Silverwater Native Fish as follows:

- (i) 293 megalitres of groundwater, being Water Access Licence 33173
- (ii) 130 megalitres of general security river water, being Water Access Licence 4091; and
- (iii) 6 megalitres of stock and domestic water, being Water Access Licence 4092.

In addition, surplus land on the Silverwater Farm is currently being used for cattle grazing and the Company will determine future land use following Completion.

The Company also intends to acquire the Ryan Farm and all assets owned by Riverina Aquaculture. The water licences attaching to the Ryan Farm will also be acquired, being a water allocation of 201 megalitres from the local Murrumbidgee irrigation area.

Agricultural land on the properties to be acquired that is not directly used for the aquaculture businesses is intended to be planted to pasture and grazed by cattle for an agistment fee, or used for fodder production.

Bidgee currently employs a farm manager who is responsible for managing the nursery shed and fish farm, as well as managing the agricultural land. Any crop production is intended to be irrigated with nutrient enriched water from the Company's fish ponds. The Company's future decisions for the use of this excess land will depend on climactic conditions and livestock market cycles, and is yet to be determined.

In either case, these land farming activities are considered to be insignificant in terms of the economic impact on the Company's financial performance and the time required by the Company's management.

(d) Fish sales

The Company expects its main source of revenue will be from the sale of grown Murray Cod. Riverina Aquaculture has been selling Murray Cod for approximately three years to wholesale markets in Sydney and Melbourne. Bidgee has an arrangement with two wholesale distributors to market and supply Murray Cod to domestic markets in New South Wales and Victoria, who each charge a commission.

Harvesting occurs when the fish reach a target weight of 0.8kg to 3.0kg depending on market destinations. The whole fish (including the gut) are placed in ice boxes and transported directly to markets in refrigerated trucks by contractors.

The Murray Cod sold by Riverina Aquaculture at the Sydney Fish Market received a premium of \$4/kg to \$6/kg compared to Murray Cod raised in indoor facilities.

As at the date of this Notice, based on a production capacity of 90 tonnes per annum, the estimated cost of producing Murray Cod by the Merged Group is between \$9/kg to \$11/kg.

The Merged Group expects the achieved sale price per kilogram to fall modestly as production is increased. The Company's objective is to decrease the average per kilogram production cost by more than the expected market price decrease (on a percentage basis) in order to maintain or increase its gross sales margin.

The Company aims to decrease average production cost due to realising economies of scale as the total production capacity of the Merged Group is increased, by the construction and stocking of additional grow out ponds, through:

- (i) utilising unused production capacity within the Silverwater Native Fish hatchery and Bidgee nursery to supply fingerlings to the Riverina Aquaculture's grow out farm;
- (ii) labour and supplier costs are not expected to increase relative to the increase in production capacity (on a percentage basis); and
- (iii) negotiating supplier discounts.

In addition to supplying fingerlings to Riverina Aquaculture, the Silverwater Native Fish hatchery also has existing arrangements with the New South Wales and Victorian Governments to supply fingerlings for native fish restocking initiatives.

(e) Sale of cage systems

Bidgee will design and manufactures cage systems for fit out in Murray Cod grow out dams. The cage systems are a new design and are currently being installed at Riverina Aquaculture.

The Merged Group plans to generate additional revenue from the sale or lease of its unique cage systems to contract growers, as well as to new Murray Cod growers entering the market. These cages are manufactured in the Griffith, New South Wales area on behalf of Bidgee.

The stability of the cage systems is considered to be a very important part of work place safety, especially when employees are working around and above water. The cage systems are modular to allow them to be packaged and freighted easily, as well as expanded quickly when installed on properties.

The cage systems have also been designed to allow water mixing within the dams and to maintain adequate oxygen through submersible pumps and aerators in order to increase water quality and cage production capacity.

Each cage system has the capacity to produce between 20,000 kg to 34,000 kg of Murray Cod, depending on stocking density, oxygen supply and other factors.



Picture 6: Cage system at one of Riverina Aquaculture's grow out ponds

(f) Contract growers

The Company proposes to expand operations and revenue by providing fingerlings to contract growers who will grow fish on behalf of the Company using proven methods and dam cage systems sold by Bidgee. The Merged Group's key personnel and operational expertise are intended to be made available to support contract growers. The Company is currently investigating various contract grower model options, including whether the Company will retain ownership of the fish stock.

Riverina Aquaculture has arrangements with three contract growers within New South Wales as part of an initial pilot assessment, with a total production capacity of approximately 100 tonnes of Murray Cod (depending on growth rate, mortality rate and other factors). The first sales of Murray Cod grown by contract growers within the pilot test were achieved in Spring of 2015.

One of the benefits of the contract grower model is the ability to boost Murray Cod production with limited capital expenditure incurred by the Company.

Further, the geographical spread of Murray Cod grow out farms provided by contract growers will assist with the mitigation of biological risks and diseases through diversity of dam water supply sources and segregation of fish stocks.

There are a number of benefits to farmers in acting as contract growers, including:

- (i) giving farmers another "crop" to monetise that isn't susceptible to land based agricultural risks; and
- (ii) the potential for the same irrigation water to be used twice: once through the fish ponds and then the nutrient enriched water can be used to irrigate crops or pastures on the farming properties to improve productivity.

(g) Fish processing/packing and transport

Riverina Aquaculture has existing fish processing infrastructure on the Ryan Farm suitable for local and interstate delivery. The Company intends to develop a facility to process fish for domestic and export demand as well as for live fish transport within Australia.

The past sales of Murray Cod by Riverina Aquaculture have been the whole fish, including the gut. It is anticipated that whole fish sale will continue in the short and medium term.

The Company will investigate various processing methods to ensure a high-quality consistent product is delivered to its end users. The current and intended future processing facility will be used to process fish grown from the Company's operations and also on behalf of other local fish growers, including contract growers.

(h) Field advice/labour

Following the Acquisition, the Company will have a management team and staff that are highly experienced in fish management procedures and disease control. The Company intends to contract staff to contract growers to advise on husbandry and fish management techniques.

The Directors anticipate that as the Murray Cod aquaculture industry grows in New South Wales, demand for skilled advice and labour will also increase.

(i) Experienced management and Board

On completion of the Acquisition, the Company will have an experienced management and Board including:

- (i) Mr Matthew Ryan, Proposed Managing Director;
- (ii) Mr Roger Commins, Proposed Non-Executive Director and Farming, Research and Development Manager;
- (iii) Mr Ian Charles, Proposed Hatchery Manager;
- (iv) Mr Ross Anderson, Chairman;
- (v) Mr Morgan Barron, Non-Executive Director;
- (vi) Mr Martin Priestley, Non-Executive Director; and
- (vii) industry expert consultants, including:
 - (A) Mr Paul Hardy-Smith of Panaquatic Health Solutions Pty Ltd, Fish Health and Production Consultant; and

(B) Mr Paul Van Der Werf of Earthan Group Pty Ltd, Aquaculture Construction and Production Consultant.

(j) **Risks of the aquaculture operations and business model**

The existing operations to be acquired have risk management strategies in place to mitigate the risks associated with fish hatching and farming. These strategies will be reviewed and updated as necessary to account for the combined operations following the Acquisitions.

(k) **Disease**

Biosecurity is a major focus for the Company. Established and industry standard protocols for biosecurity measures are implemented at both the Ryan Farm and Silverwater Farm. This includes the use of existing quarantine facilities to ensure any fish moving between the sites are disease free.

The separation of sites by geography and the use of different water sources will also alleviate risk of disease outbreaks spreading from one location to another.

The common diseases that affect Murray Cod are Chilodonella, White Spot, Trichodina and Saprolegnia, which are parasitic and fungal diseases. These diseases are easily identifiable to trained staff and are treated using well documented protocols standard to the aquaculture industry.

(l) **Labour**

Intensive aquaculture requires the knowledge and skill of well-trained personnel. A risk to the Company is not having adequately trained staff to handle the work load at peak times.

The Company is mitigating this risk by implementing a detailed on-the-job training program for new staff, who are currently being trained by experienced professionals in the aquaculture industry.

Bidgee also sponsors a prize at nearby Charles Sturt University to encourage vet students to study aquatic disease management, which plans to assist the Merged Group's research and development program for disease management.

(m) **Environmental control**

The sites are established outside of known flood zones and dam construction is considered to be sufficiently robust so as to protect fish stock from extreme weather events. The fish are native to the region and are therefore well adapted to extreme changes in water temperature that can occur as a result of the Australian climate.

Dams are built with sufficient depth to buffer water temperatures from dramatic diurnal changes. Dam size is also important for risk mitigation as smaller production units reduce the risk from any one single production unit and also allows the Merged Group to easily manipulate the dam's conditions to ensure water quality parameters are kept optimal for the fish.

11.7 Key dependencies of the business model

The key factors that the Company will depend on to meet its objectives following Completion are:

- (a) the successful completion of the Acquisition;
- (b) the successful completion of the Capital Raising;
- (c) retaining the key personnel of the Merged Group;
- (d) increase in Murray Cod production capacity within the Merged Group;
- (e) development of the 'contract grower' business model in order to expand production capacity and meet growth objectives; and
- (f) development of domestic and export markets for grown Murray Cod, sufficient to meet production and growth objectives.

11.8 Key terms of the Acquisition Agreements

(a) Bidgee

In consideration for 100% of the issued capital of Bidgee, the Company will issue to the Bidgee Vendors a total of:

- (i) 40,714,286 Initial Consideration Shares;
- (ii) 13,571,428 Deferred Consideration Shares; and
- (iii) 40,000,000 Options,

(together, the **Bidgee Consideration Securities**), of which:

- (iv) 20,357,143 Initial Consideration Shares, 6,785,714 Deferred Consideration Shares and 20,000,000 Options will be issued to MBRPL (an entity associated with existing substantial holder and incoming Director Mr Mathew Ryan); and
- (v) 20,357,143 Initial Consideration Shares, 6,785,714 Deferred Consideration Shares and 20,000,000 Options will be issued to Brigalow (an entity associated with incoming Director Mr Roger Commins).

In addition to the Bidgee Consideration Securities, the Company has agreed to:

- (i) issue 5,000,000 Class A, 5,000,000 Class B and 5,000,000 Class C Performance Rights to Kimbalex (an entity associated with Mr Ross Anderson, current director of the Company) in consideration for the acquisition and subsequent cancellation of the Bidgee Performance Rights held by Kimbalex; and
- (ii) pay \$1,100,000 cash to the Bidgee Vendors.

(b) Riverina Aquaculture and Ryan Farm

In consideration for the acquisition of the business known as Riverina Aquaculture, the Company will issue 38,571,429 Initial Consideration Shares, 12,857,143 Deferred Consideration Shares and 20,000,000 Options to MBRPL.

In consideration for the acquisition of the Ryan Farm on which Riverina Aquaculture operates, the Company will pay \$1,450,000 cash to Mr Mathew Ryan and Mrs Bonnie Ryan.

(c) **Brigalow Assets**

In consideration for the acquisition of the Brigalow Assets, the Company will pay \$550,000 cash to Brigalow.

(d) **Silverwater Native Fish and Silverwater Farm**

In consideration for the acquisition of the business known as Silverwater Native Fish and the Silverwater Farm, the Company will issue 2,000,000 Shares and 4,000,000 Options and pay \$1,300,000 cash to Charles.

(e) **Conditions Precedent**

Settlement of the Acquisition is conditional upon the satisfaction (or waiver) of the following material conditions precedent on or before 1 January 2017 (or such other date as may be agreed in writing):

- (i) preparation of audited accounts of Bidgee, Riverina Aquaculture and Silverwater Native Fish;
- (ii) shareholder approval for:
 - (A) the issue of the Consideration Securities, Capital Raising Shares (see below) and Performance Rights, including the procurement of an independent expert's report;
 - (B) the appointment of Mr Mathew Ryan and Mr Roger Commins as Directors; and
 - (C) the implementation of the Employment Incentive Scheme and the issue of the Director Options;
- (iii) the Company undertaking a capital raising of not less than \$7,000,000 and up to \$10,000,000 via the issue of Shares with an issue price of \$0.05 each (**Capital Raising**);
- (iv) the Company obtaining all necessary regulatory approvals or waivers pursuant to the Corporations Act and the Listing Rules, including with respect to Chapter 11 of the Listing Rules;
- (v) the Company entering into employment and/or service agreements (in a form satisfactory to the Company, acting reasonably) with:
 - (A) Mr Mathew Ryan, in relation to his appointment as Managing Director of the Company;
 - (B) Mr Roger Commins, in relation to his appointment as Non-Executive Director of the Company;
 - (C) Mr Ross Anderson, in relation to his appointment as Non-Executive Chairman of the Company; and
 - (D) Mr Ian Charles, in relation to his appointment as Hatchery Manager; and

- (vi) the Company receiving a reinstatement conditions letter from ASX, on terms satisfactory to the Company and Mr Ryan and Mr Commins (each acting reasonably).

(f) **Voluntary escrow**

Each of MBRPL, Brigalow and Kimbalex have each agreed to voluntarily escrow any Securities they receive as part of the Acquisition for a period of two years from the re-commencement of the Company's Securities to Official Quotation and have consented to a holding lock being placed on those securities by the Company's share registry.

(g) **Employment arrangements**

It is a condition of the Acquisition that the Company enter into the following employment/service agreements on the following terms, with each commencing on re-commencement of the Company's Securities to Official Quotation:

(i) **Mr Mathew Ryan**

The Company has entered into an executive services agreement with Mr Mathew Ryan (**Ryan Agreement**).

Under the Ryan Agreement, Mr Ryan is engaged by the Company to provide executive services to the Company on a full time basis in the role of Executive Director. The Company remunerates Mr Ryan for his services with an executive remuneration package comprising the following:

- (A) a base salary of \$150,000 per annum;
- (B) superannuation in accordance with statutory requirements; and
- (C) reimbursement for reasonable expenses necessarily incurred by Mr Ryan in the performance of his services as the Managing Director.

Mr Ryan is entitled to participate in bonus and/or other performance and incentive schemes that may be implemented in the future.

Mr Ryan's employment under the Ryan Agreement is for a fixed term of 3 years and following this initial term will continue until terminated in accordance with the Ryan Agreement. During the term, the Ryan Agreement may be terminated by the Company at any time:

- (A) by 6 months' written notice to Mr Ryan;
- (B) by 1 month's written notice to Mr Ryan in cases of prolonged illness or incapacity (mental or physical); or
- (C) by summary notice in circumstances where Mr Ryan neglects to perform his duties or comply with reasonable or proper direction, or engages in serious misconduct.

Otherwise, the Ryan Agreement may be terminated by Mr Ryan at any time for any reason by giving not less than 6 months' notice in writing

to the Company. Mr Ryan may also terminate the Ryan Agreement immediately by giving notice if at any time the Company is in breach of a material term of the Ryan Agreement.

As a Managing Director, Mr Ryan shall (amongst other things):

- (A) be engaged as a full-time employee of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall devote the whole of his time, attention and skill to the duties of his position and to the business of the Company, and such related corporations of the Company as the Company may from time to time direct; and
- (B) (obey all directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Mr Ryan is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 12 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Ryan Agreement contains additional provisions considered standard for agreements of this nature.

(ii) **Mr Ian Charles**

The Company has entered into an employment agreement with Mr Ian Charles (**Charles Agreement**).

Under the Charles Agreement, Mr Charles is engaged by the Company to provide services to the Company on a full time basis in the role of Hatchery Manager. The Company remunerates Mr Charles for his services with a remuneration package comprising the following:

- (A) a base salary of \$88,000 per annum (inclusive of superannuation);
- (B) superannuation in accordance with statutory requirements;
- (C) reimbursement for reasonable expenses necessarily incurred by Mr Charles in the performance of his services as the Hatchery Manager;
- (D) the use of a vehicle to be provided by the Company to perform the Services; and
- (E) accommodation on the Silverwater Farm, including electricity and any repairs required.

In addition, Mr Charles is entitled to participate in bonus and/or other performance and incentive schemes that may be implemented in the future.

Mr Charles' employment under the Charles Agreement will continue until terminated in accordance with the Charles Agreement. During the term, the Charles Agreement may be terminated by the Company at any time:

- (A) by 3 months' written notice to Mr Charles;
- (B) by 3 months' written notice to Mr Charles in cases of prolonged illness or incapacity (mental or physical); or
- (C) by summary notice in circumstances where Mr Charles neglects to perform his duties or comply with reasonable or proper direction, or engages in serious misconduct.

Otherwise, the Charles Agreement may be terminated by Mr Charles at any time for any reason by giving not less than 3 months' notice in writing to the Company. Mr Charles may also terminate the Charles Agreement immediately by giving notice if at any time the Company is in breach of a material term of the Charles Agreement.

As a Hatchery Manager, Mr Charles shall (amongst other things):

- (A) be engaged as a full-time employee of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall devote the whole of his time, attention and skill to the duties of his position and to the business of the Company, and such related corporations of the Company as the Company may from time to time direct; and
- (B) obey all directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Mr Charles is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 24 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Charles Agreement contains additional provisions considered standard for agreements of this nature.

(iii) **Mr George Roger Commins**

The Company has entered into a Director services agreement with Mr George Roger Commins (**Commins Agreement**).

Under the Commins Agreement, Mr Commins is engaged by the Company to provide services to the Company as a Non-Executive Director. The Company remunerates Mr Commins for his services with a remuneration package comprising the following:

- (A) Director fee of \$30,000 per annum;

- (B) superannuation in accordance with statutory requirements; and
- (C) reimbursement for reasonable expenses necessarily incurred by Mr Commins in the performance of his services as an executive director.

Mr Commins is entitled to participate in bonus and/or other performance and incentive schemes that may be implemented in the future.

Mr Commins' employment under the Commins Agreement will continue until terminated in accordance with the Commins Agreement. During the term, the Commins Agreement may be terminated by the Company at any time:

- (A) by 3 months' written notice to Mr Commins;
- (B) by 1 month's written notice to Mr Commins in cases of prolonged illness or incapacity (mental or physical); or
- (C) by summary notice in circumstances where Mr Commins neglects to perform his duties, including those imposed by the Corporations Act and ASX Listing Rules, or comply with reasonable or proper direction, or engages in serious misconduct.

Otherwise, the Commins Agreement may be terminated by Mr Commins at any time for any reason by giving not less than 3 months' notice in writing to the Company. Mr Commins may also terminate the Commins Agreement immediately by giving notice if at any time the Company is in breach of a material term of the Commins Agreement.

As a Non-Executive Director, Mr Commins shall (amongst other things) obey all directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Mr Commins is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 24 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Commins Agreement contains additional provisions considered standard for agreements of this nature.

(iv) **Mr Ross Anderson**

The Company has entered into an executive services agreement with Mr Ross Anderson (**Anderson Agreement**).

Under the Anderson Agreement, Mr Anderson is engaged by the Company to provide services to the Company as a non-executive

Chairman. The Company remunerates Mr Anderson for his services with an executive remuneration package comprising the following:

- (A) a base salary of \$60,000 per annum;
- (B) superannuation in accordance with statutory requirements; and
- (C) reimbursement for reasonable expenses necessarily incurred by Mr Anderson in the performance of his services as an executive director.

Mr Anderson is entitled to participate in bonus and/or other performance and incentive schemes that may be implemented in the future.

Mr Anderson's employment under the Anderson Agreement will continue until terminated in accordance with the Anderson Agreement. During the term, the Anderson Agreement may be terminated by the Company at any time:

- (A) by 3 months' written notice to Mr Anderson;
- (B) by 1 month's written notice to Mr Anderson in cases of prolonged illness or incapacity (mental or physical); or
- (C) by summary notice in circumstances where Mr Anderson neglects to perform his duties or comply with reasonable or proper direction, or engages in serious misconduct.

Otherwise, the Anderson Agreement may be terminated by Mr Anderson at any time for any reason by giving not less than 3 months' notice in writing to the Company. Mr Anderson may also terminate the Anderson Agreement immediately by giving notice if at any time the Company is in breach of a material term of the Anderson Agreement.

The Anderson Agreement contains additional provisions considered standard for agreements of this nature.

11.9 Board of Directors

The Board currently comprises:

- (a) Mr Ross Anderson (Non-Executive Chairman);
- (b) Mr Morgan Barron (Non-Executive Director);
- (c) Mr Martin Priestley (Non-Executive Director); and
- (d) Mr Douglas O'Neill (Non-Executive Director).

Mr Anderson, Mr Barron and Mr Priestley shall remain as Directors at Completion. Subject to the rotations provision in the Company's constitution Mr O'Neill will retire and is not nominating himself for re-election (see Section 6).

The Company will appoint the following persons as directors at Completion, subject to prior shareholder approval:

- (a) Mr Mathew Ryan as a Managing Director; and
- (b) Mr Roger Commins as a Non-Executive Director.

See Sections 11.3(d)(i) and 11.3(d)(ii) for further information on the incoming Directors.

11.10 Capital Raising

As set out in Section 11.8(e) above, one of the conditions precedent to Completion is the completion of the Capital Raising (the subject of Resolution 12).

The Company has applied to ASX for, and expects to receive, a waiver from Listing Rule 2.1 Condition 2 to allow the Company offer the Capital Raising Shares for \$0.05 each and from Listing Rule 1.1 Condition 11 so that the Options can have an exercise price of less than \$0.20 each.

11.11 Pro forma balance sheet

An unreviewed pro forma statement of financial position of the Company as at 30 June 2016 based on the audited accounts of the Merged Group is set out in Schedule 6.

11.12 Pro forma capital structure

The pro forma capital structure of the Company following completion of the Acquisition and Capital Raising is set out below:

Shares (at re-listing)	Minimum Subscription		Maximum Subscription	
	% post-Acquisition	Number	% post-Acquisition	Number
Existing Shares on issue	22.34	63,939,969	18.47	63,939,969
Initial Consideration Shares	28.40	81,285,715	23.48	81,285,715
Capital Raising Shares	48.91	140,000,000	57.77	200,000,000
Adviser Shares	0.35	1,000,000	0.29	1,000,000
Total Shares	100.00	286,225,684	100.00	346,225,684
Options (to be issued)¹				Number
Consideration Options ²				69,000,000
Director Options ³				21,000,000
Adviser Options ⁴				2,000,000
Total Options				92,000,000
Performance Rights (to be issued)⁵				Number
Class A				5,000,000

Class B	5,000,000
Class C	5,000,000
Total Performance Rights	15,000,000

Notes:

- Full terms of Options are contained in Schedule 2.
- Unquoted Options to be issued as consideration for the Acquisition. Comprised of the following:
 - 40,000,000 Options to be issued to MBRPL;
 - 20,000,000 Options to be issued to Brigalow;
 - 4,000,000 Options to be issued to Charles; and
 - 5,000,000 Options to be issued to Panaquatic in consideration for expert aquaculture services to be provided to the Company.
- The Director Options will be issued to the Directors as follows:
 - 15,000,000 Options to Mr Ross Anderson;
 - 2,000,000 Options to Mr Morgan Barron;
 - 2,000,000 Options to Mr Martin Priestley; and
 - 2,000,000 Options to Mr Douglas O'Neill.
- Unquoted Options to be issued to Alto as consideration for capital raising services. The number of options to be issued will be based upon the amount of capital raised by Alto, with up to 2,000,000 Options to be issued based upon the maximum subscription raised, to be adjusted pro-rata.
- Comprised of the following to be issued to Kimbalex on the terms and conditions set out in Schedule 3:
 - 5,000,000 Class A Performance Rights;
 - 5,000,000 Class B Performance Rights; and
 - 5,000,000 Class C Performance Rights.

In the event the Deferred Consideration Shares are issued, but no other Shares are issued or options are converted to Shares, the pro forma capital structure of the Company following completion of the Acquisition is set out below.

Shares (including Deferred Consideration Shares)	Minimum Subscription		Maximum Subscription	
	% post- Acquisition	Number	% post- Acquisition	Number
Existing Shares on issue	20.45	63,939,969	17.16	63,939,969
Initial Consideration Shares	26.00	81,285,715	21.81	81,285,715
Capital Raising Shares	44.78	140,000,000	53.67	200,000,000
Deferred Consideration Shares	8.45	26,428,571	7.09	26,428,571

Adviser Shares	0.32	1,000,000	0.27	1,000,000
Total Shares	100.00	312,654,255	100.00	372,654,255

The above table is a statement of current intentions as at the date of this Notice and is subject to change.

11.13 Voting power of Vendors

Mr Commins currently holds 554,300 Shares and has 0.87% of the voting power in the Company. Mr Charles currently does not have any voting power in the Company. Mr Ryan currently holds 10,000,000 Shares and has 15.64% of the voting power in the Company.

The Vendors will have the following voting power in the Company on Completion of the Acquisition, assuming all the Capital Raising Shares are issued:

Vendor (at re-listing)	Minimum Subscription		Maximum Subscription	
	Shares	Voting power (%)	Shares	Voting power (%)
Entities associated with Mr Ryan	68,928,572	24.08	68,928,572	19.91
Entities associated with Mr Commins ¹	24,911,443	8.70	24,911,443	7.20
Ian and Michelle Charles	2,000,000	0.70	2,000,000	0.58
Total	95,840,015	33.48	95,840,015	27.69

Notes:

- Assumes that entities associated with Mr Commins participate in the Capital Raising up to \$200,000, subject to shareholder approval pursuant to Resolution 12.

The Vendors will have the following voting power in the Company assuming Completion of the Acquisition, all the Capital Raising Shares are issued and the Deferred Consideration are issued:

Vendor (including Deferred Consideration Shares)	Minimum Subscription		Maximum Subscription	
	Shares	Voting power (%)	Shares	Voting power (%)
Entities associated with Mr Ryan	88,571,429	28.33	88,571,429	23.77
Entities associated with Mr Commins	31,697,157	10.14	31,697,157	8.51
Ian and Michelle Charles	2,000,000	0.64	2,000,000	0.54
Total	122,268,586	39.11	122,268,586	32.81

The Vendors will have the following maximum voting power in the Company assuming Completion of the Acquisition, all the Capital Raising Shares are issued, the Deferred Consideration are issued and all the Options are exercised:

Vendor (including Deferred Consideration Shares)	Minimum Subscription		Maximum Subscription	
	Shares	Voting power (%)	Shares	Voting power (%)
Entities associated with Mr Ryan	128,571,429	30.64	128,571,429	26.81
Entities associated with Mr Commins	51,697,157	12.32	51,697,157	10.78
Ian and Michelle Charles	6,000,000	1.43	6,000,000	0.83
Total	186,268,586	45.81	186,268,586	38.42

11.14 Proposed budget

The Company intends to use the funds raised under the Capital Raising, together with the Company's existing cash reserves post-Acquisition, following the reinstatement of the Company's Securities to quotation on the Official List of ASX as follows:

Allocation of funds	Minimum Subscription		Maximum Subscription	
	Amount (\$000's)	%	Amount (\$000's)	%
Consideration for the Acquisitions:				
- Farm	1,450	20.71	1,450	14.50
- Nursery	1,100	15.71	1,100	11.0
- Hatchery (including farm)	1,300	18.57	1,300	13.00
- Cages	550	7.86	550	5.50
Expansion of Operations	900	12.86	2,425	24.25
Business development	160	2.29	230	2.30
Corporate and administrative costs	250	3.57	250	2.50
Costs associated with the Acquisitions and Capital Raising fees	720	10.29	900	9.00
General working capital ¹	570	8.14	1,795	17.95
Total	7,000	100.0	10,000	100.0

Notes:

1. General working capital will be utilised by the Company to pay for the corporate and administration costs of the Company generally, cost overruns in forecast expenditures (if any).

The above table is a statement of current intentions as at the date of this Notice. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Capital Raising, the Company will have sufficient working capital to meet its stated objectives.

The use of further equity funding or Share placements will be considered by the Board where it is appropriate to accelerate a specific business objective or project.

For the immediate future the Company's focus will be on the continued development and expansion of the Operations, together with assessing further complementary acquisition opportunities.

11.15 Anticipated timetable for the key business the subject of the Acquisition Resolutions

Event	Indicative Timing
Despatch of this Notice of Meeting to Shareholders	17 November 2016
Lodgement of Prospectus and Prospectus offers anticipated to open	21 November 2016
Prospectus offers close	9 December 2016
Shareholder Meeting ASX notified whether Shareholders' approval has been granted for the Resolutions	16 December 2016
Completion of the Acquisition Agreements	21 December 2016
Issue date	21 December 2016
Reinstatement of Shares on ASX (subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and subject to ASX agreeing to reinstate the Shares to quotation)	4 January 2017

11.16 Board intentions if Completion occurs

In the event that the conditions precedent to the Acquisition are satisfied (including successful completion of the Capital Raising), the funds raised from the Capital Raising will be used to:

- (a) acquire the Ryan Farm and Silverwater Farm;
- (b) acquire the Brigalow Assets;

- (c) expand the Operations;
- (d) business development and marketing costs
- (e) meet the ongoing administration costs of the Company;
- (f) pay the costs of the Capital Raising and Acquisition; and
- (g) otherwise contribute to the working capital of the Company.

It is intended to allocate the funds raised from the Capital Raising and existing cash reserves as set out in Section 11.14 above.

11.17 Advantages of the proposals in the Acquisition Resolutions

The advantages identified by the Independent Expert are:

- (a) the Company will be exposed to a new industry with grown potential and Shareholders will have the ability to gain exposure to future opportunities;
- (b) the Company's ability to raise funds and attract strategic investors may improve once the proposed Acquisition; and
- (c) the Acquisition may encourage new investors in the Company which may lead to increased liquidity and greater trading depth than currently experienced by Shareholders.

See sections 2.12 and 12.5 to 12.7 of the Independent Expert Report for further information.

11.18 Disadvantages of the proposals in the Acquisition Resolutions

The disadvantages identified by the Independent Expert are:

- (a) change in nature and scale of activities;
- (b) the non-associated Shareholders' interests in the Company will be significantly diluted;
- (c) change in risk profile of the Company; and
- (d) the aquaculture businesses are small, early stage and growth is not proven.

See sections 2.13 and 12.8 to 12.12 of the Independent Expert Report for further information.

11.19 Taxation

The Acquisition may give rise to income tax implications for the Company and Shareholders.

Existing Shareholders are advised to seek their own taxation advice on the effect of the Acquisition Resolutions on their personal taxation position and neither the Company, nor any existing Director or advisor to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Acquisition or the Acquisition Resolutions.

11.20 Plans for the Company if the Acquisition Resolutions are not passed or if the Acquisition does not proceed

If the Acquisition Resolutions are not passed or if the Acquisition is otherwise not completed, the Company will continue with exploration activities on the Jillewarra Project and continue to seek potential acquisitions across all industries.

11.21 Directors' interests in the Agreement

None of the Company's existing Directors have any interest in the proposed Acquisition pursuant to the Acquisition Agreements, other than those disclosed elsewhere in this Notice and as follows:

- (a) The Company has a services agreement with Ventnor Capital Pty Ltd to provide corporate advisory services including the provision of Company Secretary, to the Company. Mr Morgan Barron, a Director of the Company, is a Director and shareholder of Ventnor Capital Pty Ltd. The services agreement with Ventnor Capital Pty Ltd is considered to be on arms-length and commercial terms.
- (b) The Company has services agreements with Anderson's Investment Services Pty Ltd and Anderson's Tax and Investment Services Pty Ltd to provide capital raising services and company secretarial and accountancy services to the Company respectively. Mr Ross Anderson, the Chairman of the Company, is a Director and shareholder of Anderson's Investment Services Pty Ltd and Anderson's Tax and Investment Services Pty Ltd. The joint Company Secretary of the Company is an employee of Anderson's Tax and Investment Services Pty Ltd. The services agreements with Anderson's Investment Services Pty Ltd and Anderson's Tax and Investment Services Pty Ltd are considered to be on arms-length and commercial terms.
- (c) An agreement with Bamford Partners Pty Ltd to provide capital raising services to the Company, charged at a rate of 6% of funds raised by Bamford Partners Pty Ltd. Mr Martin Priestley, a Director of the Company, is a Director and shareholder of Bamford Partners Pty Ltd. The agreement with Bamford Partners Pty Ltd is considered to be on arms-length and commercial terms.

12. Risk Factors

This Section identifies the major areas of risk associated with the Merged Group, but should not be taken as an exhaustive list of the risk factors to which the Company and its Security holders are exposed.

12.1 Risks relating to the change in nature and scale of activities

(a) Reinstatement of Shares to quotation on ASX

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation of its Shares. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.

(b) Dilution risk

The Company currently has 63,939,969 Shares on issue. On Completion of the Acquisition, the Company proposes to issue Shares, Options and Performance Rights as required pursuant to the Acquisition Agreements and issue Shares as part of the Capital Raising.

On issue of the Consideration Securities under the Acquisition and the subscription of Shares under the Capital Raising (assuming maximum subscription under the Capital Raising and no convertible Securities are exercised or converted), the existing Shareholders will retain approximately 18.47% of the issued capital of the Company, with entities associated with incoming directors Mr Ryan and Mr Commins holding 19.91% and 7.20% respectively, the remaining Vendor holding 0.58%, and the investors under the Capital Raising holding 57.77% of the issued capital of the Company.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.

(c) Liquidity risk

On Completion of the Acquisition, the Company proposes to issue a total of 81,285,715 Shares and 64,000,000 Options to the Vendors. These securities will be subject to voluntary escrow restrictions in accordance with Chapter 9 of the Listing Rules. This could be considered an increased liquidity risk as the issued capital will not be able to be traded freely for a period of time.

(d) Contractual risk

Pursuant to the Acquisition Agreements the Company has agreed to acquire the Merged Group subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreements. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(e) Integration risk of the Acquisition

The operating results of the Company will depend on the success of management in integrating the acquisition of the Merged Group. There is no guarantee that the Company will be able to integrate this new acquisition into the Company successfully, or that any economic benefits will be able to be realised from the integration. There is a risk that the Company's future profitability and prospects could be adversely impacted if successful integration is not achieved in an orderly and timely fashion.

12.2 Specific risks to the Operations

There are a number of specific risks involved for the Company, and consequently its security holders, in the acquisition of the Merged Group, including risks specific to the business and assets of the Merged Group, which include the following non-exhaustive list.

(a) Reliance on key personnel

The emergence and development of the Merged Group has been in large part due to the effort and experience of Mr Ryan, Mr Commins and Mr Charles. Mr Ryan and Mr Commins are expected to sign a contracts to join the Company as Directors on Completion of the Acquisition. Mr Charles is expected to sign an employment contract with the Company as Hatchery Manager.

There is no assurance that the key personnel contracts will not be terminated. In addition, there is no assurance that the key personnel will remain healthy and able to continue in their role. If the key personnel contracts were terminated or breached, or if the key personnel were no longer to continue in their role, the Company would need to employ alternative staff, and the Company's operations and business would be adversely affected.

(b) Insufficient fingerling supply

Although the Merged Group aims to utilise a variety of suppliers of Murray cod fingerlings and has arrangements in place to source Murray Cod fingerlings, there is a risk to the Merged Group if suppliers experience issues with the delivery of Murray Cod fingerlings to the Merged Group.

(c) Biosecurity and husbandry issues

Generally, biosecurity in outdoor pond based farms, such as those used by Riverina Aquaculture, is more difficult to manage due to the lack of environmental control relative to an indoor controlled aquaculture environment. Further, the Merged Group is required to replace fish breeding stock in order to maintain genetic diversity and ensure stock health. This genetic stock may be introduced from wild caught specimens or from alternative hatcheries. This environmental exposure and the introduction of external fish stock may increase the risk of outbreak of disease in the Merged Group's fish stock, which could result in higher mortality rates which may have a material adverse impact on the financial performance of the Merged Group.

(d) Disease outbreaks and parasites

There is a risk that outbreak of disease in the Merged Group's fish stock and resulting higher mortality rates could have a material adverse impact on the Merged Group's profits, operations and financial performance.

Disease is a business risk that is inherent to fish farming operations. Further, the growing of Murray Cod for human consumption through aquaculture has only been recently established relative to other fish species, and may be subject to diseases that are not yet known. The major known diseases that can affect Murray cod are:

- (i) Chilodonella and trichodina - fish grown in pond farms are more susceptible to this infection which may lead to increased mortality and slower growth amongst other impacts;
- (ii) White spot - a commonly found protozoan disease found in most native fish which may lead to increased mortality and slower growth amongst other impacts;
- (iii) Saprolegnia - a fungal disease occurring during winter, generally related to rough handling and which may adversely affect marketability; and

- (iv) parasitic copepod *Lernaea* (anchor worm) - which may adversely affect marketability and lead to secondary bacterial infections.

There are numerous other diseases and parasites that can impact Murray Cod, which could adversely impact the Merged Group's operations.

(e) Fresh water supply

Fresh and high quality water is critical for the Merged Group's operations particularly in the ponds and hatcheries. There is a risk to the Merged Group that if access to fresh water supply was significantly limited or restricted, this could have a material impact on the Merged Group's farming operations or costs, and its subsequent financial performance.

(f) Seasonal and environmental conditions

As the Merged Group is an agricultural producer (predominantly water-based), there is a risk that the Merged Group could be exposed to a number of natural events and adverse movements in the environment, such as changes in water temperatures, dissolved oxygen and salinity levels, many of which are beyond the Merged Group's control.

Adverse environmental conditions can negatively impact fish stock survival, restrict the growth of fish and increase feed conversion ratios. Events such as floods and storms could also cause short, medium or long-term interruptions to the Merged Group's operations and materially impact cash flows, financial performance and operational results, including but limited to:

- (i) water temperature - if the water temperatures move quickly upwards or downwards, then this could lead to slower growth amongst the fish stock; and
- (ii) disease outbreaks - disease outbreaks can inflict mortalities on fish stock, slow fish growth rates and can disfigure or render the fish unsightly which reduces their marketability.

(g) Energy and fish feed prices

Electricity and fish feed are material operating expenses for the Merged Group. There is a risk that there could be significant increases to energy and fish feed prices. Such increases could significantly increase the Merged Group's cost of operations and have a material adverse effect on the Merged Group's financial performance. Further, any material disruptions in the supply of energy or fish feed to the Merged Group, and the Merged Group being unable to source alternative supplies on similar terms or at all, could have a material adverse effect on the Merged Group's operations and financial performance.

(h) Lack of long-term contracts, Murray Cod prices and competition

The financial performance of the Merged Group can be influenced by variations in the domestic and, to a limited extent, international Murray Cod prices which may be linked to the price of seafood in general. Major factors that can influence demand and supply in the Murray cod market and, therefore, the price of Murray Cod, include:

- (i) consumption trends and preferences amongst domestic and international target markets for meat and seafood, including Murray Cod;

- (ii) an increase in supply of Murray Cod from either domestic or offshore competitors, or increased competition from alternative fish species and food sources;
- (iii) the level of world Murray cod and alternative fish species production, from fisheries and aquaculture, relative to consumption requirements;
- (iv) the rate of world economic development and, in particular, economic growth in Asia;
- (v) changes in export or import restrictions imposed by the Federal Government Department of Agriculture and Water Resources; and
- (vi) movements in exchange rate relativities between the currencies of the targeted export and import countries.

Within the wholesale market, which is the Merged Group's primary distribution channel, the Merged Group negotiates prices on a spot basis, and as a result, it is not possible to guarantee consistency in respect of prices and terms for future transactions. There is a risk that a significant reduction in Murray cod prices could occur, which could have a material adverse impact on the Company's financial performance and operational results. Moreover, there is also the risk that the level of sales to the Merged Group's customers could decrease given that there are no fixed, long-term contracts in place between the Merged Group and its wholesale customers.

(i) Reduction in demand for Murray Cod

There is a risk that a change in economic conditions could cause consumers to reduce their consumption of Murray Cod as they "trade down" to cheaper sources of seafood and proteins. Changes in consumer dietary preferences or sentiment towards seafood and Murray Cod could also result in lower demand for Murray Cod. Such lower demand could reduce the price at which the Merged Group is able to sell its Murray Cod, resulting in an adverse effect on the Merged Group's financial performance.

(j) Customer credit risk

The Merged Group conducts business with its customers on normal commercial terms. These terms include varying periods from payment upfront to standard settlement of up to 30 days after dispatch of goods. There is a risk that debtors default or make payment late, which could have a material adverse impact on the Merged Group's financial performance, including cash flow and working capital.

(k) Food safety and sanitation

As with all food producers, the Merged Group is exposed to the risk of product contamination and product recalls. There is also a risk that the product could cause a serious food poisoning incident as a result of an operational lapse in food safety or sanitation procedures or malicious tampering.

The occurrence of a serious food poisoning incident could have significant consequences for the Company and may involve:

- (i) a loss of consumer trust in the Merged Group that may result in reduced revenues;

- (ii) an increase in expenditure on advertising to attempt to restore consumer trust in the brand;
- (iii) the processing facilities of the Merged Group being partially or wholly closed while the relevant food safety authorities satisfy themselves that the underlying issue has been resolved satisfactorily; and
- (iv) payment to affected consumers of some form of compensation and to the relevant food authorities of some form of penalty or fine.

There is also the risk that actions of the Merged Group's wholesale customers could compromise the hygiene and safety of the Merged Group products after they have left the Merged Group's processing facility. Contamination caused by a wholesale customer may not result in the closure of the Merged Group facilities or require a fine/compensation to be paid by the Merged Group; however, the potential for brand damage to the Merged Group remains in any case.

(l) Brand and reputation calamity

There is a risk that some incident beyond the control of the Merged Group could occur which would have the effect of reducing consumer confidence or preferences for Murray Cod generally or the Merged Group products specifically. Such incidents could include:

- (i) the occurrence of a serious food safety incident involving another producer or supplier of Murray Cod;
- (ii) a widespread loss of consumer confidence in seafood or Murray Cod; and
- (iii) a widespread loss of consumer confidence in the food safety procedures in the seafood industry as a whole.

The consequences of such an incident could be very significant for the Company, with impacts potentially including reduced revenues, loss of consumer trust in the relevant brand or product, and reduced prominence of the brand in customers' minds.

(m) Security of supply chain

There is a risk that the supply chain for the Murray Cod could be materially disrupted with the result that sufficient quantities of Murray Cod are not delivered on time. This could result from the occurrence of a natural disaster that affects the delivery of harvested fish to customers or an event that impacts the delivery of processed fish to customers.

The occurrence of such an event could result in the inability to sell some or all products, with an associated loss of revenue and (potentially) brand damage, increased costs flowing from alternative transport and delivery arrangements, or a combination of both.

(n) Risk that the Company's growth plans cannot be effected

The Company has growth plans in order to expand production beyond the Merged Group's current capacity. However, as with any growth project, there are risks associated with the execution of these plans which may materially

impact the Company's earnings, such as meeting project timelines and acquiring necessary third party approvals.

12.3 Market risks

(a) Additional requirements for capital

The funds raised under the Capital Raising are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (including in relation to the Merged Group) to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Further additional financing will be required if the Board determines to expand the Merged Group's Operations.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(b) Regulatory risks

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Merged Group include environment, occupational health and safety, quarantine, customs, and tariff and taxation laws. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

(c) Reinstatement to ASX's Official List

The Company's Shares are currently suspended from trading on the ASX. In the event the Acquisition Resolutions are approved at the Meeting, it is anticipated that the Company's Securities will remain suspended until completion of the Acquisition and Capital Raising, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements, or that ASX policy with respect to reinstatement may be amended and that its listed securities may consequently remain suspended from quotation.

(d) Environmental regulations and licensing

National and local environmental laws and regulations (including the granting of water licences) affect nearly all of the Merged Group's operations. Whilst the Merged Group endeavours to ensure that its operations and activities comply with applicable environmental laws, there is a risk that failure to

comply with such laws could occur, which may result in penalties, damages and/or loss of permits or licences required by the Merged Group to operate its hatcheries, nursery, fish farm and processing facility.

In addition, the Merged Group must renew the appropriate permits and licences required to operate its business. The Merged Group is subject to regular inspections, examinations and audits by governmental authorities to renew the various licences and permits. The Merged Group is also subject to periodic and spot inspections conducted by government authorities in order to maintain its operating licences. If serious or repeated findings of non-compliance did occur, there is a risk this would have a negative impact on the Merged Group's ability to renew its licences and have a materially adverse impact on its business operations and financial performance.

12.4 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential research and development programmes, as well as on their ability to fund those activities.

(b) Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(c) Insurance risks

The Company intends to insure its operations and those of the Merged Group (as required) in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company effected.

(d) Litigation risks

The Company is exposed to possible litigation risks including, but not limited to, intellectual property and patent claims. Further, the Company or the Merged Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither the Company nor the Merged Group are currently engaged in any litigation.

(e) Market conditions

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;

- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders arising from the transactions the subject of this Notice or otherwise.

13. Independent Expert's Report

The Directors resolved to appoint RSM Corporate Australia Pty Ltd (**RSM**) as an independent expert and commissioned it to prepare a report to provide an opinion as to whether or not the acquisition of the Ryan Farm, the issue of the MBRPL Consideration Securities to MBRPL and acquisition of Riverina Aquaculture from MBRPL, an associated entity of incoming Director Mr Mathew Ryan, is fair and reasonable to the existing Shareholders.

This report was prepared to satisfy the requirements of item 7 of section 611 of the Corporations Act and Listing Rule 10.1. Item 7 of section 611 of the Corporations Act permits a party (and its associates) acquiring a Relevant Interest in more than 20% of the issued share capital of a public company with the approval of that company's shareholders. Listing Rule 10.1 provides that an entity must not acquire a substantial asset from, or dispose of a substantial asset to, inter alia, a substantial holder (if the person and the person's associates have a Relevant Interest or had a Relevant Interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities) without the approval of shareholders.

Mr Ryan and an entity associated with him will acquire a Relevant Interest in more than 20% of the issued share capital of the Company if the Acquisition Resolutions are approved and become effective.

What is fair and reasonable must be judged by the independent expert in all the circumstances of the proposal. This requires taking into account the likely advantages to shareholders if the proposal is approved and comparing them with the disadvantages to them if the proposal is not approved.

The Independent Expert concluded that the proposed transaction is fair and reasonable to the existing Shareholders.

The Company strongly recommends that you read the Independent Expert's Report in full, a copy of which is attached at Annexure A.

14. Resolution 8 - Approval to change in nature and scale of activities

14.1 General

Resolution 8 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the Acquisition.

A detailed description of the proposed Acquisition is outlined in Section 11 above.

14.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has confirmed to the Company that it requires the Company to:

- (a) obtain the approval of its Shareholders for the proposed change of activities pursuant to Listing Rule 11.1.2; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under Listing Rule 11.1.2 and pursuant to Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the Listing Rules.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are provided throughout this Explanatory Memorandum.

14.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 8.

Resolution 8 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 8.

15. Resolution 9 - Approval to purchase Ryan Farm and issue MBRPL Consideration Securities

15.1 General

Resolution 9 seeks Shareholder approval under item 7 of section 611 of the Corporations Act and Listing Rule 10.1 for the purchase of the Ryan Farm and the issue to MBRPL (an entity controlled by incoming Director Mr Mathew Ryan) of the following MBRPL Consideration Securities as consideration for the acquisition of MBRPL's interests in Bidgee and Riverina Aquaculture:

- (a) 58,928,572 Initial Consideration Shares;
- (b) 19,642,857 Deferred Consideration shares; and
- (c) 40,000,000 Options.

The Shares issued as part of the MBRPL Consideration Securities will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and the Options issued as part of the MBRPL Consideration Securities will be issued on the terms and conditions set out in Schedule 2.

Refer to Section 11 for further details regarding the background to Resolution 9.

15.2 Application of Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 9.3 above.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders in a general meeting pursuant to item 7 of section 611 of the Corporations Act (see Listing Rule 7.2 exception 16). The proposed issue of the MBRPL Consideration Securities are being approved under this section and accordingly the exception applies in relation to those issues.

15.3 Application of Listing Rule 10.1

Listing Rule 10.1 provides that an entity must not acquire a substantial asset from, or dispose of a substantial asset to, inter alia, a substantial holder (if the person and the person's associates have a Relevant Interest or had a Relevant Interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities) without the approval of shareholders.

Mr Ryan is a substantial holder of the Company by reason of his existing 15.64% interest in the Company.

An asset is substantial if its value, or the value of the consideration for it, is, or in ASX's opinion is, 5% or more of the entity as set out in the latest accounts given to ASX under the Listing Rules.

Based on the Company's annual report for the year ended 30 June 2016 lodged with ASX on 30 September 2016, the Company's equity interests are valued at \$562,860. As a result, an asset is "substantial" if it is valued at \$28,143. As set out in:

- (a) section 10.12 of the Independent Expert's Report, the Independent Expert valued the assets of Bidgee between a valuation range of \$577,945 to \$581,761 and MBRPL holds a 50% interest in Bidgee. Given Mr Ryan holds a 50% interest in MBRPL, the corresponding value of MBRPL's interest in Bidgee is between a range of \$288,972 to \$290,880;
- (b) section 10.8 of the Independent Expert's Report, the Independent Expert valued the assets of Riverina Aquaculture between a valuation range of \$633,155 to \$1,388,784 and MBRPL holds a 100% interest in Riverina Aquaculture. Given Mr Ryan controls MBRPL, the corresponding value of Mr Ryan's interest in Riverina Aquaculture is between a valuation range of \$633,155 to \$1,388,784; and
- (c) section 10.8 of the Independent Expert's Report, the Independent Expert valued the Ryan Farm at \$560,807, being land only including attaching water rights. Given Mr Ryan holds a 100% interest in the Ryan Farm, the corresponding value of Mr Ryan's interest in the Ryan Farm is \$560,807,

(together the **Ryan Interest**). The value of the Ryan Interest is a substantial asset for the purposes of the Listing Rule 10.1.

15.4 Chapter 2E of the Corporations Act and Listing Rule 10.11

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the MBRPL Consideration Securities to Mr Mathew Ryan (an incoming Director) because the agreement to grant the MBRPL Consideration Securities was reached as part of the Acquisition Agreements was negotiated on an arm's length basis.

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the MBRPL Consideration Securities to Mr Ryan and consequently Shareholders' approval is not sought under Listing Rule 10.11.

15.5 Section 611 of the Corporations Act

- (a) Section 606 of the Corporations Act prohibits a person acquiring a Relevant Interest in the issued voting shares of the Company if, because of the acquisition, that person's or another person's voting power in the Company increases from:
 - (i) 20% or below to more than 20%; or

- (ii) a starting point that is above 20% and below 90%.
- (b) The voting power of a person in the Company is determined by reference to section 610 of the Corporations Act. A person's voting power in the Company is the total of the votes attaching to the shares in the company in which that person and that person's associates (within the meaning of the Corporations Act) have a 'Relevant Interest'.
- (c) In accordance with section 608 of the Corporations Act a person will have a 'Relevant Interest' in shares if:
 - (i) the person is the registered holder of the shares;
 - (ii) the person has the power to exercise or control the exercise of votes or disposal of the shares; or
 - (iii) the person has over 20% of the voting power in a company that has a Relevant Interest in shares, then the person has a Relevant Interest in those shares.
- (d) In accordance with section 12 of the Corporations Act, a person (**first person**) will be an associate of the other person (**second person**) if:
 - (i) the first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the first person;
 - (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the board or the conduct of the affairs of the first person; and/or
 - (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the affairs of the first person.
- (e) Section 611 of the Corporations Act has exceptions to the prohibition in section 606 of the Corporations Act. Item 7 of section 611 of the Corporations Act provides a mechanism by which shareholders may approve an issue of shares to a person which would otherwise be prohibited pursuant to section 606 of the Corporations Act.
- (f) As at the date of this Notice, Mr Mathew Ryan currently holds 10,000,000 Shares in the Company. Mr Ryan is currently a director and shareholder of MBRPL.
- (g) Under the terms of the Acquisition Agreements, subject to the receipt of the requisite Shareholder approvals, MBRPL or its nominee will be issued with up to 58,928,573 Initial Consideration Shares, 19,642,857 Deferred Consideration Shares and 40,000,000 Options.
- (h) Assuming the requisite Shareholder approvals are received, the maximum subscription shares are issued under the Capital Raising and no other Shares

are issued in the interim period, Mr Ryan and his associates will have a voting power of 19.91% upon Completion and up to 26.81%, if the Deferred Consideration Shares are issued and MBRPL's Options are exercised;

- (i) Without Shareholder approval, MBRPL would be precluded by section 606(1)(c) of the Corporations Act from acquiring the MBRPL Consideration Securities and exercising the options described above.
- (j) To comply with the requirements of the Corporations Act (as contained in ASIC Regulatory Guide 74), the Company provides the information in this Explanatory Memorandum to Shareholders in relation to Resolution 9.

15.6 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

The information that Shareholders require under item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74 is as follows:

- (a) **The identity of the parties to be issued the MBRPL Consideration Securities and their associates**

It is proposed that the MBRPL Consideration Securities will be issued to MBRPL, an associate of Mr Mathew Ryan.

Mr Ryan currently holds 10,000,000 Shares in the Company.

- (b) **The maximum extent of the increase in Mr Ryan's voting power in the Company**

Refer to Section 11.13 for full particulars (including the number and percentage) of the Shares in which Mr Ryan will have a Relevant Interest immediately before and after the issue, the maximum extent of Mr Ryan's voting power in the Company and for factors which may change Mr Ryan's voting power in the Company.

- (c) **The voting power Mr Ryan would have as a result of the issue of the Securities as contemplated by Resolution 9**

Refer to Section 11.13.

- (d) **The maximum extent of the increase in the voting power of each of Mr Ryan's associates that would result from the issue of the Securities as contemplated by Resolution 9**

Refer to Section 11.13 for full particulars (including the number and percentage) of the Shares in which Mr Ryan's associate, MBRPL, will have a Relevant Interest immediately before and after the issue, the maximum extent of the associate's voting power in the Company and for factors which may change the associate's voting power in the Company.

- (e) **The voting power that each of Mr Ryan's associates would have as a result of the issue of the Securities as contemplated by Resolution 9**

Refer to Section 11.13.

(f) An explanation of the reasons for the Acquisition

A detailed summary of the Acquisition, including the advantages and disadvantages of the Acquisition, is provided in Section 11.

(g) When the Acquisition is to occur

Subject to the passing of the Acquisition Resolutions, the MBRPL Consideration Securities are proposed to be issued at Completion. The Company intends that Completion will occur on or about 21 December 2016.

The Options issued to MBRPL as part of the MBRPL Consideration Securities must be exercised within 5 years of the Quotation Date.

(h) Details of the terms of any other relevant agreement between Mr Ryan and the Company (or any of their associates) that is conditional on approval of Resolution 9

Mr Ryan is proposed to be engaged as the Managing Director of the Company following Completion.

The Company will enter into a conditional employment agreement with Mr Ryan, whereby Mr Ryan will be provided with a base salary of \$150,000 per annum.

(i) Mr Ryan's intentions regarding the future of the Company if the Acquisition is completed

This Section sets out Mr Ryan's intentions in relation to the Company if the Acquisition proceeds.

The intentions of Mr Ryan detailed in this Section are based on information concerning the Company, its business and the business environment which is known to Mr Ryan at the date of this Notice, which is limited to the publicly available information and a due diligence review of certain non-public material provided to Mr Ryan by the Company.

Other than as set out above or elsewhere in this Explanatory Memorandum, Mr Ryan:

- (i) has no intention to change the business of the Company (except in relation to the acquisition of the Merged Group);
- (ii) has no current intention to inject further capital into the Company;
- (iii) has no intention to change the future employment of the present employees of the Company other than the intended changes to management of the Company set out in Section 11.9 above;
- (iv) does not intend for any assets to be transferred between Mr Ryan and the Company or their associates;
- (v) has no intention to otherwise redeploy the fixed assets of the Company; and
- (vi) has no current intention to change to the Company's existing financial or dividend distribution policies.

- (j) **The interest that any Director has in the issue of the Securities contemplated by Resolution 9 or the contract referred to in Section 15.6(h) above**

None of the Directors have an interest in Resolution 9 or the contract referred to in Section 15.6(h) above.

- (k) **Details about any person who is intended to become a Director if Shareholders approve the Acquisition**

Mr Mathew Ryan and Mr Roger Commins have agreed to be appointed as Directors on and from Completion.

Refer to Section 11.9 above for information on the qualifications and relevant professional or commercial experience of each of these nominees.

As at the date of this Notice, Mr Ryan has a Relevant Interest in 10,000,000 Shares of the Company. Mr Ryan, through his associate MBRPL, is a shareholder of Bidgee and he or his associate will receive the MBRPL Consideration Securities to be issued upon Completion.

Mr Ryan does not have any other interest in the Acquisition other than those described above, or any contract other than those referred to in Section 15.6(h) above.

Mr Commins, through a controlled entity has a Relevant Interest in 554,300 Shares of the Company. Mr Commins, through his associate Brigalow, is a shareholder of Bidgee and he or his associates will receive a total of 20,357,143 Shares and 20,000,000 Options as part of the Vendors' Consideration Securities to be issued upon Completion. The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of Vendors' Consideration Securities to Mr Commins' associate and consequently Shareholders' approval is not sought under Listing Rule 10.11.

Mr Commins does not have any other interest in the Acquisition other than those described above, or any contract referred to in Section 15.6(h) above.

- (l) **Recommendation of each Director as to whether Shareholders should approve the proposed Acquisition**

The Board unanimously recommends that Shareholders vote in favour of each of the Acquisition Resolutions.

- (m) **An analysis of whether the proposed allotment of Shares to Mr Ryan is fair and reasonable when considered in the context of the Shareholders other than Mr Ryan and his associates**

Refer to Section 13 and Annexure A.

- (n) **Additional information**

Neither Mr Ryan or his associates or the Company is aware of any other information that may be relevant to Shareholders' decision whether or not to vote in favour of Resolution 9.

15.7 Independent Expert's Report

As noted in Section 13, RSM was appointed to prepare an opinion as to whether or not the proposal in Resolution 9 is fair and reasonable to the existing Shareholders.

The Independent Expert has concluded that the proposed transaction is fair and reasonable to the existing Shareholders.

The Company strongly recommends that you read the Independent Expert's Report in full, a copy of which is in the Annexure.

15.8 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 9.

Resolution 9 is an ordinary resolution.

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

16. Resolution 10 - Approval to issue Vendors' Consideration Securities

16.1 General

Resolution 10 seeks Shareholder approval for the issue of the following Vendors' Consideration Securities:

- (a) 22,357,143 Initial Consideration Shares;
- (b) 6,785,714 Deferred Consideration Shares; and
- (c) 24,000,000 Options,

to the Vendors (other than MBRPL) or their nominees.

There are 3 Vendors in total, including 2 entities associated with incoming Directors Mr Ryan and Mr Commins, and 1 unrelated Vendor, being Charles.

Mr Ryan, through his associate MBRPL, is a shareholder of Bidgee and he or his associate will receive the MBRPL Consideration Securities to be issued upon Completion. Shareholder approval is sought separately under Resolution 9 for the issue of the MBRPL Consideration Securities.

Mr Commins, through his associate Brigalow, is a shareholder of Bidgee and he or his associate will receive a total of 20,357,143 Shares and 20,000,000 Options as part of the Vendors' Consideration Securities to be issued upon Completion.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of Vendor Consideration Securities to Mr Commins' or his nominee and consequently Shareholders' approval is not sought under Listing Rule 10.11.

16.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 9.3 above.

The effect of Resolution 10 will be to allow the Company to issue the Vendors' Consideration Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

The Shares to be issued pursuant to this Resolution 10 will be issued such that no individual Vendor or their associates will hold more than 19.9% of the Shares on issue, other than the issue of the MBRPL Consideration Securities to Mr Mathew Ryan (or his nominee) for which separate Shareholder approval is sought pursuant to Resolution 9.

16.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Vendors' Consideration Securities:

- (a) the maximum number of Vendors' Consideration Securities to be issued is as follows:
 - (i) 20,357,143 Initial Consideration Shares to Brigalow;
 - (ii) 2,000,000 Initial Consideration Shares to Charles;
 - (iii) 6,785,714 Deferred Consideration Shares to Brigalow;
 - (iv) 20,000,000 Options to Brigalow; and
 - (v) 4,000,000 Options to Charles;
- (b) other than the Deferred Consideration Shares, the Vendors' Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). The Company has applied for and expects to receive a waiver to permit it to issue the Deferred Consideration Securities within 4 years of the date of the Quotation Date;
- (c) the Shares issued as part of the Vendors' Consideration Securities will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options issued as part of the Vendors' Consideration Securities will be issued on the terms and conditions set out in Schedule 2;
- (e) no funds will be raised from the issue of the Vendors' Consideration Securities as they are to be issued in consideration for the shares in Bidgee and the acquisition of Silverwater Native Fish;
- (f) it is intended that the Initial Consideration Securities will be issued on the same date, being the date of Completion, and the Deferred Consideration Securities will be issued upon achievement of the Company producing and selling 100 tonnes of Murray Cod; and
- (g) a voting exclusion statement is included in the Notice.

16.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 10.

Resolution 10 is an ordinary resolution.

17. Resolution 11 - Approval to issue Performance Rights

17.1 General

Resolution 11 seeks Shareholder approval for the issue of 15,000,000 Performance Rights to Kimbalex in consideration for the transfer of the Bidgee Performance Rights to the Company. Kimbalex is an entity controlled by Mr Ross Anderson, a Director of the Company.

17.2 Chapter 2E and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is set out in Section 15.4 above.

The issue of the Performance Rights to Kimbalex will result in the issue of Securities which constitutes giving a financial benefit and Kimbalex is related party of the Company by virtue of Mr Ross Anderson being a Director of the Company and a director and 100% shareholder of Kimbalex.

Notwithstanding that performance milestones must be met for the Performance Rights to vest, in order to avoid doubt the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Performance Rights proposed to be issued to Kimbalex pursuant to Resolution 11.

As the issue of Performance Rights involves the issue of Securities to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Performance Rights to Kimbalex (or their nominees) will not be included in the use of the Company's 15% placement capacity pursuant to Listing Rule 7.1.

17.3 Information requirements for Chapter 2E of the Corporations Act

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 11.

(a) Identity of the related party to whom Resolution 11 permit financial benefits to be given.

The Performance Rights will be granted to Kimbalex, a company controlled by Mr Ross Anderson, a Director of the Company and is, as such, a related party of the Company.

(b) Nature of the financial benefit

Resolution 11 seeks approval from Shareholders to allow the Company to grant up to 15,000,000 Performance Rights to the Related Party. No monies will be payable on the conversion of the Performance Rights into Shares. Schedule 3 sets out the key terms of the Performance Rights.

The Shares to be issued upon the conversion of Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) Valuation of financial benefit

RSM has not ascribed any value to the Performance Rights due to the uncertainty in achieving the conversion milestones.

Excluding the conversion milestones in the valuation of the Performance Rights and assuming the Capital Raising price per Share as the value of each Performance Right, the value of the Performance Rights to be issued is calculated at \$750,000 being \$0.05 per Performance Right.

(d) Dilution

The grant of Performance Rights to Kimbalex will have a diluting effect on the percentage interest of existing Shareholders holdings if the Performance Rights vest. The vesting of the Performance Rights will result in a dilution of all other Shareholders' holdings in the Company of 19.0% based on issued Shares as at the date of this Notice (being 63,939,969) and 3.6% for the Minimum Subscription and 3.1% for the Maximum Subscription assuming all Consideration Securities are issued and on a fully diluted basis. The actual dilution will depend on the extent that additional Shares are issued by the Company.

(e) Remuneration of Director

Mr Ross Anderson, a related party of Kimbalex, receives directors' fees of \$32,850 (inclusive of superannuation) per annum. Mr Anderson is also entitled to receive fees for the provision of capital raising services and accounting and company secretarial services under agreements with Anderson's Investment Services Pty Ltd and Anderson's Tax and Investment Services Pty Ltd respectively. As noted in Section 11.21, Mr Anderson will receive fees in relation to service agreements with Anderson's Investment Services Pty Ltd and Anderson's Tax and Investment Services Pty Ltd. Mr Ross Anderson, the Chairman of the Company, is a Director and shareholder of Anderson's Investment Services Pty Ltd and Anderson's Tax and Investment Services Pty Ltd. The agreement with Anderson's Investment Services Pty Ltd and Anderson's Tax and Investment Services Pty Ltd are considered to be on arms-length and commercial terms.

It is also intended that Director Options will be issued to Mr Anderson as detailed in Section 20, subject to the receipt of the necessary shareholder approvals the subject of the Resolution 14.

(f) Existing relevant interests

At the date of this Notice, Kimbalex holds 12,500,000 Shares in the Company.

(g) Trading history

The trading history of the Company's Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.09	31/03/2016
Lowest	\$0.02	13/11/2015
Last	\$0.062	01/07/2016

(h) **Director recommendations**

Mr Anderson declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 11, unanimously recommend that Shareholders vote in favour of Resolution 11. The Board (other than Mr Anderson) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

(i) **Other information**

The Performance Rights are being granted as consideration for the acquisition of the Bidgee Performance Rights (which will subsequently be cancelled). The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs for the Company or benefits foregone by the Company in granting the Performance Rights. The Directors do not consider there to be any adverse taxation consequences for the Company as a result of the issue of the Performance Rights

Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated in Resolution 11.

17.4 Listing Rule 10.11

17.5 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the Performance Rights:

- (a) the Performance Rights will be issued to Kimbalex, an entity controlled by Mr Ross Anderson (or their respective nominees);
- (b) the maximum number of Performance Rights to be issued to Kimbalex is 15,000,000 comprising of:
 - (i) 5,000,000 Class A Performance Rights;
 - (ii) 5,000,000 Class B Performance Rights; and
 - (iii) 5,000,000 Class C Performance Rights.

The actual number of Performance Rights that vest may be converted into Shares is dependent on the achievement of vesting conditions as described in Schedule 3;

- (c) the Performance Rights will be granted as consideration for the acquisition of the Bidgee Performance Rights (which will subsequently be cancelled). Further, no monies will be payable on the conversion of the Performance Rights into Shares;
- (d) no loans will be made in relation to, and no funds will be raised from, the issue or vesting of the Performance Rights;
- (e) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules); and
- (f) a voting exclusion statement is included in the Notice.

18. Resolution 12 - Approval to issue Capital Raising Shares

18.1 General

Resolution 12 seeks Shareholder approval for the issue of up to 200,000,000 Capital Raising Shares at an issue price of \$0.05 each to raise up to \$10,000,000 (before costs) under the Capital Raising.

The Capital Raising Shares will be issued under a Prospectus to be issued by the Company in order to re-comply with Chapters 1 and 2 of the Listing Rules.

The Company has entered into the following mandates in relation to the Capital Raising:

- (a) An agreement with Bamford Partners Pty Ltd to provide capital raising services to the Company, charged at a rate of 6% of funds raised by Bamford Partners Pty Ltd. Mr Martin Priestley, a Director of the Company, is a Director and shareholder of Bamford Partners Pty Ltd. The agreement with Bamford Partners Pty Ltd is considered to be on arms-length and commercial terms.
- (b) An agreement with Anderson's Investment Services Pty Ltd to provide capital raising services to the Company, charged at a rate of 6% of funds raised by Anderson's Investment Services Pty Ltd. Mr Ross Anderson, the Chairman of the Company, is a Director and shareholder of Anderson's Investment Services Pty Ltd. The agreement with Anderson's Investment Services Pty Ltd is considered to be on arms-length and commercial terms.
- (c) A lead manager agreement with Alto to provide capital raising services to the Company, with the following fees:
 - (i) a capital raising fee of 6% of all funds raised by Alto;
 - (ii) 1,000,000 Shares to be issued as lead manager fee; and
 - (iii) the right for Alto or its nominees to subscribe for up to 2,000,000 Options in the Company. The Options are to have a purchase price of \$0.0001 with an exercise price of \$0.075 cents each, with an expiry date 4 years from the date of issue. These Options will be issued on a pro-rata basis based on the amount raised by Alto up to the oversubscription amount.

The Company has applied to ASX for and expects to receive a waiver from Listing Rule 2.1 condition 2 to permit the issue price of the Capital Raising Shares to be \$0.05 each.

18.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 15.2 above.

The effect of Resolution 12 will be to allow the Company to issue the Capital Raising Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

18.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Shares to be issued as Capital Raising Shares is 200,000,000;
- (b) the Capital Raising Shares 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 issue price of the Capital Raising Shares will be \$0.05 per Share;
- (d) the Capital Raising Shares are proposed to be issued at the Board's discretion pursuant to a public offer via a Prospectus for the purpose of Listing Rule 1.1 condition 3. Mr Anderson and Mr Commins will be participating in the Capital Raising and are related parties of the Company (see Section 24 below);
- (e) the Capital Raising Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company's intended use of the funds raised from the issue of the Capital Raising Shares is set out in Section 11.14 above;
- (g) it is intended that the Capital Raising Shares will be issued on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

18.4 Section 195

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolution 12.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

18.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 12.

Resolution 12 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 12.

19. Resolution 13 - Approval of Employee Incentive Scheme

19.1 General

Resolution 13 seeks Shareholders' approval for the adoption of the employee incentive scheme titled "Murray Cod Australia Limited Employee Incentive Scheme" (**Scheme**) in accordance with Listing Rule 7.2 exception 9(b).

A summary of Listing Rule 7.1 is contained in Section 9.3 above.

19.2 Listing Rule 7.2, exception 9(b)

Listing Rule 7.2, exception 9(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 13 is passed, the Company will be able to issue Equity Securities under the Scheme to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Equity Securities have previously been issued under the Scheme.

The objective of the Scheme is to attract, motivate and retain key Directors, employees and contractors and it is considered by the Company that the adoption of the Scheme and the future issue of Equity Securities under the Scheme will provide selected participants with the opportunity to participate in the future growth of the Company.

Any future issues of Equity Securities under the Scheme to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Scheme is set out in Schedule 4. In addition, a copy of the Scheme is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Scheme can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

19.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 13.

Resolution 13 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 13.

20. Resolution 14 - Approval to issue Director Options

20.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 21,000,000 Director Options to the Directors.

The Director Options will be exercisable at \$0.075 each, subject to the same vesting conditions as apply to Options to be issued under Resolutions 9 and 10 (based on length of employment) and expiring on or before the date that is 5 years after the Quotation Date.

Resolution 14 seeks Shareholder approval for the issue of the Directors Options to the Directors. Shareholder approval is required under Listing Rule 10.14 where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director (or associate of a director), being a related party of the entity.

20.2 Chapter 2E

A summary of Chapter 2E of the Corporations Act is set out in Section 15.4 above.

The issue of the Director Options to the Directors will result in giving a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

The Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Director Options proposed to be issued to the Directors pursuant to Resolution 14.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Director Options to the Directors (or their nominees) will not be included in the use of the Company's 15% placement capacity pursuant to Listing Rule 7.1.

20.3 Information requirements for Chapter 2E of the Corporations Act

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 14.

(a) Identity of the related parties to whom Resolution 14 permit financial benefits to be given.

The Director Options will be issued to the Directors, each a Director of the Company and is, as such, a related party of the Company.

(b) Nature of the financial benefit

Resolution 11 seeks approval from Shareholders to allow the Company to issue up to 21,000,000 Options to the Directors at an issue price of \$0.075 per Director Option. Schedule 2 sets out the key terms of the Options.

The Shares to be issued upon the exercise of the Director Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all

respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

The valuation of the Director Options is set out in Schedule 5 with a summary for each Director below.

Director	Value of Director Options
Mr. Anderson	\$525,000
Mr. Barron	\$70,000
Mr. Priestley	\$70,000
Mr. O'Neill	\$70,000

(d) **Dilution**

The issue of the Director Options to the Directors will have a diluting effect on the percentage interest of existing Shareholders holdings if the Performance Rights vest. The exercise of the Director Options will result in a dilution of all other Shareholders' holdings in the Company of 24.7% based on issued Shares as at the date of this Notice (being 63,939,969) and 5.0% for the Minimum Subscription and 4.4% for the Maximum Subscription assuming all Consideration Securities are issued and on a fully diluted basis. The actual dilution will depend on the extent that additional Shares are issued by the Company.

(e) **Remuneration of Director**

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice are set out below:

Name of Director	Salary and fees
Mr Ross Anderson	\$32,850
Mr Morgan Barron	\$32,850
Mr Martin Priestley	\$30,000
Douglas O'Neill	\$30,000

(f) **Existing relevant interests**

At the date of this Notice:

- (i) Kimbalex, a company controlled by Mr Anderson holds 12,500,000 Shares in the Company; and
- (ii) Grenfell FM Pty Ltd and Parsely Hay Pty Limited, companies controlled by Mr Martin Priestley together hold 2,000,000 Shares in the Company.

(g) **Trading history**

The trading history of the Company's Shares is set out in Section 17.3(g).

(h) **Director recommendations**

The Directors declines to make a recommendation to Shareholders in relation to Resolution 14 due to their material personal interest in the outcome of the Resolution.

(i) **Other information**

The Directors consider that the issue of Director Options to its personnel are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. The issue of the Director Options is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated in Resolution 14.

20.4 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Options to the Directors:

- (a) the Directors are Mr Ross Anderson, Mr Morgan Barron, Mr Martin Priestley and Mr Douglas O'Neill;
- (b) the maximum number of Directors Options to be issued to the Directors (or their nominees) is 21,000,000 Options as follows:
 - (i) 15,000,000 Options to Mr Ross Anderson;
 - (ii) 2,000,000 Options to Mr Morgan Barron;
 - (iii) 2,000,000 Options to Mr Martin Priestley; and
 - (iv) 2,000,000 Options to Mr Douglas O'Neill;
- (c) the Options are being issued to the Eligible Directors for nil cash consideration and otherwise on the terms and conditions set out in Schedule 2;
- (d) no Securities have previously been issued under the Scheme nor has the Scheme previously been adopted by Shareholders;
- (e) all directors are entitled to participate in the Scheme;
- (f) no loans will be made in relation to, and no funds will be raised from, the issue or exercise of the Options;
- (g) the Options will be issued to the Directors no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Options will be issued on one date; and

- (h) a voting exclusion statement is included in the Notice.

21. Resolution 15 - Approval to issue Options to Panaquatic Health Solutions Pty Ltd for consulting fees

21.1 General

On Completion of the Acquisition, the Company will engage Paul Hardy-Smith on behalf of Panaquatic Health Solutions Pty Ltd (**Panaquatic**) to provide veterinary services in relation to the Merged Group's Murray Cod, as required.

The agreement is for an initial 3 year term and will continue following the initial term until termination in accordance with the agreement. In consideration for the services provided by Panaquatic, the Company will pay the following fees:

- (a) \$52,500 per annum (excluding GST) for a maximum of 30 days per year;
- (b) the issue of 5,000,000 Options to Panaquatic;
- (c) for any additional days beyond the agreed 30 days, \$2,250 (excluding GST) per day; and
- (d) any expenses incurred by the Panaquatic in providing the services, including travel expenses and accommodation.

In addition to an immediate termination on an event of default by the relevant party, either party may terminate during the initial term with 12 months' written notice to the other party. Following the initial term, either party may terminate with 3 months' written notice to the other party.

The Company is required to adhere to directions from the Veterinary Medication Authority and indemnifies Mr Paul Hardy-Smith and Panaquatic against any direct costs, damages, loss or liability of any kind arising out of the supply, handling, storage, transport, use or administration of any drug prescribed by Panaquatic under a Veterinary Medication Authority direction, or in respect of the supply of the services.

The Company is indemnified by Panaquatic against all losses, claims, proceedings, damages, costs and expenses in relation to or arising out of any breach of the Panaquatic's obligations under the agreement. The agreement includes other provisions considered standard for agreements of this nature.

Resolution 15 seeks Shareholder approval for the issue of 5,000,000 Options to be issued to Panaquatic as part-consideration for consulting services provided by Panaquatic.

The Options will be exercisable at \$0.075 each, subject to the vesting set out in Schedule 2, and expiring on or before the date that is 5 years after the Quotation Date.

21.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 10.2 above.

The effect of Resolution 15 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

21.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the potential issue of the Options:

- (a) the maximum number of Options that may be issued is 5,000,000;
- (b) the Options are being issued to Panaquatic as part-consideration for services to be provided by Panaquatic and otherwise on the terms and conditions set out in Schedule 2;
- (c) the Options will be issued to Panaquatic who is not a related party of the Company; and
- (d) no funds will be raised from the issue of the Options as the Options are being issued as part-consideration for services to be provided to the Company.

22. Resolution 16 - Approval to issue Adviser Securities

22.1 General

Resolution 16 seeks Shareholder approval for the issue of up to 1,000,000 Shares and up to 2,000,000 Options to be issued to Alto in consideration for services provided by Alto as lead manager in relation to the Capital Raising.

The Company has engaged Alto as a lead manager to provide capital raising services to the Company, with the following fees:

- (a) a capital raising fee of 6% of all funds raised by Alto;
- (b) 1,000,000 Shares to be issued as lead manager fee; and
- (c) the right for Alto or its nominees to subscribe for up to 2,000,000 Options in the Company. The Options are to have a purchase price of \$0.0001 with an exercise price of \$0.075 cents each, with an expiry date 4 years from the date of issue. These Options will be issued on a pro-rata basis based on the amount raised by Alto up to the oversubscription amount.

Resolution 16 is subject to the approval of each of the other Acquisition Resolutions.

22.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 10.2 above.

The effect of Resolution 16 will be to allow the Company to issue the Adviser Shares and Adviser Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

22.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the potential issue of the Adviser Shares and Adviser Options:

- (a) the maximum number of Adviser Shares and Adviser Options that may be issued is 1,000,000 Shares and 2,000,000 Options respectively;

- (b) the Adviser Shares 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) and it is intended that issue of all the Adviser Options will occur on the same date;
- (c) the Adviser Shares will be issued for no cash consideration in satisfaction of services provided by Alto as lead manager in relation to the Capital Raising;
- (d) the Adviser Options will have a purchase price \$0.0001;
- (e) the Adviser Shares and Adviser Options will be issued to Alto or its nominees, none of whom will be related parties of the Company;
- (f) the Adviser Shares will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares;
- (g) the Adviser Options will be issued on the terms and conditions set out in Schedule 2;
- (h) no funds will be raised from the issue of the Adviser Shares as the Adviser Shares are being issued in consideration for services provided by Alto as lead manager in relation to Capital Raising; and
- (i) the funds raised from the issue of the Adviser Options will be contributed to the Company's general working capital (see Section 11.14).

23. Resolutions 17 & 18 - Election of Directors - Mr Ryan and Mr Commins

Pursuant to the Acquisition Agreements, at Completion it is proposed that Mr Ryan and Mr Commins each be appointed as a Director.

Resolution 17 seeks approval for the election of Mr Ryan as a Director on and from Completion if each of the other Acquisition Resolutions are approved by Shareholders. He will be appointed as an Executive Director.

Resolutions 18 seeks approval for the election of Mr Commins as a Director on and from Completion if each of the other Acquisition Resolutions are approved by Shareholders. He will be appointed as an Executive Director.

Please refer Sections 11.3(d)(ii) and 11.3(d)(i) for information on the qualifications, skills and experience of Mr Ryan and Mr Commins respectively.

The Board recommends that Shareholders vote in favour of Resolutions 17 and 18.

Resolutions 17 and 18 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 17 and 18.

24. Resolutions 19 and 20 - Participation in Capital Raising by related parties - Mr Ross Anderson and Mr George Roger Commins

24.1 General

Pursuant to Resolution 12 the Company is seeking Shareholder approval for the Capital Raising, being the issue of up to 200,000,000 Capital Raising Shares at an issue price of \$0.05 per Share to raise up to \$10,000,000 before costs.

Mr Ross Anderson and Mr George Roger Commins (together, the **Related Party Participants**) each wish to participate in the Capital Raising, subject to shareholder approval being obtained.

Resolutions 19 to 20 (inclusive) seek Shareholder approval for the issue of up to 14,000,000 Shares to the Related Party Participants (or their nominees) arising from the participation by the Related Party Participants in the Capital Raising (**Participation**).

24.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act is set out in Section 15.4 above.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and the Related Party Participants are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Anderson in relation to Resolution 19, given his material personal interests in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Related Party Participants on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the Participation as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares to the Related Party Participants (or their nominees) will not be included in the use of the Company's 15% placement capacity pursuant to Listing Rule 7.1.

24.3 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be issued to Messrs Anderson and Commins (or their respective nominees);

- (b) the maximum number of Capital Raising Shares to be issued to the Related Party Participants is 14,000,000 in the following proportions:
 - (i) up to 10,000,000 Shares to Ross Anderson (or his nominee); and
 - (ii) up to 4,000,000 Shares to George Roger Commins (or his nominee);
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) the issue price will be \$0.05 per Share, being the same as all other Shares issued under the Capital Raising;
- (e) the Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 11.14 of this Explanatory Statement.

24.4 Section 195

A summary of Section 195 of the Corporations Act is set out in Section 18.4 above. Some of the Directors may have a material personal interest in the outcome of Resolutions 19 and 20.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

25. Resolution 21 - Approval of potential termination benefits to Mr Mathew Ryan

25.1 General

Completion of the Acquisition is conditional, amongst other things set out in Section 11.8(e), the Company entering into an employment contract with Mr Mathew Ryan as an Executive Director of the Company for a fixed term of three years on the terms set out in Section 11.8(g).

Under Section 200E of the Corporations Act, the Company can only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the Company if that benefit has been approved by Shareholders or an exemption applies.

All benefits (irrespective of type or nature), provided they have an aggregate value of less than the relevant executive's average annual base salary over the three years prior to the cessation of his/her employment are exempt (**1x Base Cap**). The prohibition applies to all forms of terminations of employment or loss of office, including resignation, retirement, death or disability.

If a termination benefit is given to the relevant executive which exceeds the 1x Base Cap, a breach of the Corporations Act occurs, even if the benefit is required by the relevant executive's employment contract or the Company's policies.

Subject to Shareholder approval of Resolution 17 to elect Mr Ryan as a Director of the Company, in accordance with Section 200E of the Corporations Act, the Company seeks

Shareholder approval to give Mr Mathew Ryan a benefit in connection with his ceasing to hold his position a Key Management Personnel.

25.2 Information required for Sections 200B and 200E of the Corporations Act

Under Sections 200B and 200E of the Corporations Act the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a number of exemptions apply.

The Corporations Act requires that where shareholders are asked to approve a payment or other benefit that would otherwise be a prohibited benefit, shareholders must be given details of the amount of the payment or benefit, or, if the amount cannot be ascertained at the time of the disclosure, the manner in which the amount or benefit is to be calculated and any matter, event or circumstance that will, or is likely to affect the calculation of the amount.

The employment contract with Mr Ryan provides for a fixed term of three years employment. In the event that the Company terminates Mr Ryan's employment contract, the Company will be liable to pay the balance of the remaining fixed term employment which is calculated with reference to the base salary within the employment contract.

26. Resolution 22 - Approval to change Company name

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 22 seeks the approval of Shareholders for the Company to change its name to "Murray Cod Australia Limited".

If Resolution 22 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

Resolution 22 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

27. Resolution 23 - Replacement of Constitution

27.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 23 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and the Listing Rules.

This will incorporate amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted in 2011.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

27.2 Summary of material proposed changes

(a) Fee for registration of off market transfers (clause 8.6)

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 4.6 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(b) Dividends (clause 14.1)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

(c) Partial (proportional) takeover provisions

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

27.3 Information required by section 648G of the Corporations Act

(a) Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(b) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(c) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (v) proportional takeover bids may be discouraged;
- (vi) lost opportunity to sell a portion of their Shares at a premium; and
- (vii) the likelihood of a proportional takeover bid succeeding may be reduced.

(e) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 23.

28. Resolution 24 - Approval for the Company to acquire Relevant Interest in Securities

28.1 General

It is a condition of the Acquisition Agreements that the MBRPL Consideration Securities, Vendor Consideration Securities and Performance Rights to be issued Kimbalex will be subject to a 24 month voluntary escrow period (**Escrowed Shares**). The number of potential Escrowed Shares is set out below.

Scenario	Minimum Subscription		
	Escrowed Shares	Total Shares	%
Scenario 1: Completion of Acquisition, assuming all Capital Raising Shares	81,285,715	286,225,684	28.40
Scenario 2: Completion of Acquisition assuming all Capital Raising Shares and Deferred Consideration Shares are issued	107,714,286	312,654,255	34.45
Scenario 3: Completion of Acquisition assuming all Capital Raising Shares and Deferred Consideration Shares are issued, all Options are exercised and all Performance Rights have vested	186,714,286	416,654,255	44.81

Scenario	Maximum Subscription		
	Escrowed Shares	Total Shares	%
Scenario 1: Completion of Acquisition, assuming all Capital Raising Shares are issued	81,285,715	346,225,684	23.48
Scenario 2: Completion of Acquisition assuming all Capital Raising Shares and Deferred Consideration Shares are issued	107,714,286	372,654,255	28.90
Scenario 3: Completion of Acquisition assuming all Capital Raising Shares and Deferred Consideration Shares are issued, all Options are exercised and all Performance Rights have vested	186,714,286	476,654,255	39.17

28.2 Material terms of the voluntary escrow arrangements

The Acquisition Agreements provide that the Escrowed Shares will be subject to a holding lock applied by the Company's share registry for a period of 24 months (**Voluntary Escrow Period**).

During the Voluntary Escrow Period, the Vendors and Kimbalex may:

- (a) accept their Escrowed Shares into a takeover bid made under Chapter 6 of the Corporations Act in respect of all the Shares that is or has become free of any defeating conditions (other than a condition in respect of the events listed in section 652C of the Corporations Act);

- (b) have their Escrowed Shares transferred or cancelled as part of the transfer or cancellation of all the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act; or
- (c) otherwise deal with their Escrowed Shares as may be required by applicable law or order of a court of competent jurisdiction,

and the Company must ask its share registry to remove the holding lock to allow the Vendors and Kimbalex to deal with the Escrowed Shares in the circumstances described above.

With the exception of the holding lock described above, the Vendors and Kimbalex will be entitled to all other rights applicable to holders of Shares in respect of the Escrowed Shares, including in relation to voting, entitlements to participate in pro rata offers to eligible security holders, bonus issues and dividends.

28.3 Section 611 of the Corporations Act

Section 606 of the Corporations Act contains a prohibition on a person acquiring a Relevant Interest in issued voting shares in a listed company through a transaction which results in the person's Voting Power in the Company increasing from below 20% to more than 20%, or from a starting point of more than 20% to a higher percentage.

However, an acquisition is not prohibited if it has been approved by a resolution of the listed entity under section 611 item 7 of the Corporations Act.

A "Relevant Interest" arises if (among other things) the person has the ability to exercise, or control the exercise of, a right to vote attached to shares.

For the purposes of Resolution 24 a Relevant Interest can also arise pursuant to section 608(3) of the Corporations Act where a person has the power to control the disposal of securities (for example, as a result of escrow arrangements). In addition to this, section 608(9) of the Corporations Act provides that a body corporate can have a Relevant Interest in its own securities.

As shown in the table in Section 28.1, on Completion, the Company may hold a Relevant Interest in over 20% of its own Shares. Accordingly, the Company is required to seek Shareholder approval pursuant to section 611 item 7 of the Corporations Act.

28.4 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

Specific information is required to be provided to Shareholders under item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74 when seeking to obtain approval under item 7 of section 611 of the Corporations Act.

Some of the information usually relevant to a proposal to acquire Relevant Interests in voting shares is not relevant to an escrow arrangement under which the Company is deemed to be acquiring a relevant interest in its own Shares, but will not obtain any power to influence the exercise of any votes attaching to the Shares.

In particular, item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74 require that the following information be provided to Shareholders:

- (a) the identity of the person proposing to make the acquisition and their associates;

- (b) the maximum extent of the increase in that person's voting power in the company that would result from the acquisition;
- (c) the voting power that person would have as a result of the acquisition;
- (d) the maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition; and
- (e) the voting power that each of that person's associates would have as a result of the acquisition.

Due to the circumstances in which the Company is acquiring a Relevant Interest in the Securities of the Company, the above information will not be relevant. The Company (and its associates) will not increase its voting power in the Company as a result of entry by the Company into the voluntary escrow arrangements. This is because the Relevant Interest held by the Company arises from enforcement rights in relation to the disposal of the Escrowed Shares. The Company does not have any right in respect of the voting power attached to the Escrowed Shares.

28.5 Independent Expert's Report

The Independent Expert's Report prepared for the purposes set out in Section 13 also considers this Resolution 24 in order to satisfy the requirements for Shareholder approval under item 7 of section 611 of the Corporations Act, and sets out a detailed independent examination of the Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 24 (and Resolution 9).

The Independent Expert has determined that the Acquisition, including the acquisition of a Relevant Interest in Securities by the Company by virtue of the voluntary escrow arrangements, are fair and reasonable in the absence of a superior proposal.

28.6 Board recommendation

The Board recommends that shareholders vote in favour of Resolution 24.

Resolution 24 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 24.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

1x Base Cap has the meaning given in Section 25.1.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2016.

Acquisition means the acquisition by the Company of the Merged Group in accordance with the Acquisition Agreements.

Acquisition Agreements means the agreements described in Section 11.1, dated on or around November 2016.

Acquisition Resolutions means Resolutions 8 to 24 (inclusive).

Adviser means Alto.

AEDT means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

AEST means Australian Eastern Standard Time, being the time in Sydney, New South Wales.

Alto means ACNS Capital Markets Pty Ltd trading as Alto Capital ACN 088 503 208.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Bidgee means Bidgee Fresh Pty Ltd ACN 605 520 125.

Bidgee Consideration Securities has the meaning given in Section 11.8(a).

Bidgee Performance Rights means 15,000,000 performance rights in Bidgee held by Kimbalex.

Bidgee Vendors means MBRPL and Brigalow.

Board means the board of Directors of the Company.

Brigalow means Brigalow Enterprises Pty Ltd ACN 117 275 288.

Brigalow Assets has the meaning given in Section 11.2(d).

Business Day means a day that is not a Saturday, Sunday or public holiday in New South Wales.

Capital Raising means the Company's proposal under Resolution 12 to raise up to \$10,000,000 via a public offer under a Prospectus.

Capital Raising Shares means the Shares proposed to be issued under the Capital Raising.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Charles means Mr Ian Charles and Mrs Michelle Charles.

Class A Performance Rights has the meaning given in Schedule 3.

Class B Performance Rights has the meaning given in Schedule 3.

Class C Performance Rights has the meaning given in Schedule 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.

Company means Timpetra Resources Limited ACN 143 928 625 (to be renamed “Murray Cod Australia Limited”).

Completion means completion of the Acquisition under the Acquisition Agreements.

Consideration Securities means the Vendors' Consideration Securities and the MBRPL Consideration Securities.

Constitution means the constitution of the Company as at the date of the Meeting.

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

Deferred Consideration Shares means the Shares issued following Completion, if within 4 years from the Quotation Date, 100 tonnes of Murray Cod are produced and sold by the Company.

Director means a director of the Company.

Director Options has the meaning given in Resolution 14.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

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

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Independent Expert means RSM Corporate Australia Pty Ltd ACN 050 508 024.

Initial Consideration Shares means the Shares to be issued at Completion to MBRPL, Brigalow and Charles as part-consideration for the Acquisition.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Kimbalex means Kimbalex Investments Pty Ltd ACN 136 469 835, an entity associated with director Mr Ross Anderson.

Listing Rules means the listing rules of ASX.

Maximum Subscription means the raising of \$10,000,000 pursuant to the Capital Raising.

MBRPL means M&B Ryan Pty Ltd ACN 151 420 530.

MBRPL Consideration Securities has the meaning given in Resolution 9.

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

Merged Group means Bidgee, Riverina Aquaculture and Silverwater Native Fish.

Minimum Subscription means the raising of \$7,000,000 pursuant to the Capital Raising.

Notice means this notice of general meeting.

Operations means the breeding, growing and supply of Murray cod fish operated by the Merged Group.

Option means an option to acquire a Share.

Participation has the meaning given in Section 24.1.

Performance Right means the right, subject to certain conditions to be allocated one Share in the Company, or such other number of Shares as determined by the relevant adjustment mechanism, for nil consideration or such other amount as determined by the Board.

Proposed Constitution has the meaning given in Section 27.1.

Prospectus means the prospectus proposed to be issued by the Company in relation to the Capital Raising.

Proxy Form means the proxy form attached to the Notice.

Quotation Date means the date the Company's Securities re-commence quotation on the ASX following the Acquisition and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules.

RAS has the meaning given in Section 11.4(a).

Related Party Participants has the meaning given in Section 24.1.

Relevant Interest has the meaning given in section 608 of the Corporations Act.

Resolution means a resolution referred to in the Notice.

Riverina Aquaculture has the meaning given in Section 11.2(b).

RSM has the meaning given in Section 13.

Ryan means Mr Mathew John Ryan and Mrs Bonnie Louise Ryan.

Ryan Farm has the meaning given in Section 11.2(c).

Schedule means a schedule to the Notice.

Scheme means the Murray Cod Australia Limited Employee Incentive Scheme.

Section means a section of the Explanatory Memorandum.

Securities means all Equity Securities of the Company, including Shares, Options and Performance Rights.

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

Shareholder means a holder of a Share.

Silverwater Farm has the meaning given in Section 11.2(e).

Silverwater Native Fish has the meaning given in Section 11.2(e)

Spill Meeting has the meaning given in Section 5.

Strike has the meaning given in Section 4.

Tenements has the meaning given in Section 9.1.

Terms Sheet has the meaning given in Section 9.1.

Vacating Directors means the Directors who were directors of the Company when the resolution to make the directors' report considered at the last annual general meeting of the Company was passed, other than the managing director at that time.

Vendors means the Bidgee Vendors and Charles.

Vendors' Consideration Securities has the meaning given in Resolution 10.

Vesting Condition has the meaning ascribed in Schedule 3.

Zebina has the meaning given in Section 9.1.

Schedule 2 - Terms and conditions of Options

The following terms and conditions apply to the Options:

1. Definitions

Words with capitalised letters in this Schedule 2 have the meaning given below, or otherwise as set out in this Notice.

2. Entitlement

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

3. Exercise Price and Expiry Date

The Options have an exercise price of \$0.075 per Option (**Exercise Price**).

The Options, excluding the Options issued to Alto pursuant to Resolution 16, expire 5 years from the date of issue (**Expiry Date**). The Options issued to Alto pursuant to Resolution 16 expire 4 years from the date of issue (**Alto Expiry Date**).

An Option not exercised before the Expiry Date or Alto Expiry Date will automatically lapse on the Expiry Date or the Alto Expiry Date (as applicable).

4. Exercise Period

The Options, excluding the Options issued to Panaquatic pursuant to Resolution 15 and the Options issued to Alto pursuant to Resolution 16, are exercisable at any time and from time to time on or prior to the Expiry Date, if within 4 years from the Quotation Date, 100 tonnes of Murray cod are produced and sold by the Company.

The Options issued to Panaquatic pursuant to Resolution 15 are exercisable as follows:

- (a) 2,500,000 of the Options exercisable at any time and from time to time on or prior to the Expiry Date, if within 4 years from the Quotation Date, 150 tonnes of Murray cod are produced and sold by the Company; and
- (b) 2,500,000 of the Options exercisable at any time and from time to time on or prior to the Expiry Date, if within 4 years from the Quotation Date, 250 tonnes of Murray cod are produced and sold by the Company.

The Options issued to Alto pursuant to Resolution 16 are exercisable at any time and from time to time on or prior to the Alto Expiry Date.

5. Quotation of the Options

The Options will be unquoted.

6. Transferability of the Options

The Options are not transferable, except with the prior written approval of the Company.

7. 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.

8. 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.

9. Shares Issued on Exercise

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

10. Quotation of Shares on Exercise

Application will be made by the Company to ASX, on the Business Day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.

11. Timing of Issue of Shares

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) 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, the Company will:
 - (c) issue the Shares pursuant to the exercise of the Options;
 - (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (e) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

12. Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 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.

13. 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 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.

14. Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 13 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

15. Adjustments 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.

Schedule 3 - Terms and conditions of Performance Rights

The following terms and conditions apply to the Performance Rights:

1. Definitions

Words with capitalised letters in this Schedule 3 have the meaning given below, or otherwise as set out in this Notice.

2. Entitlement

Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on exercise, to the issue of one Share of the Company.

3. Vesting Conditions

Subject to these terms and conditions, the vesting of a Performance Right is conditional on the satisfaction of vesting conditions attaching to the Performance Rights on or before the milestone date, as set out below:

Class	Number of Performance Rights	Vesting Condition	Milestone Date
A	5,000,000	Production and sale by the Company of 50 tonnes of Murray cod	3 years from date of issue
B	5,000,000	Production and sale by the Company of 100 tonnes of Murray cod (tonnage aggregated with that from Class A)	4 years from date of issue
C	5,000,000	Production and sale by the Company of 150 tonnes of Murray cod (tonnage aggregated with that from Classes A and B)	5 years from date of issue

4. Expiry of Performance Rights

A Performance Right will lapse upon the earlier to occur of:

- (a) a Vesting Condition in relation to the Performance Right not being satisfied by the Milestone Date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;
- (b) the Board deeming that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder; and
- (c) the five year and 1 month anniversary of the date of grant of the Performance Right.

5. Shares issued on exercise

Shares issued on the exercise of a Performance Rights rank equally with the then Shares of the Company.

6. No cash consideration

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the issue of Shares after vesting.

7. Timing of issue of Shares

- (a) As soon as practicable after the vesting of a Performance Right, the Company shall give written notice of the vesting to the holder.
- (b) Within 15 Business Days after the vesting of a Performance Right the Company will issue the Shares pursuant to the exercise of the Performance Rights.

8. Transferability of Performance Rights

The Performance Rights are not transferable, except with the prior written approval of the Company.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of unvested Performance Rights.

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), the number of Shares which must be issued on the vesting of a Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had vested before the record date for the bonus issue.

11. Adjustment for entitlements 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 to the number of Shares which will be issued upon the vesting of a Performance Right.

12. Adjustments for reorganisation

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

Schedule 4 - Summary of Employee Incentive Scheme

The Company has established an employee incentive scheme (**Scheme**). The full terms of the Scheme may be inspected at the registered office of the Company during normal business hours.

1. Eligible Participant

Eligible Participant means a person that:

- (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Scheme from time to time.

2. Purpose

The purpose of the Scheme is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. Scheme administration

The Scheme will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Scheme rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. Eligibility, invitation and application

- (a) The Board may from time to time determine that an Eligible Participant may participate in the Scheme and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- (b) On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.
- (c) If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Scheme rules and any ancillary documentation required.

6. Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Scheme.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. Exercise of Convertible Securities and cashless exercise

To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Scheme rules, or such earlier date as set out in the Scheme rules.

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Scheme rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Scheme rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event, subject to complying with the Listing Rules.

12. Rights attaching to Scheme Shares

All Shares issued under the Scheme, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Scheme Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Scheme Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Scheme Shares. A Participant may exercise any voting rights attaching to Scheme Shares.

13. Disposal restrictions on Scheme Shares

If the invitation provides that any Scheme Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Scheme Share is subject to any disposal restrictions under the Scheme, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Scheme Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Amendment of Scheme

Subject to the following paragraph, the Board may at any time amend any provisions of the Scheme rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Scheme and determine that any amendments to the Scheme rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Scheme rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

17. Scheme duration

The Scheme continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Scheme for a fixed period or indefinitely, and may end any suspension. If the Scheme is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Schedule 5 - Valuation of Director Options

The Director Options to be issued to the Directors pursuant to Resolution 14 have been valued by internal management.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed a value, as follows:

Assumptions	Director Options
Valuation date ¹	14/12/2016
Market price of shares ²	\$0.05
Exercise price	\$0.075
Expiry date	14/12/2021
Risk free interest rate	1.92%
Volatility	100%
Indicative value per option ³	\$0.035
Value of Director Options issued to:	
- Mr. Anderson	\$525,000
- Mr. Barron	\$70,000
- Mr. Priestley	\$70,000
- Mr. O'Neill	\$70,000

Notes:

1. The valuation date is assumed to be the grant date, being the date of the Meeting.
2. Being the Capital Raising price per Share.
3. The valuation does not take into account non-market based vesting conditions, being vesting within four years from the date of reinstatement of the Company's Shares on the ASX upon the production and sale of 100 tonnes of Murray Cod from the Company's operations.

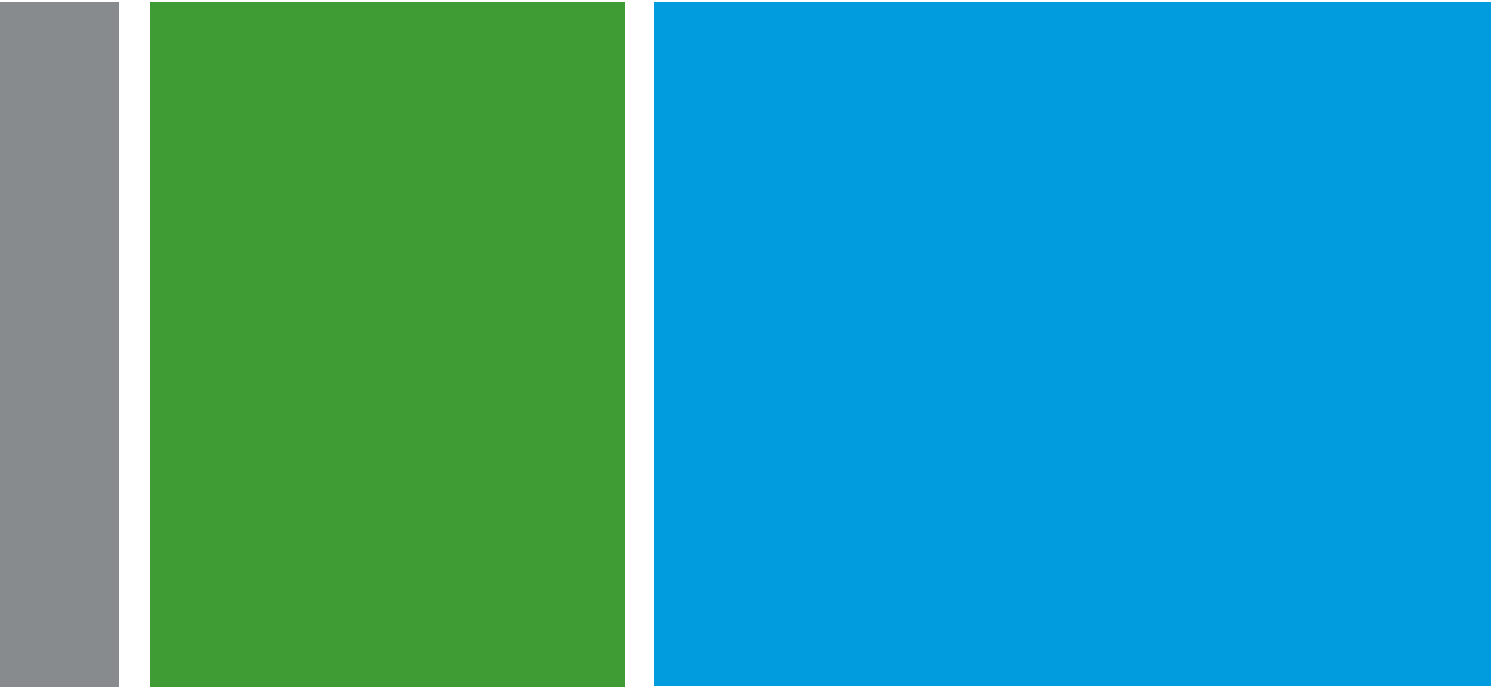
Note the valuation noted above is not necessarily the market price that the Director Options could be traded, if they were not restricted from disposal, and it is not automatically the market prices for taxation purposes.

Schedule 6 - Pro forma balance sheet

Set out below is the audited balance sheet (statement of financial position) of the Company (Balance Sheet "A") as at 30 June 2016 and Bidgee Fresh Pty Ltd as at 30 June 2016 (Balance Sheet "B"). In addition, disclosed is a pro-forma consolidated balance sheet (Balance Sheet "C") using reverse acquisition principles and assuming the following:

- (a) The issue of 140,000,000 Capital Raising Shares at an issue price of 5 cents each to raise a gross \$7,000,000 and incurring Capital Raising costs estimated at \$720,000 (including brokerage commissions) excluding oversubscriptions.
- (b) The acquisition of 100% of the shares on issue in Bidgee Fresh Pty Ltd by way of cash payment of \$1,100,000 an issue of 40,714,286 Shares, 13,571,428 Deferred Consideration Shares, 15,000,000 Performance Rights and 40,000,000 Options for a total fair value of approximately \$4,046,997 and expensed. Note that the valuation of the Performance Rights, Deferred Consideration Shares and Options include a 50% discount to factor in the assessed probability of achieving the conversion / vesting conditions attaching to these securities.
- (c) The repayment of Bidgee loans, borrowings and creditors existing as at 30 June 2016.
- (d) The acquisition of the business assets of Riverina Aquaculture by way of an issue of 38,571,429 Shares, 12,857,143 Deferred Consideration Shares and 20,000,000 Options for a total fair value of approximately \$3,136,997 and expensed. Note that the valuation of the Deferred Consideration Shares and Options include a 50% discount to factor in the assessed probability of achieving the conversion / vesting conditions attaching to these securities.
- (e) The acquisition of the business assets and the Silverwater Farm at Grong Grong, New South Wales by way of cash payment of \$1,300,000 an issue of 2,000,000 Shares and 4,000,000 Options for a total fair value of approximately \$1,469,399 and expensed. Note that the valuation of the Options includes a 50% discount to factor in the assessed probability of achieving the conversion / vesting conditions attaching to these Options.
- (f) The acquisition of the Ryan Farm at Bibul, New South Wales by way of cash payment of \$1,450,000 and expensed.
- (g) The issue of 21,000,000 Options to existing Directors with a fair value of approximately \$367,500, factoring in a 50% discount as the assessed probability of achieving the vesting conditions, and expensed.
- (h) The issue of 5,000,000 Options to advisors with a fair value of approximately \$43,375, factoring in a 75% discount as the assessed probability of achieving the vesting conditions, and expensed.
- (i) The issue of 1,000,000 Shares and 2,000,000 Options to the Alto, as lead manager for services in relation to the Capital Raising, with a fair value of approximately \$112,866 and expensed.
- (j) An oversubscriptions Balance Sheet has been included which assumes an additional 60,000,000 Capital Raising Shares at an issue price of 5 cents each to raise a gross \$3,000,000 and incurring additional Capital Raising costs estimated at \$180,000 (including additional brokerage commissions).

	Timpetra 30 June 2016 Audited "A"	Bidgee Fresh 30 June 2016 Audited "B"	Pro-forma Consolidated Unaudited "C"	
			Full Subscription	Oversubscription
Current Assets				
Cash assets	594,256	47,731	2,521,987	5,341,987
Trade and other receivables	33,974	85,372	119,346	119,346
Biological assets	-	277,863	919,242	919,242
Other assets	-	-	7,678	7,678
Total Current Assets	628,230	410,966	3,568,253	6,338,253
Non-Current Assets				
Property plant & equipment	-	819,251	4,010,767	4,010,767
Total Non-Current Assets	-	819,251	4,010,767	4,010,767
Total Assets	628,230	1,230,217	7,579,020	10,399,020
Current Liabilities				
Trade and other payables	65,370	360,802	100,370	100,370
Borrowings	-	58,547	-	-
Total Current Liabilities	65,370	419,349	100,370	100,370
Non-Current Liabilities				
Loans - shareholders	-	690,020	-	-
Borrowings	-	232,923	-	-
Total Non-Current Liabilities	-	922,943	-	-
Total Liabilities	65,370	1,342,292	-	-
Net Assets (Liabilities)	562,860	112,075	7,478,650	10,298,650
Equity				
Issued Capital	1,330,108	100	12,531,512	15,351,512
Reserves	(89,432)	-	1,955,975	1,955,975
Accumulated Losses	856,680	(112,175)	(7,008,838)	(7,008,838)
Total Equity (Deficiency)	562,860	112,075	7,478,650	10,298,650



TIMPETRA RESOURCES LIMITED

Financial Services Guide and Independent Expert's Report

November 2016

We have concluded that the Proposed Transaction is Fair and Reasonable

FINANCIAL SERVICE GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM Corporate Australia Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact Details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.

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7 November 2016

Shareholders
Timpetra Resources Limited
PO Box 763
GRIFFITH NSW 2680

Dear Shareholders

INDEPENDENT EXPERT'S REPORT ("REPORT")

1. Introduction

1.1 This Independent Expert's Report (the "Report" or "IER") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for an Extraordinary General Meeting of Timpetra Resources Limited ("Timpetra" or "the Company") to be held on or around 14 December 2016, at which shareholder approval will be sought for (among other things) the proposed acquisition ("Proposed Transaction") of the following:

- Silverwater Native Fish ("Silverwater") business and assets;
- Bidgee Fresh ("Bidgee") assets and 100% of the issued capital;
- Riverina Aquaculture ("Riverina") assets;
- Land and farm assets owned by Mathew Ryan ("Ryan Assets"); and
- Custom designed cage and fish grading assets owned by Roger Commins ("Cage Assets").

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

1.2 The Company will acquire the above shares and assets for the following:

Table 1 Total Consideration

	Cash (\$)	Shares (no.)	Deferred Shares (no.)	Options (no.)
Silverwater	1,300,000	2,000,000	-	4,000,000
Bidgee	1,100,000	40,714,286	13,571,428	40,000,000
Riverina	-	38,571,429	12,857,143	20,000,000
Ryan Assets	1,450,000	-	-	-
Cage Assets	550,000	-	-	-
Total Cash Consideration (\$)	4,400,000	81,285,715	26,428,571	64,000,000

Source: Transaction Agreements

- 1.3 Timpetra will undertake a capital raising of up to \$10 million (\$7 million minimum) to fund the Proposed Transaction, expand the existing aquaculture operations and provide working capital.
- 1.4 The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, express an opinion as to whether the Proposed Transaction is fair and reasonable to shareholders not associated with the Proposed Transaction ("Non-Associated Shareholders").
- 1.5 Whilst we have only been requested to provide an opinion on whether Resolution 9 is fair and reasonable to Non-Associated Shareholders, Resolutions 8 to 25 ("Acquisition Resolutions") are interdependent on each other and therefore Resolution 9 cannot be approved without Resolutions 8 and 25 being approved and, as such, we consider in substance Resolutions 8 to 25 to be part of the same transaction. On this basis, we have assessed whether Resolution 9 is fair and reasonable to Non-Associated Shareholders through evaluating whether the proposed transaction as a whole, comprising Resolutions 8 to 25 ("the Proposed Transaction") are fair and reasonable to the Non-Associated Shareholders. We have restated Resolutions 8 to 25 in Appendix D.
- 1.6 The ultimate decision whether to approve the Proposed Transaction should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the Proposed Transaction, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

2. Summary and conclusion

Opinion

- 2.1 In our opinion, and for the reasons set out in Sections 11 and 12 of this Report, the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders of Timpetra.

Approach

- 2.2 In assessing whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, we have considered Australian Securities and Investment Commission (“ASIC”) Regulatory Guide 111 – *Content of Expert Reports* (“RG 111”), which provides specific guidance as to how an expert is to appraise transactions.
- 2.3 Where an issue of shares by a company otherwise prohibited under section 606 of the Act is approved under item 7 of section 611, and the effect on the company shareholding is comparable to a takeover bid, such as the Proposed Transaction, RG 111 states that the transaction should be analysed as if it was a takeover bid.
- 2.4 Therefore we have considered whether or not the Proposed Transaction is “fair” to the Non-Associated Shareholders by assessing and comparing:
- The Fair Value of a share in Timpetra on a control basis pre the Proposed Transaction; with
 - The Fair Value of a share in Timpetra on a non-control basis immediately post completion of the Proposed Transaction,

and, considered whether the Proposed Transaction is “reasonable” to the Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transaction which are likely to be relevant to the Non-Associated Shareholders in their decision of whether or not to approve the Proposed Transaction.

- 2.5 Further information of the approach we have employed in assessing whether the Proposed Transaction is “fair and reasonable” is set out at Section 4 of this Report.

Fairness

- 2.6 Our assessed values of a Timpetra share prior to and immediately after the Proposed Transaction are summarised in the table below.

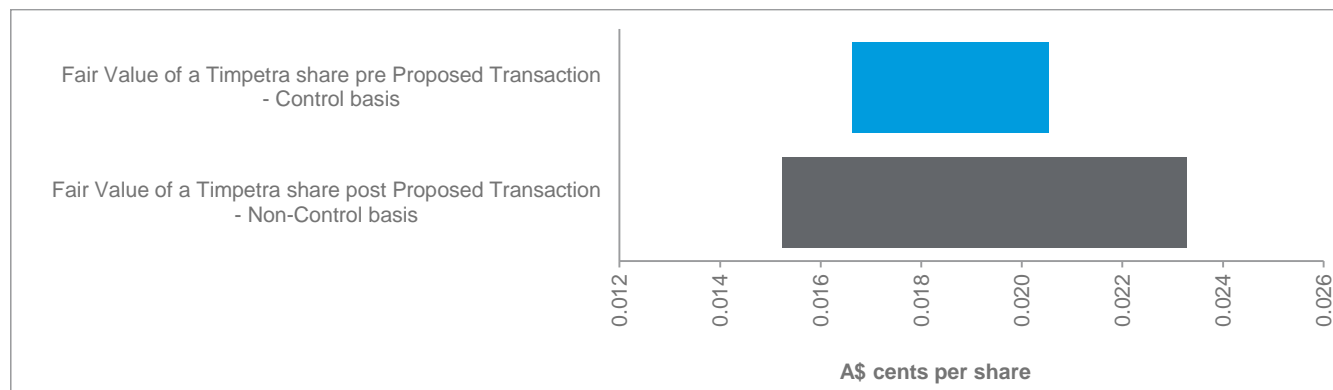
Table 2 Assessed values of a Timpetra share pre and post the Proposed Transaction

Assessment of fairness	Ref	Value per Share	
		Low	High
		\$	\$
Fair value of an Timpetra share pre the Proposed Transaction - Control basis	9.14	\$0.017	\$0.021
Fair value of an Timpetra share post the Proposed Transaction - Non control basis	10.2	\$0.015	\$0.023

Source: RSM analysis

2.7 We have summarised the values included in the table above in the chart below. The chart reflects a comparison of the values of Timpetra before and after the Proposed Transaction is approved under each scenario included in the table.

Figure 1 Timpetra Share Valuation graphical representation



Source: RSM analysis

2.8 The chart above indicates that the range of undiluted values pre the Proposed Transaction are within the range of the undiluted values post the Proposed Transaction.

2.9 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of Section 611, Item 7 of the Corporations Act 2001, we consider the Proposed Transaction to be fair to the Non-Associated Shareholders of Timpetra. We have reached this conclusion based on the analysis of pre and post Proposed Transaction values.

Reasonableness

2.10 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- The future prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

2.11 If the Proposed Transaction does not proceed the board will continue to seek alternative assets or businesses to add value to shareholders.

2.12 The key advantages of the Proposed transaction are:

- The Proposed Transaction is Fair.
- The Company will be exposed to a new industry and Shareholders will have the ability to gain potential exposure to future opportunities in this industry.
- The Company's ability to raise funds and attract strategic investors may improve once the Proposed Transaction is completed.
- The acquisition may encourage new investors in the company which may lead to increased liquidity and greater trading depth than currently experienced by Shareholders.

2.13 The key disadvantages of the Proposed Transaction are:

- Change in nature and scale of activities.
- The Non-associated Shareholders' interests in the Company will be significantly diluted.
- Change in risk profile of the Company.
- The aquaculture businesses are small, early stage and growth is not proven.
- Matt Ryan will hold an interest of approximately 24.1% in Timpetra following implementation of the Proposed Transaction (assuming the minimum capital raising is achieved). This interest could increase to 30.6% on a fully diluted basis. This is likely to remove future opportunities to obtain a control premium. We note, however, the Matt Ryan already holds 16% of the issued capital of Timpetra and the top four shareholders hold 64.2%, which may have already reduced the opportunity for shareholders to obtain a control premium.

2.14 We are not aware of any alternative proposals which may provide a greater benefit to the Non-Associated Shareholders of Timpetra at this time.

2.15 In our opinion, the position of the Non-Associated Shareholders of Timpetra if the Proposed Transaction is approved is more advantageous than if the Proposed Transaction is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Timpetra.

3. Summary of the Proposed Transaction

Overview

- 3.1 Under the Proposed Transaction, Timpetra is to acquire New South Wales based businesses and assets for the breeding, growing and supply of Murray Cod to wholesalers, restaurants and export markets. The Proposed Transaction comprises of the following acquisitions:
- Hatchery business known as Silverwater Native Fish and its assets (“Silverwater”);
 - Nursery business and 100% of the issued capital of Bidgee Fresh Pty Ltd (“Bidgee”);
 - Fish farm business known as Riverina Aquaculture and its assets (“Riverina”);
 - Land and farm assets owned by Mathew Ryan (“Ryan Assets”); and
 - Custom designed cage and fish grading assets owned by Roger Commins (“Cage Assets”).
- 3.2 In accordance with the asset sale and purchase agreement, the Company will acquire the Silverwater business and assets. The Silverwater business is an existing 20 year old hatchery business situated on an 88 hectare farm in Grong Grong, New South Wales. The business assets comprise of land, water, licences, buildings and associated plant. The consideration for the acquisition of the business and assets is as follows:
- A cash payment of \$1,300,000;
 - The issue of 2,000,000 Shares; and
 - The issue of 4,000,000 unquoted options to acquire Timpetra shares for \$0.075 each and expiring 5 years from the date of issue (“Options”). The Options will only vest if Timpetra produces and sells 100 tonnes of Murray Cod within 4 years from the date the Company’s securities are reinstated to the ASX (“Milestone”).
- 3.3 In accordance with the share sale agreement, the Company will acquire, from entities associated with Mathew Ryan and Roger Commins, the assets of Bidgee and 100% of the issued capital of Bidgee. Bidgee owns and operates a customised fish nursery. The consideration for the acquisition of Bidgee is as follows:
- A cash payment of \$1,100,000;
 - The issue of 40,714,286 Shares;
 - A right to 13,571,428 Deferred Shares in the Company subject to achieving the Milestone; and
 - The issue of 40,000,000 unquoted Options.
- 3.4 In accordance with the asset sale and purchase agreement, the Company will acquire the fish farming operations known as Riverina. Riverina consists of six ponds on an 85 acre property and associated plant and equipment. Two of the ponds on the farm are already fitted with cages and stocked with fish. The consideration for the acquisition of Riverina is as follows:
- The issue of 38,571,429 fully paid ordinary share in the Company;
 - The rights to receive 12,857,143 Deferred Shares in the Company subject to achieving the Milestone; and
 - 20,000,000 unquoted Options.

- 3.5 In accordance with the asset sale and purchase agreement, the Company will acquire the farm land assets ("Ryan Assets") from Mathew Ryan in consideration from a cash payment of \$1,450,000, out of which approximately \$1,200,000 will be applied against an outstanding loan held over the farm.
- 3.6 In accordance with the asset sale and purchase agreement, the Company will acquire three custom designed fish cages and fish grading machine ("Cage Assets") from an entity associated with Mr Roger Commins, in consideration for a cash payment of \$550,000.
- 3.7 Total Consideration is summarised in the table below:

Table 3 Total Consideration

	Cash (\$)	Shares (no.)	Deferred Shares (no.)	Options (no.)
Silverwater	1,300,000	2,000,000	-	4,000,000
Bidgee	1,100,000	40,714,286	13,571,428	40,000,000
Riverina	-	38,571,429	12,857,143	20,000,000
Ryan Assets	1,450,000	-	-	-
Cage Assets	550,000	-	-	-
Total Cash Consideration (\$)	4,400,000	81,285,715	26,428,571	64,000,000

Source: Transaction Agreements

Key conditions of the Proposed Transaction

- 3.8 Settlement of the Proposed Transaction is conditional upon satisfaction (or waiver) of the following material conditions precedent on or before 1 January 2017 (or such other date as may be agreed in writing):
- preparation of audited accounts of Bidgee, Riverina and Silverwater;
 - shareholder approval for;
 - the issue of Consideration Securities, Capital Raising Shares (see below) and Performance Rights, including the procurement of an independent expert's report;
 - the appointment of Mr Mathew Ryan and Mr Roger Commins as Directors; and
 - the implementation of the Employment Incentive Scheme and the issue of the Director Options;
 - the Company undertaking a capital raising of not less than \$7,000,000 and up to \$10,000,000 via the issue of Shares with an issue price of \$0.05 ("Capital Raising");
 - the Company obtaining all necessary regulatory approval or waivers pursuant to the Corporations Act and the Listing Rules, including with respect to Chapter 11 of the Listing Rules;
 - the Company entering into employment and/ or service agreements (in a form satisfactory to the Company, acting reasonable) with;
 - a) Mr Mathew Ryan, in relation to his appointment as Executive Director of the Company;
 - b) Mr Roger Commins, in relation to his appointment as Non-Executive Director of the Company;
 - c) Mr Ross Anderson, in relation to his appointment as Non-Executive Chairman of the Company; and
 - d) Mr Ian Charles, in relation to his appointment as Hatchery Manager.

- the Company receiving a reinstatement conditions letter from ASX, on terms satisfactory to the Company and Mr Ryan and Mr Commins.
- each party has agreed to voluntarily escrow any securities they receive as part of the Proposed Transaction for a period of two years from the re-commencement of the Company's Securities to the Official Quotation.

Rationale for the Proposed Transaction

3.9 The Proposed Transaction will result in Timpetra obtaining necessary property, plant and equipment and relevant experience to operate the fish hatchery and farming businesses and to generate revenue to allow for Timpetra to continue operating.

Impact of Proposed Transaction on Timpetra's Capital Structure

3.10 The table below sets out a summary of the capital structure of Timpetra prior to and post the Proposed Transaction, before the proposed capital raising.

Table 4 Share structure of Timpetra pre and post the Proposed Transaction

	Prior to Proposed Transaction		Post Proposed Transaction	
Shares on issue				
Non-associated Shareholders	53,939,969	84%	53,939,969	19%
Current shareholding of Mathew Ryan	10,000,000	16%	10,000,000	3%
Capital Raising ¹	-	0%	140,000,000	49%
Shares issued to lead manager	-	0%	1,000,000	0%
Consideration Shares				
Issue to Mathew Ryan (Riverina)	-	0%	38,571,429	13%
Issue to Mathew Ryan (Bidgee)	-	0%	20,357,143	7%
Issue to Roger Commins (Bidgee)	-	0%	20,357,143	7%
Issue to Ian Charles (Silverwater)	-	0%	2,000,000	1%
Total undiluted shares on issue	63,939,969	100%	286,225,684	100%
Options, Deferred Shares and Performance Rights:				
Options on issue	-	0%	-	0%
Consideration Options				
Issue to Mathew Ryan (Riverina)	-	0%	20,000,000	15%
Issue to Mathew Ryan (Bidgee)	-	0%	20,000,000	15%
Issue to Roger Commins (Bidgee)	-	0%	20,000,000	15%
Issue to Ian Charles (Silverwater)	-	0%	4,000,000	3%
Deferred Shares				
Issue to Mathew Ryan (Riverina)	-	0%	12,857,143	10%
Issue to Mathew Ryan (Bidgee)	-	0%	6,785,714	5%
Issue to Roger Commins (Bidgee)	-	0%	6,785,714	5%
Performance Rights (Ross Anderson)			15,000,000	11%
Director Incentive Options	-	0%	21,000,000	16%
Advisor Options	-	0%	5,000,000	4%
Lead Manager Options	-	0%	2,000,000	1%
Total Options, Deferred Shares and Performance Rights	-		133,428,571	100%
Fully Diluted Position:				
Existing share / option holders	63,939,969	100%	63,939,969	15%
Other new share / option holders	-	0%	355,714,286	85%
Total diluted shares on issue	63,939,969	100%	419,654,255	100%

Source: Company Estimates

¹ Reflects the minimum capital raising amount required of \$7 million at \$0.05 per share.

- 3.11 Mathew Ryan's interest in Timpetra following the Proposed Transaction will be approximately 24.08% on an undiluted basis and 30.6% on a fully diluted basis (assuming the minimum capital raising of \$7 million is achieved).
- 3.12 The table shows that current Timpetra shareholders will have an undiluted shareholding of 19% post the Proposed Transaction and a fully diluted holding of 16% post the Proposed Transaction.
- 3.13 The Deferred Shares will be issued upon the Company reaching the Milestone of producing and selling 100 tonnes of Murray Cod within 4 years from the date the Company's securities are reinstated to ASX.
- 3.14 The Options will vest upon the Company reaching the Milestone. The Options have an exercise price of \$0.075 per Option.
- 3.15 The Performance Rights will vest as follows: 5,000,000 Performance Rights will vest on production and sale by the Company of 50 tonnes of Murray Cod within 3 years from issue; 5,000,000 Performance Rights will vest on production and sale by Company of 100 tonnes of Murray Cod within 4 years from issue; and 5,000,000 Performance Rights will vest on production and sale by Company of 150 tonnes of Murray Cod within 5 years from issue date.

4. Scope of the report

Corporations Act

- 4.1 Section 606 of the Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest in the company increasing from a starting point that is below 20% to an interest that is above 20%. Completion of the Proposed Transaction will result in Mr Mathew Ryan obtaining an interest in Timpetra that is greater than 20% of Timpetra's issued capital.
- 4.2 Upon completion of the Proposed Transaction, as a result of voluntary escrow arrangements with entities associated with Mathew Ryan, Roger Commins and Ross Anderson, the Company will also obtain a relevant interest in its own shares of over 20%.
- 4.3 Under Item 7 of Section 611 of the Act, the prohibition contained in Section 606 does not apply if the acquisition has been approved by the Non-Associated Shareholders of the company.
- 4.4 Accordingly, the Company is seeking approval from the Non-Associated Shareholders for Resolution 9 and Resolution 24 under Item 7 of Section 611 of the Act.
- 4.5 Section 611(7) of the Act states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC Regulatory Guide 111 ("RG 111") advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.

Listing Rules

- 4.6 ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, a substantial shareholder, a related party or any of its associates without the approval of holders of the entity's ordinary securities.
- 4.7 Prior to the Proposed Transaction Mathew Ryan held an interest in Timpetra greater than 10% and, as such, is considered a substantial shareholder.
- 4.8 An asset is considered substantial "if its value; or the value of the consideration for it is, or in the ASX's opinion is 5% or more of the equity interest of the entity as set out in the latest financial statements given to the ASX". We have calculated the value of 5% of the equity interest of Timpetra as at 30 June 2016 as \$28,143. As a result of the Proposed Transaction, Mr Ryan will receive an interest in shares in Timpetra in excess of 5%.
- 4.9 ASX Listing Rule 10.10 states that the notice for the shareholders' meeting required under ASX Listing Rule 10.1 must include a report on the transaction from an independent expert. The report must state whether, in the expert's opinion, the transaction is fair and reasonable to the Non-Associated Shareholders.
- 4.10 Accordingly, Timpetra is seeking approval for the issue of the Security. The Company has engaged RSM, to prepare a report which sets out our opinion as to whether the issue of the Security is fair and reasonable to Non-Associated Shareholders.

Basis of Evaluation

- 4.11 In determining whether the Proposed Transaction is "fair and reasonable" we have given regard to the views expressed by the ASIC in RG 111.
- 4.12 RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.
- 4.13 RG 111 states that the expert's report should focus on:

- the issues facing the security holders for whom the report is being prepared; and
- the substance of the transaction rather than the legal mechanism used to achieve it.

4.14 RG 111.54 states that, where a related party transaction is one component of a broader transaction or a series of transactions involving non-related parties (such as a control transaction), the expert should carefully consider what level of analysis of the related party aspect is required. Given the interdependency of the Proposed Transaction on the Acquisition Resolutions, we have interpreted paragraph 54 of RG 111 to recommend that the impact on Non-Associated Shareholders of the broader transaction should be considered.

4.15 Furthermore, RG 111 states that in relation to related party transactions the expert's assessment of fair and reasonable should not be applied on a composite test – that is, there should be a separate assessment of whether the transaction is “fair and reasonable” as in a control transaction.

4.16 Consistent with the guidelines in RG 111, in assessing whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, the analysis undertaken is as follows:

- Whether the value of a Timpetra share prior to the Proposed Transaction (on a control basis) is less than the value of a Timpetra share following implementation of the Proposed Transaction (on a non-control basis) - fairness; and
- A review of other significant factors which Non-Associated Shareholders might consider prior to approving the Proposed Transaction - reasonableness.

4.17 The other significant factors to be considered include:

- The future prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

4.18 Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this report.

5. Profile of Timpetra

Background

5.1 Timpetra is a company listed on the ASX which previously focused on gold exploration in Western Australia. The Company held investments in ASX listed companies with gold operations and has effectively acted as an investment vehicle. The significant events for the Company are summarised below:

- In the year ended 30 June 2013 and 30 June 2014 the Company acquired 35,454,545 shares in an ASX listed gold producing company Saracen Mineral Holdings Limited. The investment was sold in the financial year ended 30 June 2015 and the total realised gain was \$1,597,859.
- On 8 September 2015 the Board of Directors announced that the Company had signed a binding term sheet with Zebina Minerals Pty Ltd ("Zebina") to explore three tenements within the Meekatharra Mineral Field in the Murchison Province of Western Australia. The Company was to earn up to 80% interest in tenements owned by Zebina known as the Jillewarra Project.
- On 15 September 2015 the Company announced that it would proceed with the earn-in on the Jillewarra Project. The Company paid \$10,000 in cash and issued 1,100,000 fully paid shares (subject to six months voluntary escrow period) to Zebina. Under the agreement the Company is required to spend a minimum \$600,000 within three years on an exploration program for the Jillewarra Project.

Directors and management

5.2 The directors and key management of Timpetra are summarised in the following table.

Table 5 Timpetra Directors

Name	Title	Experience
Ross Anderson	Chairman	Mr Anderson is a Chartered Accountant with over 25 years' experience. He is a fellow of the Taxation Institute of Australia and is a Chartered Tax Adviser. He is a registered company auditor and is the principal of the licensed securities dealer, Anderson's Investment Services Pty Ltd. He is the Chairman of Clearpoint Capital Ltd which manages a fund specialising in derivatives and alternative assets. He was the President of the MF Global Client Support Group in Australia and has commercial experience in dealing with agribusiness and capital markets.
Martin Priestley	Non Executive Director	Mr Priestley has almost 30 years experience in domestic and international financial services throughout Australia, the UK, Europe, the US, Canada, and Asia. He is currently Senior Director/Head of Debt Finance at CBRE Capital Advisors, the financial services arm of the global CBRE business. In his previous roles he has worked across a range of disciplines, including origination and distribution of senior debt, mezzanine, equity structuring and funds management.
Morgan Barron	Non Executive Director	Mr Barron is a Chartered Accountant and has over 18 years' experience in corporate advisory and holds a B.Com from the University of Western Australia and a Graduate Diploma with the Securities Institute. Mr Barron is a member of the Institute of Company Directors and is a Director and shareholder of Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd which specialises in the provision of corporate advisory services to a variety of ASX companies.
Douglas O'Neill	Non Executive Director	Mr O'Neill holds a Masters Degree in Commerce from University of New South Wales and is an associate of FINSIA. He has 40 years industry experience and has been involved in over 150 stock market takeovers as well as funding and structuring finance transactions. He has acted as a consultant to KPMG Corporate Finance and uses his industry experience to provide guidance on transactions. His previous roles included senior corporate finance positions at HSBC Investment Banking Group and Morgan Grenfell.

Source: Company

Financial Performance

- 5.3 The following table sets out a summary of the financial performance of Timpetra for the three years ended 30 June 2016.

Table 6 Timpetra Historical Financial Performance

\$		Year ended 30-Jun-16 Audited	Year ended 30-Jun-15 Audited	Year ended 30-Jun-14 Audited
	Ref			
Revenue				
Realised profit on sale of shares	5.4	-	1,597,859	-
Unrealised gain on revaluation of shares in Saracen	5.4	-	-	9,202,733
Unrealised gain on revaluation of shares in listed entities		14,761	-	-
Other income		18,892	153,010	27,782
Total Revenue		33,653	1,750,869	9,230,515
Expenses				
Administrative and other expenses	5.5	360,450	535,296	313,565
Exploration costs		50,915	-	-
Interest expense		-	-	19,521
Occupancy expenses		-	-	18,458
Realised loss on sale of Kalnorth Shares		32,852	-	-
Unrealised loss on revaluation of shares in listed entities	5.6	-	212,318	-
Transaction costs on sale of Saracen shares		-	61,153	-
Transaction costs on purchase of KGM shares		-	1,048	-
Profit/(loss) before tax		(410,564)	941,054	8,878,971
Income tax expense/(benefit)		8,450	305,085	(662,503)
Profit/(loss) after tax attributable to the members of Timpetra Resources Limited		(402,114)	635,969	8,216,468
Other comprehensive income		-	-	-
Total comprehensive profit/(loss) attributable to the members of Timpetra Resources Limited		(402,114)	635,969	8,216,468

Source: Company Financials

- 5.4 The realised profit on sale of shares in the year ended 30 June 2015 and the unrealised gain on revaluation in Saracen relate to an investment in ASX listed company with gold operations. During the years ended 30 June 2013 and 30 June 2014 the Company acquired shares in Saracen Mineral Holdings Limited ("Saracen"). The unrealised gain on revaluation of shares at 30 June 2014 reflects the movement in investment value between 30 June 2013 and 30 June 2014. In the year ended 30 June 2015, the Saracen shares were sold and the realised profit on sale of shares relates to this sale.
- 5.5 The administrative and other expenses include director fees and salaries, audit and related fees, consulting fees, legal expenses and other operating expenses.
- 5.6 In the year ended 30 June 2015, the Company invested \$330,409 in KalNorth Gold Mines Limited ("KalNorth"). The value of these shares at 30 June 2015 totalled to \$118,091, the unrealised loss on revaluation of shares in listed entities relates to a movement in value of KalNorth investment.

Financial Position

5.7 The table below sets out a summary of the financial position of Timpetra as at 30 June 2016, 30 June 2015 and 30 June 2014.

Figure 2 Timpetra Historical Financial Position

\$	Ref	As at 30-Jun-16 Audited	As at 30-Jun-15 Audited	As at 30-Jun-14 Audited
Current Assets				
Cash and cash equivalents	5.8	594,256	1,864,836	218,111
Prepayments and receivables		33,974	37,195	52,702
Investments - Listed Shares	5.9	-	118,091	14,536,363
Total current assets		628,230	2,020,122	14,807,176
Non-Current Assets				
Exploration and evaluation assets		-	-	-
Total non-current assets		-	-	-
Total assets		628,230	2,020,122	14,807,176
Current liabilities				
Trade and other payable		65,370	19,209	16,667
Margin loan	5.10	-	-	930,378
Provision for income tax	5.11	-	967,589	-
Dividend withholding tax		-	69,150	-
Total current liabilities		65,370	1,055,948	947,045
Total liabilities		65,370	1,055,948	947,045
Net assets		562,860	964,174	13,860,131
Shareholder's equity				
Contributed equity	5.12	1,330,108	1,329,008	11,497,481
Share base payment reserves		89,432	89,432	89,432
Retained earnings	5.13	(856,680)	(454,566)	1,610,715
Total shareholders' equity		562,860	963,874	13,197,628

Source: Company Financials

- 5.8 As at 30 June 2016, Timpetra had net assets of approximately \$562,862. Timpetra had no debt and a cash balance of approximately \$594,256.
- 5.9 The investment in listed shares at 30 June 2015 relates to shares in KalNorth. These shares were sold during the year ended 30 June 2016. At 30 June 2014, the investment in listed shares related to the Company's investment in Saracen.
- 5.10 The margin loan balance of \$930,378 at 30 June 2014 was repaid in the year ended 30 June 2015.
- 5.11 The provision for income tax at 30 June 2015 relates to tax payable relating to that financial year following the sale of the Saracen shares.
- 5.12 Following the sale of its investment in Saracen, Timpetra completed a capital reduction of \$9,238,343 and a share buy-back of 930,130 during the year ended 30 June 2015.
- 5.13 The company also paid out special dividend totalling to \$2,701,250 in the year ended 30 June 2015.

Capital Structure

5.14 Timpetra has 63,939,969 ordinary shares on issue. The top 20 shareholders of Timpetra as at 30 August 2016 are set out below. We note that the top 20 shareholders held 83.7% of the issued capital, with the top 4 shareholders holding 64.2%.

Table 7 Timpetra Top 20 shareholders

Rank	Name	Total Units	% Issued Share Capital
1	Andersons Investment Services Pty Ltd (ClearPoint Global Market Fund)	12,500,000	19.55%
2	Mr Mathew John Ryan	10,000,000	15.64%
3	Jetosea Pty Ltd	9,582,373	14.99%
4	Mr Larry Michael Walsh	8,969,236	14.03%
5	Mr Dion Mark Cohen & Mrs Tania Cohen (DCM Family A/C)	1,500,000	2.35%
6	Brownlow PR Pty Ltd	1,100,000	1.72%
7	Mr Jason Lee Brownlow & Ms Eryn Leigh Grant (Brownlow Grant S/F A/C)	1,100,000	1.72%
8	Granfell FM Pty Ltd (Priestley Family Super A/C)	1,000,000	1.56%
9	Parsley Hay Pty Ltd (Priestley Family A/C)	1,000,000	1.56%
10	Zebina Minerals Pty Ltd	950,000	1.49%
11	One Managed Inv't Funds Ltd	933,142	1.46%
12	Mr Mathew Ian James & Mrs Heather Bernice James (Stone Cold Family S/F A/C)	900,000	1.41%
13	Mr Scott Terence Hogan & Mrs Anita Maree Hogan (Hogan Family Super Fund A/C)	800,000	1.25%
14	Commins Partnership Pty Ltd	544,300	0.85%
15	Mr Don Keating Price & Mrs Vicki Ann Price (Price Superannuation A/C)	506,667	0.79%
16	Mr Michael Sean Hobbs & Ms Ann Kelly (Hobbs S/F A/C)	500,000	0.78%
17	Plaucs Pty Ltd	500,000	0.78%
18	Mr Simon Gray Sedorenko	433,105	0.68%
19	Mr Steven Gary Hirst	376,055	0.59%
20	Mr Daniel James Harris	303,394	0.47%
Total Top 20 Shareholding		53,498,272	83.67%
Total Issued Capital		63,939,969	100.00%

Source: Company Financials

Share price performance

- 5.15 The figure below sets out a summary of Timpetra's closing share prices and traded volumes for the 12 months to 30 June 2016.
- 5.16 We note that the Company's shares were in a trading halt between 1 July 2016 and 5 July 2016 and then suspended from 5 July 2016.

Figure 3 Timpetra's daily closing share price and traded volumes



Source: S&P Capital IQ/ ASX

- 5.17 Between September 2015 and February 2016, Timpetra's share price increased significantly. During this period the Company had announced that it had entered into a joint venture with Zebina over the Jillewarra Project. The shares have since traded in a range between \$0.05 and \$0.09. The volumes peaked in November 2015 which followed announcements regarding the changes to the Board of Directors and substantial shareholders. The Proposed Transaction was announced on 7 July 2016.
- 5.18 Timpetra's share price performance is discussed in more detail in Paragraph 9.6.

6. Profile of Silverwater, Riverina and Bidgee

- 6.1 The business and assets to be acquired in the Proposed Transaction include:
- Silverwater;
 - Bidgee
 - Riverina;
 - Ryan Assets; and
 - Cage Assets.
- 6.2 Combined, the businesses and assets to be acquired by Timpetra create a vertically integrated aquaculture business which breeds, farms and supplies Murray Cod.
- 6.3 Details of these business and assets are provided below.

Silverwater

Background

- 6.4 Silverwater is a hatchery business located on 88 hectares of land at 563 Pinehope Road in Grong Grong, New South Wales. It is a hatchery of Native Cod and Perch which has been operating for approximately 20 years.
- 6.5 The business is currently owned by Ian and Michelle Charles.
- 6.6 The key customers for Silverwater include New South Wales and Victorian Governments.

Financial Information

- 6.7 In relation to the financial statements below, the auditor of Silverwater, Pinnacle HPC has issued a qualified audit opinion as follows:

"B Charles and Sons has recognised biological assets to the value of \$200,000 as at 30 June 2016, 30 June 2015 and 30 June 2014 in the Statement of Financial Position. As the audit engagement was not requested until after these dates the stocktake of biological assets was not attended at each year end. I have conducted audit tests of the valuation the method used, and I am not in a position to confirm the valuation results."

Financial Performance

6.8 The financial performance of Silverwater for the three years ended 30 June 2016 is summarised below:

Table 8 Financial Performance – Silverwater

\$	Ref	Audited Year ended 30-Jun-16	Audited Year ended 30-Jun-15	Audited Year ended 30-Jun-14
Fish Income				
Sales	6.10	601,603	450,156	411,084
Other		35,465	32,071	7,145
Non-fish Income				
Profit from trading	6.10	58,108	51,823	64,281
Other (Non-fish)		14,000	22,450	6,344
Total income		709,176	556,500	488,854
Fish expenses				
Accountancy		7,185	0	1,782
Bad debt		0	8,041	
Chemical		6,646	3,204	2,317
Contract Work	6.11	43,051	63,758	66,918
Electricity	6.11	35,663	70,432	56,683
Fish Food	6.11	51,295	68,890	53,356
Fish general expenses		1,153	3,746	5,721
Fish packaging		1,172	9,918	1,128
Fish purchases	6.11	27,839	23,805	-
Freight and cartage		13,189	28,328	31,578
Fuel and oil		13,662	18,413	16,737
Insurance		5,738	5,749	7,601
Licences and registrations		4,634	1,288	1,598
Repairs		34,786	14,398	16,024
Telephone and internet		5,993	4,327	4,586
Travelling expenses		5,363	11,857	6,729
Other		10,762	16,071	15,407
Non-fish expenses				
Non-fish expenses		93,219	104,208	114,311
Total expenses		361,350	456,433	402,476
EBITDA	6.9	347,826	100,067	86,378
Depreciation and amortisation		19,104	14,645	19,926
EBIT		328,722	85,422	66,452
Net interest		(34)	(4)	(24)
Net profit before tax		328,756	85,426	66,476

Source: Financial Accounts

- 6.9 Silverwater generated an EBITDA of \$347,826 for the year ended 30 June 2016, \$100,067 for the year ended 30 June 2015 and \$86,378 for the year ended 30 June 2014.
- 6.10 The main income source for Silverwater is the sale of fingerlings. We note that there is also some non-fish income from cattle and sheep trading which will not be acquired by Timpetra.
- 6.11 The key expenses for the business include fish food, contract work, repairs, fish purchases and electricity.

Financial Position

- 6.12 The financial position of Silverwater as at 30 June 2014, 30 June 2015 and 30 June 2016 is summarised below:

Table 9 Financial Position – Silverwater

\$	Ref	Audited As at 30-Jun-16	Audited As at 30-Jun-15	Audited As at 30-Jun-14
Current assets				
Cash and cash equivalents		205,308	56,945	35,423
Trade and other receivables		17,273	16,104	0
Inventories	6.13	7,678	6,769	2,812
Biological assets	6.14	200,000	200,000	200,000
Total current assets		430,259	279,818	238,235
Non-current assets				
Property, plant and equipment	6.15	143,235	159,820	132,596
Total non-current assets		143,235	159,820	132,596
Total assets		573,494	439,638	370,831
Current liabilities				
Trade and other payables		61,040	97,625	50,845
Total current liabilities		61,040	97,625	50,845
Non-current liabilities				
Financial liabilities		410,000	410,000	410,000
Total non-current liabilities		410,000	410,000	410,000
Total liabilities		471,040	507,625	460,845
Net assets		102,454	(67,987)	(90,014)

Source: Financial Accounts

- 6.13 Included in inventories for the three years are cattle and sheep stock on hand at balance date.
- 6.14 Biological assets comprise of live fish held for sale and broodstock and have been valued at fair value less costs to sell. The estimated fair values have been based on actual selling price achieved in the three weeks following reporting date and other relevant factors assessed as impacting fair value in accordance with AASB141. The composition of stock has been estimated as follows; \$50,000 brood stock, 25,000 quantities of fingerlings at \$2.80 totalling to \$70,000 and 4.5 tonnes of perch at \$18 per tonne totalling to \$81,000. We note that the value of biological assets is subject to qualification by the auditor for Silverwater. Timpetra management has confirmed that the value of biological assets as at 30 June 2016 is supported by current estimates of biological assets and that there is a requirement under the asset sale agreement that there is at least \$200,000 of biological assets included in the acquisition.
- 6.15 Property, plant and equipment at 30 June 2016 had a net book value of \$143,235, comprising of \$110,160 in farm assets (including property improvements) and plant and equipment and \$33,074.

Riverina, the Ryan Assets and the Cage Assets

Background

- 6.16 Riverina is a fish rearing business located on the Ryan Assets, an 85 acre property at 1444D Hemley Road in Bilbul, New South Wales. The property is owned by Mathew and Bonnie Ryan through an associated trust. The construction on the farm began in early 2012 and the first Murray Cod sales were made in March 2014.
- 6.17 The farm includes six fish ponds and associated plant and equipment. Two of the ponds on the farm are fitted with cages and stocked with fish.
- 6.18 In addition to the purchase of the existing Riverina farm, Timpetra will also purchase the Cage Assets which are three purpose built integrated cage systems and a fish grading machine to expand the current capacity. The Cage Assets are similar to the existing cages and sorting equipment used on the Farm Assets and are to be purchased from Mr Roger Commins in accordance with the Proposed Transaction for \$550,000.

Financial Information

- 6.19 In relation to the financial statements below, the auditor of Riverina, Pinnacle HPC has issued a qualified audit opinion, as restated below:

"M & B Ryan Family Trust has recognised biological assets to the value of \$441,379 as at 30 June 2016, \$288,000 as at 30 June 2015 and \$349,200 as at 30 June 2014 in the Statement of Financial Position. As the audit engagement was not requested until after these dates the stocktake of biological assets was not attended at each year end. I have conducted audit tests of the valuation the method used, and I am not in a position to confirm the valuation results."

Financial Performance

6.20 The financial performance of Riverina for the three years ended 30 June 2016 is summarised below:

Table 10 Financial Performance – Riverina

\$	Ref	Audited Year ended 30-Jun-16	Audited Year ended 30-Jun-15	Audited Year ended 30-Jun-14
Sales				
Fish sales	6.22	714,960	139,295	34,506
Cost of sale		(766,842)	(196,544)	(64,664)
Gross profit		(51,882)	(57,249)	(30,158)
Other income				
Net gain from change in fair value of biological assets	6.23	419,021	46,329	259,656
Other fish income	6.24	72,694	3,682	2,004
Other	6.25	344,367	240,633	168,432
Trading income		784,200	233,395	399,934
Fish expenses				
Accountancy		3,825	5,920	10,903
Bad debts written off	6.26	74,794	-	-
Bank Charges and interest		8,277	7,170	2,047
Consultants fees		-	6,000	2,803
Contracts		3,598	3,530	23,873
Earthworks		-	-	7,068
Electricity & gas	6.26	10,733	14,692	19,928
Fuel and lubricants	6.26	9,067	2,491	16,339
Insurance		4,478	3,845	1,734
Licences and registrations		6,215	776	713
Rates		2,963	2,595	1,889
Repairs and maintenance	6.26	26,266	11,488	25,678
Wages	6.26	42,201	-	-
Water		10,746	7,968	4,078
Other		8,012	4,243	6,809
Non-fish expenses				
Non-fish expenses		74,610	33,591	114,744
Total expenses		285,785	104,309	238,606
EBITDA	6.21	498,415	129,086	161,328
Depreciation and amortisation		122,895	94,799	126,272
EBIT		375,520	34,287	35,056
Net interest		27,816	34,273	33,011
Net profit before tax		347,704	14	2,045

Source: Company Financials

- 6.21 Riverina generated an EBITDA of \$498,415 for the year ended 30 June 2016, \$129,086 for the year ended 30 June 2015 and \$161,328 for the year ended 30 June 2014.
- 6.22 The main source of income is revenue from fish sales from fingerlings that have grown to a commercial size. Fish sales increased to \$714,960 in the year ended 30 June 2016.
- 6.23 The net gain from change in fair value of biological assets reflects the gain from physical changes in biological assets at fair value.
- 6.24 Other fish income in the year ended 30 June 2016 includes service fee income from Bidgee which totalled to \$65,000. Bidgee operates from the same Farm Assets as Riverina, supplies Riverina with stock fish and is part owned by Matt and Bonnie Ryan.
- 6.25 Other income in the year ended 30 June 2016 includes capital gain on sale of asset of approximately \$165,794, dividend received of \$80,000, sunflower sales of \$54,993 and other income of \$43,580. In the two

years ended 30 June 2015, other non-fish and non-hay income mainly relates to dividend income and includes some wheat and hay sales.

- 6.26 The main expenses for the business include fish food, wages, fuel and lubricant, electricity and gas and repairs and maintenance. In the year ended 30 June 2016, the business had a one off bad debt expense of \$74,795 relating to a former distributor.

Financial Position

- 6.27 The financial position of Riverina as at 30 June 2014, 30 June 2015 and 30 June 2016 is summarised below:

Table 11 Financial Position – Riverina

\$	Ref	Audited As at 30-Jun-16	Audited As at 30-Jun-15	Audited As at 30-Jun-14
Current assets				
Cash and cash equivalents		48,632	254	845
Trade and other debtors		638,905	75,926	70,632
Biological assets	6.306.28	441,379	288,000	349,200
Total current assets		1,128,916	364,180	420,677
Non-current assets				
Property, plant and equipment	6.31	881,931	260,290	308,699
Total non-current assets		881,931	260,290	308,699
Total assets		2,010,847	624,470	729,376
Current liabilities				
Trade and other payables		68,501	68,622	19,294
Deferred income		15,900	-	-
Bank overdraft		-	73,409	119,847
Beneficiary loans	6.28	430,600	114,350	149,780
Total current liabilities		515,001	256,381	288,921
Non-current liabilities				
Borrowings		882,553	367,839	440,205
Deferred income	6.35	613,043	-	-
Total non-current liabilities		1,495,596	367,839	440,205
Total liabilities		2,010,597	624,220	729,126
Net assets		250	250	250

Source: Company Financials

- 6.28 The net asset position of \$250 reflects the trust ownership structure of the business. We note that beneficiary loans could be considered equity, in which case net assets could be considered to be \$430,850.
- 6.29 Trade and other debtors include a loan to Bidgee of \$420,020.
- 6.30 Biological assets at 30 June 2016 relates to fish held which is estimated by management to be 20,063kg at \$22 per kg, totalling to approximately \$441,379. The audit report qualified the value of biological assets (see paragraph 6.19), however, management have indicated that the current stock of biological assets supports the value as at 30 June 2016. The agreement to acquire the assets of Riverina includes a warranty for a minimum value of stock of \$300,000. We note that recent sales by Riverina have been at prices between \$17 and \$20 per kg. This would result in a range of values between \$341,071 and \$401,260 less cost to sell.

- 6.31 Property, plant and equipment at 30 June 2016 comprised of farm assets including property improvements and plant and equipment. The increase in beneficiary loans indicates that the owners are currently part financing the operations of Riverina.
- 6.32 We note the farm on which the Riverina business operates is not included in the financial statements of Riverina as it is owned by Matt and Bonnie Ryan. The land was valued at \$254,828 by Agricultural Valuations Australia (see Section 10 for more information).
- 6.33 We note that the Cage Assets to be acquired as part of the Proposed Transaction will be used by Riverina to expand its ponds and increase the amount of stock fish it can grow. The cages are similar to the cages currently used by Riverina.
- 6.34 Borrowings reflect amounts loaned from related parties (\$264,401) and banks (\$618,152) and have increase as at 30 June 2016 as Riverina built and expanded its ponds and rearing operations.
- 6.35 The deferred income grant relates to a grant received from the NSW Government. The conditions associated with the grant have been met and no money is repayable to the NSW Government.

Bidgee

Background

- 6.36 Bidgee is an incorporated entity owned by Mathew and Bonnie Ryan, and Roger Commins and associated family members.
- 6.37 Bidgee owns and operates a customised fish nursery where fish are received as fingerlings from Silverwater and grown into advanced stockers which are then transferred to Riverina's custom-built cages within ponds on the Riverina farm.
- 6.38 Bidgee was incorporated in April 2015 and has been operating for the full year ended 30 June 2016.
- 6.39 The Bidgee nursery is located on the Riverina farm and uses the services of Riverina.

Financial Information

- 6.40 In relation to the financial statements below, the auditor of Bidgee, Ernst and Young has issued a qualified audit opinion, as follows:

"Biological assets of \$277,863 are recorded in the statement of financial position as at 30 June 2016 and a net fair value gain attributable to the biological assets of \$31,759 has been recorded in the statement of comprehensive income for the period. We were appointed auditors of the company subsequent to 30 June 2016 and were unable to attend a physical count of the biological assets. Accordingly, we have been unable to assess the quantum and size of the biological assets on hand as at 30 June 2016 and have been unable to obtain sufficient appropriate audit evidence as to the carrying amount of these biological assets as at 30 June 2016 or the fair value gain recorded as income."

- 6.41 The auditor of Bidgee also included an emphasis of matter, as follows:

"Without qualifying our opinion further, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the entity's ability to continue as a going concern. As identified in Note 1, the entity's ability to continue as a going concern is reliant on obtaining additional funding and continued shareholder support. As a result of these matters, there is a significant uncertainty whether the entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset

amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.”

Financial Performance

6.42 The financial performance of Bidgee for the year ended 30 June 2016 is summarised below:

Table 12 Financial Performance – Bidgee

\$	Ref	Year ended 30-Jun-16
Income		
Fish sales	6.44	76,682
Equipment sales	6.43	286,677
Net gain from changes in fair value of biological assets		31,759
Total income		395,118
Fish expenses		
Cost of equipment sold	6.43	286,398
Cost of fish purchase	6.44	76,682
Service fee	6.45	65,000
Audit and related fees		20,600
Accounting and consulting fee		10,576
Repairs and maintenance		10,691
Other		8,543
Total expenses		478,490
EBITDA		(83,372)
Depreciation and amortisation		22,350
EBIT		(105,722)
Net interest		6,453
Net profit before tax		(112,175)

Source: Company Financials

- 6.43 During the year ended 30 June 2016, Bidgee sold custom cages to Riverina, which resulted in \$286,677 in equipment sales which was offset by a cost of equipment sales of \$286,398.
- 6.44 The income in the year included \$76,682 relating to fish sales which had purchase costs of \$76,682.
- 6.45 Service fee relates to consulting expenses provided by Riverina.

Financial Position

6.46 The financial position of Bidgee as at 30 June 2016 is summarised below:

Table 13 Financial Position – Bidgee

	Ref	As at 30-Jun-16
Current assets		
Cash and cash equivalents		47,731
Receivables		85,372
Biological assets	6.47	277,863
Total current assets		410,966
Non-current assets		
Property, plant and equipment	6.48	819,251
Total non-current assets		819,251
Total assets		1,230,217
Current liabilities		
Trade and other payables		360,802
Equipment finances		58,547
Total current liabilities		419,349
Non-current liabilities		
Loans - shareholders	6.49	690,020
Equipment finances		232,923
Total non-current liabilities		922,943
Total liabilities		1,342,292
Net assets		(112,075)

Company: Source Information

- 6.47 The biological assets at 30 June 2016 relate to fish stock on hand at balance date. Based on management estimates there were 92,621 quantity of fingerlings at \$3, totalling to \$277,863. We note that the auditor for Bidgee qualified the financial statements on the basis that they could not attend the stocktake at 30 June 2016.
- 6.48 Property, plant and equipment at 30 June 2016 comprised of farm assets including property improvements and plant and equipment.
- 6.49 The shareholder loans are provided by director related entities. The loans are interest free but at call. The directors have provided letters of financial support to confirm that the loans will not be called in the 12 months from the date of the financial report.

Directors and key management

6.50 The directors and key management of each business are summarised in the following table.

Table 14 Directors and key management of Silverwater, Bidgee and Riverina

Nam	Business	Detail
Mathew Ryan	Riverina/ Bidgee	Mr Mathew Ryan is the managing director of Bidgee Fresh and Riverina Aquaculture businesses. Previously he was the managing director of Agrow Agronomy and Research which provided agronomic support to agricultural clients and conducted research programmes for private and industry projects. Mr Ryan holds a Bachelor of Rural Science and has over 18 years of experience in the aquaculture and agricultural industries.
Bonnie Ryan	Riverina	Ms Bonnie Ryan is a director of M & B Ryan Pty Ltd trading a Riverina Aquaculture.
Ian Charles	Silverwater	Mr Ian Charles is a partner of B Charles & Sons trading as Silverwater Native Fish.
Michelle Charles	Silverwater	Ms Michelle Charles is a partner of B Charles & Sons trading as Silverwater Native Fish.
Roger Commins	Bidgee	Mr Roger Commins has extensive experience within the agricultural industry developed from over 30 years involvement in establishing and operating a diverse number of enterprises including large scale plantation, solar generation and citrus amongst others.

Source: Transaction Agreements

Agreements

6.51 Timpetra has entered into the following asset acquisition agreements in relation to the proposed transaction:

Table 15 Key Asset Acquisition Agreements

Agreement	Terms
Ryan Agreement (Farm Assets)	<p>The Company will acquire the Ryan assets which include the property located at 1444D Hemley Road, Bilbul, New South Wales (Lot 1-2 in Deposited Plan 1202311 and Lot 539 in Deposited Plan 751728 including:</p> <ul style="list-style-type: none"> • All fixtures on the Land; • All plant and equipment used for the business known as Riverina Aquaculture; • Improvements made to the land including all earthworks, pumps, cages, electrical works, and any other existing infrastructure currently used by Riverina Aquaculture or on the land; and • Property chattels including light fittings, floor coverings and window treatments. <p>Water entitlements including, a Murrumbidgee Irrigation Limited general security permanent water allocation of 201 megalitres, 201 B class shares in Murrumbidgee and 201 delivery entitlements.</p> <p>Consideration</p> <ul style="list-style-type: none"> • Cash payment of \$1,450,000

MBRPL Agreement (Riverina)	<p>The Company will acquire the business known as Riverina Aquaculture, and all of its assets, including but not limited to, customer lists, relevant contracts identified as essential following due diligence, a fish cage module, floats, forklifts and other plant and equipment owned by the business.</p> <p>Consideration</p> <ul style="list-style-type: none"> • 38,571,429 ordinary shares (initial consideration) • 12,857,143 shares (deferred consideration) • 20,000,000 unquoted options
Bidgee Agreement (Bidgee)	<p>The Company will acquire the assets of Bidgee and 100% of the issued capital of Bidgee from MBRPL and Bigalow.</p> <p>Consideration</p> <ul style="list-style-type: none"> • Cash payment of \$1,100,000 (or such other amount representing the total amount of funds lent by MBRPL and Bigalow to Bidgee, and to be apportioned equally between MBRPL and Bigalow) • 20,357,143 shares to each MBRPL and Bigalow (initial consideration) • 6,785,714 shares to each MBRPL and Bigalow (deferred consideration) • 20,000,000 options to each MBRPL and Bigalow
Bigalow Agreement (Cage Assets)	<p>The Company will acquire Bigalow assets which include three sets of cages identical in design to the set of metal cages currently on Land owned by Ryan and one stainless steel automated fish grinding machine.</p> <p>Consideration</p> <ul style="list-style-type: none"> • Cash payment of \$550,000
Silverwater Agreement (Silverwater)	<p>The Company will acquire the Silverwater assets which include the property located at 563 Pinehope Road, Grong Grong, New South Wales (Lot 2 in Deposited Plan 114218, Lot 195 in Deposited Plan 66024, and lots 51-53 in Deposited Plan 7508214 (Land), including:</p> <ul style="list-style-type: none"> • All fixtures on the land; • All plant and equipment used for the business known as Silverwater Native Fish; • Improvements made to the land including all earthworks, pumps cages, electricity works, and other existing infrastructure currently used by Silverwater Native Fish or on the land; • Property chattels including light fitting, floor coverings and window treatments. <p>Consideration</p> <ul style="list-style-type: none"> • Cash payment of \$1,300,000 • 2,000,000 shares • 4,000,000 options

Source: Head of Agreement

7. Overview of Aquaculture Industry in Australia

The Industry

- 7.1 The Aquaculture Industry in Australia consists of operators who breed and farm fish, molluscs and crustaceans. The industry is in the mature phase of its life cycle, the revenue growth has slowed and become less volatile. IBISWorld Industry Report – Aquaculture in Australia, reports that the industry consists of approximately 1,134 businesses in Australia and the current industry revenue is approximately \$1.0 billion, with the export revenue estimated at \$28.3 million.

The Demand

- 7.2 The key external drivers in the industry include the domestic price of fish and other seafood, seafood consumption, demand from seafood processing, real household disposable income, domestic price of poultry and the trade-weighted index.
- 7.3 The demand for fish products is affected by the domestic price of fish and other seafood. Although an increase in the price of fish and seafood generally increases the industry revenue, it can also result in a decline in demand for these products. This is because consumers can substitute fish for cheaper meat and poultry products. Fish and seafood prices are projected to rise in the future.
- 7.4 Consumption is forecast to grow slowly. The increased consumption of seafood products should have a positive effect on the industry revenue.
- 7.5 Further, the real household disposable income has an impact on the demand for seafood consumption in Australia. In recent years Australian household disposable income has grown which has resulted in the increase in demand for seafood. Disposable income is forecast to rise in the future.
- 7.6 The domestic price of poultry products affects the demand for seafood. Consumers generally choose cheaper alternatives such as poultry when economic conditions decline. This results in a decrease in demand for fish and other seafood products. The price of poultry is expected to increase which is expected to have a positive impact on the demand for seafood.

Major Markets

- 7.7 There are three major domestic distribution channels for Australia's aquaculture production including fish and seafood processors, fish and seafood wholesalers and retail markets. The industry also operates in the overseas seafood export markets.
- 7.8 The fish and seafood processors are the industry's largest consumer market representing 45.6% of total industry revenue. The second largest market for the industry is the fish and seafood wholesales market which represents approximately 37.6% of total industry revenue. The third largest market for the industry is the retail market, representing 14% of total industry revenue and the smallest market is the export market representing 2.8% of total industry revenue.

Competition

- 7.9 Barriers to entry into the industry are high due to significant start-up costs for establishing operations, the high level of competition, demanding working conditions and also the number of licences needed to commence farming. There are three major players in the industry including Tassal Group Limited ("Tassal") and Huon Aquaculture Group Limited ("Huon").
- 7.10 Tassal is a publicly listed, vertically integrated seafood company which is based in Tasmania. The company has hatchery, aquaculture, processing and sales operations and is Australia's largest aquaculture company. The company holds approximately 23% of the market share.

- 7.11 Huon is a public company and is one of Australia's largest salmon-farming companies. Huon is a vertically integrated company, with its own hatcheries, marine farms, and processing and manufacturing operations. The company holds approximately 15.1% of the market share.

Murray Cod Farming

- 7.12 The Murray Cod is the largest freshwater fish found in Australia. It is found throughout the Murray-Darling Basin and includes areas in southeast Queensland, throughout New South Wales, into Victoria and South Australia. In the wild, Murray Cod can grow very large.
- 7.13 According to information provided on the NSW Department of Primary Industries website, the grow-out production of Murray Cod in NSW is in its infancy, however several commercial hatcheries have operated for a number of years. It is reported that the live fish market in Australia is still developing, particularly for native freshwater species, however there is potential for expansion.
- 7.14 Most of the Murray Cod products are currently sold locally however there is a potential for export of product as production increases. According to the NSW Department of Primary Industries, overseas traders have expressed interest in the Murray Cod product.

Industry Performance

- 7.15 In Australia, the aquaculture industry has grown slowly over the past five years. The growth in the industry has been driven by the increase in domestic demand for seafood and from its sustainability in the face of falling wild fish stocks. However, there has been an increased pressure from imports in both aquaculture and wild-caught fish which has resulted in lower growth in the production volume. In the last five years between 2011 and 2016, the aquaculture industry revenue has grown by 0.8% to reach \$1.0 billion.
- 7.16 IBISWorld estimates that the Aquaculture industry is expected to grow at a faster rate over the next five years as sustainable fishing practices become critical due to the falling wild-fish stocks. The increase in disposable income and the ongoing health consciousness among consumers is expected to increase demand in the industry. However, there will be the increased pressures from imports particularly in the seafood processing industry. In the next five years from 2016 to 2021, the aquaculture industry revenue is forecast to grow at 1.7% to reach \$1.1 billion.

8. Valuation approach

Valuation methodologies

- 8.1 In assessing the Fair Value of an ordinary Timpetra share prior to and immediately following the Proposed Transactions, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:
- the discounted cash flow (“DCF”) method and the estimated realisable value of any surplus assets;
 - the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
 - the amount which would be available for distribution on an orderly realisation of assets;
 - the quoted price for listed securities; and
 - any recent genuine offers received.
- 8.2 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

- 8.3 Market based methods estimate the Fair Value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include;
- The quoted price for listed securities; and
 - Industry specific methods.
- 8.4 The recent quoted price for listed securities method provides evidence of the fair market value of a company’s securities where they are publicly traded in an informed and liquid market.
- 8.5 Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally rules of thumb provide less persuasive evidence of the fair market value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income based methods

- 8.6 Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:
- Capitalisation of maintainable earnings; and
 - Discounted cash flow methods.
- 8.7 The capitalisation of earnings methodology is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings (“FME”) of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.
- 8.8 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast

period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

Asset based methods

- 8.9 Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:
- orderly realisation of assets method;
 - liquidation of assets method; and
 - net assets on a going concern basis.
- 8.10 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.
- 8.11 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern.
- 8.12 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

Selection of Valuation Methodologies

Valuation of a Timpetra share pre the Proposed Transaction (control basis)

- 8.13 In assessing the value of a Timpetra share prior to the Proposed Transaction we have utilised net assets on a going concern basis.
- 8.14 We note that Timpetra has an agreement to earn an interest in the Jillewarra project. We have not placed any value on this project as Timpetra does not currently hold any interest in it and there is no certainty that Timpetra will meet the requirements to earn an interest.
- 8.15 We have also utilised the quoted market price methodology as a secondary valuation methodology. Timpetra's Shares are listed on the ASX which means there is a regulated and observable market for its Shares. However, consideration must be paid to adequate liquidity and activity in order to rely on the quoted market price method.

Valuation of a Timpetra share post the Proposed Transaction (non-control basis)

- 8.16 In assessing the value of Timpetra post the Proposed Transaction, we have used the pre Proposed Transaction value and included the impact of the Proposed Transaction assuming it proceeds. In particular, we have made the following adjustments:
- Elimination of any value attributable to the shell company status of Timpetra;
 - Included the value of Silverwater and Riverina assets;
 - Included the value of net liabilities of Bidgee;

- Included the net cash raised as a result of the capital raising that is conditional of the Proposed Transaction;
- Included the cash consideration on the Proposed Transactions;
- Included any dilution from the issue of shares; and
- Included specific costs associated with the Proposed Transactions.

- 8.17 We have instructed Agribusiness Valuations Australia (“AVA”), a division of AVEJONG Pty Ltd, to act as an independent specialist to prepare a valuation of any land, structural improvements and water licences to be acquired by Timpetra on both an “as is” basis and an “in use” basis. The “as is” valuation disregards any purpose built infrastructure, whereas the “in use” basis assume the assets are used in a business on a going concern but excludes any equipment that could be classified as portable or demountable. In general terms, the valuation prepared by AVA was targeted at the land, plant and equipment used to operate the Silverwater and Riverina businesses.
- 8.18 We have then assessed the value of a Timpetra share post the Proposed Transaction on a non-controlling basis by adjusting for minority discount.
- 8.19 Given the early stages of the consolidated business we do not consider the DCF or FME methodology to be appropriate from a consolidated group perspective.

9. Valuation of Timpetra Prior to the Proposed Transaction

- 9.1 As stated at paragraph 8.13 we have assessed the value of a Timpetra share prior to the Proposed Transaction on a net assets on a going concern basis and also considered the quoted price of its listed securities. In both valuations, we have included a premium for control.

Net assets on a going concern basis

- 9.2 We have assessed the value of a Timpetra share on a control basis to be approximately \$0.017 and \$0.021 per share (undiluted), prior to the Proposed Transaction, based on the net assets on a going concern basis, as summarised in the table below.

Table 16 Assessed fair value of a Timpetra Share – net assets basis

	Ref	30-Jun-16 \$	Low \$	High \$
Cash	5.7	594,256	594,256	594,256
Value of company as a listed shell	9.5	-	500,000	750,000
Other assets and liabilities	5.7	(31,396)	(31,396)	(31,396)
Net assets		562,860	1,062,860	1,312,860
Actual number of shares on issue	5.14		63,939,969	63,939,969
Value per share (undiluted)			0.017	0.021

Source: RSM Estimates

- 9.3 Our assessment has been based on the audited net assets of Timpetra as at 30 June 2016 of approximately \$562,860 as per the Company's financial statements.
- 9.4 In order to calculate the current market value of Timpetra's Shares, we have made an adjustment to the carrying values of net assets included in the Statement of Financial Position. This adjustment is set out below.

Value of a listed shell

- 9.5 In considering the value of the listed shell we have reviewed similar recent transactions and the typical values attributed to shells by advisors. We have also considered comparable dormant listed companies and concluded that the value of a shell is between \$0.5 million and \$0.75 million based on recent data.

Quoted Price of Listed Securities (secondary method)

- 9.6 In order to provide a comparison and cross check to our sum of parts valuation of Timpetra, we have considered the recent quoted market price for Timpetra shares on the ASX prior to the announcement of the Proposed Transaction.

Analysis of recent trading in Timpetra Shares

- 9.7 The figure below sets out a summary of Timpetra closing share price and volume of Timpetra Shares traded in the 12 months to 30 June 2016, the last trading day prior to the announcement of the Proposed Transaction. The assessment only reflect trading prior to the announcement of the Proposed Transaction in order to avoid the influence of any movement in price that may have occurred as a result of the announcement.

Figure 4 Timpetra daily closing share price and traded volumes



Source: S&P Capital IQ/ ASX

- 9.8 During the 12 month period prior to the announcement of the Proposed Transaction Timpetra's Shares traded at between a low of 0.014 and a high of 0.090 per share. The share price of Timpetra dropped in May 2016 and then traded between \$0.05 and \$0.07. The trade volumes peaked at 2.64 million on 19 November 2015, around the same time the current Board and major shareholders joined the Company.
- 9.9 To provide further analysis of the quoted market prices for Timpetra's Shares, we have considered the VWAP over a number of trading day periods ending 6 July 2016. An analysis of the volume in trading in Timpetra's Shares for the 5, 10, 30, 60, 90, 180 and 360 day trading periods is set out in the table below:

Table 17 Traded volumes of Timpetra Shares to 6 July 2016

# of Days	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
VWAP	\$0.063	\$0.060	\$0.063	\$0.065	\$0.068	\$0.070	\$0.047
Total Volume (000's)	242.3	491.8	2,199.9	3,183.2	4,821.6	10,030.5	24,953.6
Total Volume as a % of Total Shares	0.14%	0.28%	1.25%	1.80%	2.73%	5.70%	14.18%
Low Price	\$0.062	\$0.052	\$0.052	\$0.052	\$0.052	\$0.052	\$0.015
High Price	\$0.064	\$0.064	\$0.070	\$0.080	\$0.090	\$0.090	\$0.090

Source: S&P Capital IQ/ ASX

Value of Timpetra Share on a non-control minority basis

- 9.10 In our opinion, the weighted average share price of Timpetra over the last 30 days is most reflective of the underlying value of a Timpetra Share. As such, we consider a range of values of between \$0.060 and \$0.063 (5 – 30 day VWAP) could reflect the quoted market price valuation of a Timpetra Share on a minority basis prior to the Proposed Transaction.

Value of Timpetra Share on a control basis

- 9.11 Our valuation of a Timpetra Share, on the basis of the recent quoted market price including a premium for control is between \$0.075 and \$0.085, as summarised in the table below.

Table 18 Assessed value of a Timpetra Share – Quoted Price of Listed Securities

	Ref	Low	High
Minority interest value of a Timpetra share at 30 June 2016	9.10	\$0.060	\$0.063
Add premium for control	9.12	25%	35%
Quoted market price controlling value		\$0.075	\$0.085

Source: RSM Analysis

Key Assumptions

Control Premium

- 9.12 The value derived at paragraph 9.11 is indicative of the value of a marketable parcel of shares assuming the Shareholder does not have control of Timpetra. RG 111.11 states that when considering the value of a company's Shares in a control transaction the expert should consider a premium for control.
- 9.13 In selecting a control premium we have given consideration to the RSM 2013 Control Premium Study and recent updates. The study performed an analysis of control premiums paid in successful takeovers and schemes of arrangements of companies listed on the ASX. Our study concluded that, on average, control premiums in takeovers and schemes of arrangements involving Australian companies was in the range of 25% to 35%. In valuing an ordinary Timpetra Share prior to the Proposed Transaction using the quoted price of listed securities methodology we have reflected a premium for control in the range of 25% to 35%.

Valuation summary and conclusion

- 9.14 A summary of our assessed values of an ordinary Timpetra Share on a control basis pre the Proposed Transaction, derived under the two methodologies, is set out in the table below.

Table 19 Timpetra Share valuation summary

	Ref	Low	High
Net assets on a going concern basis	9.2	\$0.017	\$0.021
Quoted market value	9.11	\$0.075	\$0.085
Preferred valuation		\$0.017	\$0.021

Source: RSM Analysis

- 9.15 We consider that the net assets on a going concern basis valuation methodology provides a better indicator of the fair value of a Timpetra as we consider our analysis of the trading of Timpetra's Shares prior to the announcement of the Proposed Transaction indicates that the market for Timpetra's Shares is not deep enough to provide an assessment of their fair value via the quoted market price methodology and the increase in volume following the change of the Board in November 2015 indicates there may have been speculation of a transaction.
- 9.16 Therefore, in our opinion, the fair value of a Timpetra Share prior to the Proposed Transaction is between \$0.017 and \$0.021 on a controlling, post-consolidation and undiluted basis.

10. Valuation of Timpetra Following the Proposed Transaction

10.1 As stated at paragraph 8.16 we have assessed the value of a Timpetra share subsequent to the Proposed Transaction on a net assets on a going concern as set out below.

Net Assets on a Going Concern (“Net Assets”)

10.2 We summarise our valuation of a Timpetra share subsequent to the Proposed Transaction on net assets on a going concern basis in the table below.

Table 20 Assessed value of Timpetra post the Proposed Transaction (Net Assets on a Going Concern)

	Ref	Low	High
Value of Timpetra on net assets on a going concern basis	9.2	1,062,860	1,312,860
Less: shell value	10.5	(500,000)	(750,000)
Plus: net proceeds from the Capital Raising	10.6	6,280,000	9,100,000
Less: cash consideration	3.7	(4,400,000)	(4,400,000)
Plus: value of Silverwater assets	10.7	907,638	1,329,488
Plus: value of Riverina and Farm Assets	10.8	1,193,962	1,949,591
Plus: value of Bidgee assets	10.11	577,945	581,761
Plus: Value of Cage Assets	3.6	550,000	550,000
Undiluted value of Timpetra		5,672,405	9,673,700
Current shares on issue	5.14	63,939,969	63,939,969
Capital Raising	10.6	140,000,000	200,000,000
Lead Manager Shares	10.6	1,000,000	1,000,000
Consideration Shares - Mathew Ryan (Riverina)	3.4	38,571,429	38,571,429
Consideration Shares - Mathew Ryan (Bidgee)	3.3	20,357,143	20,357,143
Consideration Shares - Roger Commins (Bidgee)	3.3	20,357,143	20,357,143
Consideration Shares - Ian Charles (Silverwater)	3.2	2,000,000	2,000,000
Total shares after the Proposed Transaction		286,225,684	346,225,684
Post-consolidated value per share		0.020	0.028
Discount for minority interest		(0.005)	(0.005)
Minority value per share (undiluted)	10.34	0.015	0.023

Source: RSM Analysis

10.3 We consider that the minority values of a Timpetra share post the Proposed Transaction is between \$0.015 and \$0.023.

10.4 We have adjusted the net asset values and shares on issue of Timpetra for the following:

Shell Value

10.5 We have eliminated the shell value from the net asset value of Timpetra prior to the Proposed Transaction because we assumed that a shell value is only reflected in the non-trading companies. .

Capital Raising

10.6 We have included the condition precedent capital raising that requires Timpetra to raise at least \$7 million (before costs). We have deducted \$720,000 for the capital raising and transaction costs in the low value and \$900,000 in the high value. We have assumed the capital raising will be undertaken at \$0.05, which will result in the issue of 140,000,000 ordinary shares. In the high value we have assumed that Timpetra will raise \$10

million (before costs) and will issue 200,000,000 ordinary shares. The capital raising lead manager Alto Capital will be issued 1,000,000 ordinary shares, this is reflected in the assessed value above. Alto Capital will also be entitled to subscribe for 2,000,000 options in the Company with an exercise price of \$0.075. We have not assigned any value to these options in our net asset valuation as they are out of the money.

Value of Silverwater Assets

10.7 Under the Proposed Transaction Timpetra is acquiring assets comprising of stock, property, plant and equipment owned by Silverwater. The value of Silverwater assets is presented in the following table.

Table 21 Value of Silverwater assets

	Ref	Low \$	High \$
Stock	6.8	200,000	200,000
Land valued by AVA	10.16	154,000	154,000
Bore licence valued by AVA	10.16	-	131,850
River licence valued by AVA	10.16	195,000	195,000
Property plant and equipment valued by AVA	10.16	274,000	564,000
Other assets not valued by AVA (net book value)	10.16	84,638	84,638
Value of Silverwater assets		907,638	1,329,488

Source: RSM Analysis

Value of Riverina Assets

10.8 Under the Proposed Transaction Timpetra is acquiring assets comprising stock, land, water rights and property, plant and equipment owned by Riverina. The value of Riverina assets is presented in the following table:

Table 22 Value of Riverina assets

	Ref	Low \$	High \$
Stock	6.27, 10.9	300,000	441,379
Land valued by AVA	10.16	254,282	254,282
Water rights valued by AVA	10.16	306,525	306,525
Property plant and equipment valued by AVA	10.16	-	614,250
Other assets not valued by AVA (net book value)	10.10	333,155	333,155
Value of Riverina assets		1,193,962	1,949,591

Source: RSM Analysis

10.9 For the low stock value we have adopted an amount of \$300,000 as the minimum required under the Heads of Agreement between the relevant entities. The high value is based on the recorded book value as at 30 June 2016.

10.10 Other assets not valued by AVA include portable and demountable plant and equipment of \$333,155 recorded at written down value as at 30 June 2016 in accordance with accounting standards.

Value of Bidgee Shares

10.11 Under the Proposed Transaction, Timpetra is acquiring the shares in Bidgee and, as such, will acquire all of Bidgee's assets and liabilities. We note that a condition of the acquisition of Bidgee is that the shareholder loans will be extinguished by the vendors.

10.12 The table below summarises the assets and liabilities that will be acquired by Timpetra:

Table 23 Net assets of Bidgee to be acquired by Timpetra

	Ref	Low \$	High \$
Assets			
Stock	6.47	277,863	277,863
Property plant and equipment valued by AVA	10.16	238,165	241,981
Other assets not valued by AVA (net book value)	6.46	714,189	714,189
Total assets		1,230,217	1,234,033
Liabilities	10.14	(652,272)	(652,272)
Value of Bidgee net assets acquired by Timpetra		577,945	581,761

10.13 Based on the values included in the AVA valuation, the book value of certain property and plant of Bidgee of \$238,165 was lower than the value of \$241,981 calculated by AVA.

10.14 Total liabilities reflect the book value of liabilities less the shareholder loan amount of \$690,020 as this will be repaid by the vendors of Bidgee.

Valuation of Property, Plant and Equipment by AVA

10.15 We have requested AVA to prepare valuations of the property, plant and equipment being acquired by Timpetra that is not portable or demountable.

10.16 Set out in the table below is a summary by business of the carrying values determined by AVA.

Table 24 Property, Plant and Equipment

\$		Book Value (A)	AVA Market Value As-Is (C)	AVA Value in Use (B)
Silverwater	10.17			
Land		35,816	154,000	154,000
Improvements		18,565	250,000	540,000
Plant and equipment		53,369	24,000	24,000
Bore licence		-	-	131,850
River licence		-	195,000	195,000
Total Silverwater assets		107,750	623,000	1,044,850
Riverina and the Farm Assets	10.25			
Land (not originally owned by Riverina)		-	254,282	254,282
Improvements		545,225	-	594,250
Plant and equipment valued by AVA		6,864	-	20,000
Water rights		-	306,525	306,525
Total Riverina and Farm Assets		552,089	560,807	1,175,057
Bidgee Assets	10.25			
Plant and equipment valued by AVA		238,165	22,270	241,981
Total Bidgee assets		238,165	22,270	241,981

Source: RSM Analysis

Silverwater

10.17 As instructed by us, AVA has valued the Silverwater property on the basis of market value “as is” (disregarding any purpose built infrastructure on the property) and “in-use” (on the assumption that Silverwater property is profitable and could alternatively pay a reasonable market rental on the asset values assessed).

10.18 In determining the value of the property AVA has considered the *summation approach* whereby the various land classes are valued as cleared, fenced and watered and buildings are aggregated in terms of their

estimated added value relative to their replacement costs, accrued depreciated and utility to provide a composite improved value. In its valuation AVA has also specifically considered the purpose built infrastructure on an estimated cost less depreciation basis, but assuming that the current utilisation is the highest and best use. AVA has then provided a second assessment as standing alternative use value of the non-purpose built infrastructure.

10.19 AVA has summarised the property as follows:-

“Silverwater Native Fish comprises approximately 88 hectares of freehold land located just south from the district village of Grong Grong, NSW. The property includes 37 purpose built aquaculture ponds, with underground power connection and reticulated water and drainage, a large purpose built fish shed which incorporates hatching, recirculating tank systems and market pre-conditioning tanks for growth-out fish, plus a recirculating tank system for weaning and over-weaning fingerlings

The property also incorporates a 16-year old brick veneer dwelling, garage and basic landscaping.”

10.20 AVA make further comment on market value in-use assessment as follows:-

“The market value in-use assessment in this report is predicated on the following key assumptions. The valuation is not applicable if any of these key assumptions are or were not met.

- a) That the business is profitable, will continue as a going concern, and could afford to pay a reasonable market rental on the purpose built assets assessed;*
- b) That at all times the business is under the control of competent and experienced management;*
- c) That all operating conditions specified under the NSW Fisheries and any Municipal auspices are met at all time.*
- d) The “in-use” valuation provided here expressly excludes any equipment that could be classified as portable or demountable.*

10.21 With regards to the highest and best use, AVA has made the following comments:-

“As per the current utilisation as a specific species aquaculture breeding and grow-out facility (Silver Perch, Golden Perch and Murray Cod).”

10.22 On the basis of their analysis AVA has attributed \$154,000, being \$1,750 per hectares to the value of land including three phase power connection. AVA has commented that the market evidence for the vacant to improved sites is in the range of \$1,656 and \$2,536 per hectares.

10.23 In determining the value of the improvements AVA has considered the estimated replacement costs, being the new costs adjusted for depreciation or functional obsolescence or a discount to the standing value of the asset, which reflect its under-utilisation in terms of the revenue stream that is currently being generated.

10.24 In valuing the water rights from the river, AVA has assumed 130 ML at a price of \$1,500 per ML. The price is based on tradable General Security entitlement, which recent transactions evidence confirms sits at around \$1,500 per ML. For water rights from the bore, AVA has assumed 293 ML at a price of \$450 per ML. The price is based on typical historical rule-of-thumb of 30% of a tradeable General Security entitlement.

Riverina, Bidgee and the Farm Assets

10.25 As instructed by us, AVA has valued the Riverina assets, Bidgee assets and Farm Assets on the basis on market value “as is” (disregarding any purpose built infrastructure on the property) and “in-use” (on the assumption that Riverina aquaculture is profitable and could alternatively pay a reasonable market rental on the asset values assessed).

10.26 AVA has summarised the property as follows:-

“The subject property at Bilbul comprise 29.64 hectares of freehold land plus 201 ML General Security water entitled located at Bilbul, Bilbul via Griffith, NSW.

The development is a new start-up venture commenced with August 2015, and now comprise a large 1080 square metre native fish handling and processing complex, plus 6 x 12 ponds, including pontoon and cage holding pen facilities, which are already developed on two dams.

In addition, there is a setback area of some 14.5 hectares, which is farmed for irrigated summer crops. The other ancillary structural improvement is a machinery shed.”

10.27 AVA make further comment on market value in-use assessment as follows:-

“The market value in-use assessment in this report is predicated on the following key assumptions. The valuation is not applicable if any of these key assumptions are or were not met.

- e) That the business is profitable, will continue as a going concern, and could afford to pay a reasonable market rental on the purpose built assets assessed;*
- f) That at all times the business is under the control of competent and experienced management;*
- g) That all operating conditions specified under the NSW Fisheries and any Municipal auspices are met at all time.*
- h) The “in-use” valuation provided here expressly excludes any equipment that could be classified as portable or demountable.*
- i) We have relied, for our assessment “in-use”, on documentation provided by Timpetra Resources and Mr Mathew Ryan, in relation to the Capital Expenditure breakdown ascribed to the start-up facility since August 2015.”*

10.28 With regards to the highest and best use, AVA has made the following comments:-

“As per the current utilisation, whereby there is an established and developing aquaculture facility, which will be operated in conjunction with an associated breeding facility at Grong Grong.

In addition, irrigation summer crops are grown on the 14.5 hectares arable area adjacent to the ponds.”

10.29 In determining the value of the property AVA has considered two separate methods of valuation. Firstly they have considered the *summation approach* whereby the various land classes are valued as cleared, fenced and watered and buildings are aggregated in terms of their estimated added value relative to their replacement costs, accrued depreciated and utility to provide a composite improved value. Secondly they have considered the *direct comparison approach* whereby available sales of comparable sized lands and structural improvements are compared.

10.30 On the basis of its analysis AVA has attributed \$254,282, being \$8,579 per hectare to the value of land including recycle dam and internal irrigation channels. AVA has commented that the market evidence for the vacant to improved sites is in the range of \$5,167 and \$15,302 per hectares.

10.31 In determining the value of the improvements AVA has considered the estimated replacement costs, being the new costs adjusted for depreciation or functional obsolescence or a discount to the standing value of the asset, which reflect its under-utilisation in terms of the revenue stream that is currently being generated.

- 10.32 In valuing the water rights, AVA has assumed 201ML at a price of \$1,525 per ML. The price is based from recent transactions in the zone and the advice from district water brokers Rawlinson & Brown and confirmation from Elders that the General Security water is trading at approximately \$1,500 to \$1,550 per ML
- 10.33 AVA has not included certain plant and equipment of Riverina and Bidgee in their valuation as this was not within their scope of work. This mainly relates to mobile plant and equipment which is all located at Riverina Farm. The total audited book value of plant and equipment excluded from the AVA valuation is \$333,155 plant and equipment owned by Riverina and \$492,328 plant and equipment owned by Bidgee.

Minority interest discount

- 10.34 The value derived at paragraph 9.11 is indicative of the value of a marketable parcel of shares assuming the Shareholder does not have control of Timpetra. RG 111.11 states that when considering the value of a company's Shares in a control transaction the expert should consider a premium for control.
- 10.35 In selecting a minority discount, we have given consideration to the RSM 2013 Control Premium Study and recent updates. The study performed an analysis of control premiums paid in successful takeovers and schemes of arrangements of companies listed on the ASX. Our study concluded that, on average, control premiums in takeovers and schemes of arrangements involving Australian companies that are substantially asset based was in the range of 20% to 30%. The resulting corresponding minority discount range based on said control premiums is between 16.7% and 23.1%.

11. Is the Proposed Transaction fair to Timpetra Shareholders?

11.1 Our assessed values of a Timpetra share prior to and immediately after the Proposed Transaction, are summarised in the table and figure below.

Table 25 Assessed values of a Timpetra share pre and post the Proposed Transaction

Assessment of fairness	Ref	Value per Share	
		Low	High
		\$	\$
Fair value of a Timpetra share pre the Proposed Transaction - Control basis	9.14	\$0.017	\$0.021
Fair value of a Timpetra share post the Proposed Transaction - Non control basis	10.2	\$0.015	\$0.023

Source: RSM Analysis

Figure 5 Timpetra Share Valuation graphical representation



Source: RSM analysis

11.2 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of s611 item 7 of the Corporations Act, we consider the Proposed Transaction to be fair to the Non-Associated Shareholders of Timpetra as the range of values of a Timpetra Share pre the Proposed Transaction is within the range of the values of a Timpetra Share post the Proposed Transaction.

12. Is the Proposed Transaction Reasonable?

12.1 RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- The future prospects of Timpetra if the Proposed Transaction does not proceed; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Future prospects of Timpetra if the Proposed Transaction does not proceed

12.2 If the Proposed Transaction does not proceed then the Company will continue to explore the Jillewarra project and seek new assets or business to add value to Shareholders.

Advantages and disadvantages

12.3 In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of approving the Proposed Transaction

Advantage 1 – The Proposed Transaction is fair

12.4 RG 111 states that a transaction is reasonable if it is fair.

Advantage 2 – The Company will be exposed to a new industry

12.5 The Company will be exposed to the aquaculture industry which is expected to grow in the future. The growth in the aquaculture industry is expected due to the increased demand for seafood from consumers and the declining natural fish stock. The new businesses have established facilities to substantially grow their production.

Advantage 3 – The Company's ability to raise funds and attract strategic investors may be improved

12.6 The Company's ability to raise additional funds and attract strategic investors may be improved once the Proposed Transaction is completed.

Advantage 4 – Increase liquidity in the shares

12.7 The Proposed Transaction may encourage new investors in the Company which may lead to increased liquidity of Shares and greater trading depth than currently experienced by Shareholders.

Disadvantages of approving the Proposed Transaction

Disadvantage 1 – Change in nature and scale of activities

12.8 The Company will be changing the nature and scale of its activities to become a company in the aquaculture industry. This may not be consistent with the objectives of all Shareholders.

Disadvantage 2 – Dilution on Non-Associated Shareholders

12.9 The Proposed Transaction will result in the issue of Shares, Performance Rights and Options which will dilute Shareholder interests from 100% to 24%.

Disadvantage 3 – Change in risk profile of the Company

- 12.10 The activities of Silverwater, Riverina and Bidgee have a different risk and reward profile than the Company had historically. Although Silverwater is an established business, Riverina and Bidgee are early stage businesses which are still growing. This new risk profile may not suit all Shareholders

Disadvantage 4 – Mathew Ryan will obtain control of the Company

- 12.11 As a result of the Proposed Transaction Mr Mathew Ryan will obtain control of the Company.

Disadvantage 5 – Early stage of operations

- 12.12 The businesses are in early stage of operations with unproven growth. Any future value is likely to depend on the ability of the new business to grow production and increase sales.

Alternative Proposal

- 12.13 We are not aware of any alternative proposal at the current time which might offer the Non-Associated Shareholders of Timpetra a greater benefit than the Proposed Transaction.

Conclusion on Reasonableness

- 12.14 In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Timpetra.
- 12.15 An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD

A GILMOUR



Director

G YATES



Director



APPENDICES

A. DECLARATIONS AND DISCLAIMERS

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Mr. Andrew Gilmour and Mr Glyn Yates are directors of RSM Corporate Australia Pty Ltd. Both Mr Gilmour and Mr Yates are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of the Company in considering the Security. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of Timpetra Resources Limited and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Gilmour, Glyn Yates, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of approximately \$30,000 based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of Timpetra Resources Limited receives Shareholder approval for the Security, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice of Extraordinary General Meeting and Explanatory Memorandum to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd or has been involved in the preparation of the Notice of Extraordinary General Meeting and Explanatory Memorandum. Accordingly, we take no responsibility for the content of the Notice of General Meeting and Explanatory Statement.

B. SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- Drafts and final copies of the Notice of Meeting;
- Audited financial statements for Timpetra for the years ended 30 June 2014, 30 June 2015 and 30 June 2016;
- Audited financial statements for Silverwater for the year ended 30 June 2014, 30 June 2015 and 30 June 2016;
- Audited financial statements for Riverina for the year ended 30 June 2014, 30 June 2015 and 30 June 2016;
- Audited financial statements for Bidgee for the year ended 30 June 2016;
- Agribusiness Valuations Australia Report for Silverwater Property, dated August 2016;
- Agribusiness Valuations Australia Report for Riverina Property, dated August 2016;
- ASX announcements of Timpetra;
- S&P Capital IQ database; and
- Discussions with Directors, Management and staff of Timpetra

C. GLOSSARY OF TERMS

Term or Abbreviation	Definition
\$	Australian Dollar
Act	Corporations Act 2001 (Cth)
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
AVA	Agribusiness Valuations Australia
Bidgee	Joint Venture Bidgee Farm
Caged Assets	Custom caged fish grading assets owned by Roger Commins
Capital Raising	Proposal to raise at least \$7 million and up to \$10 million through the issue of Timpetra shares at \$0.05 per share
CFME	Capitalisation of Future Maintainable Earnings
Company	Timpetra Resources Limited
Consideration Shares	As detailed in paragraphs 3.10 of this Report
Control basis	As assessment of the fair value on an equity interest, which assumes the holder or holders have control of entity in which the equity is held
DCF	A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
Directors	Directors of the Company
EBIT	Earnings, Before, Interest and Tax
EBITDA	Earnings, Before, Interest, Tax, Depreciation and Amortisation
Equity	The owner's interest in property after deduction of all liabilities
EV	Enterprise Value, meaning, the total value of the equity in a business plus the value of its debt or debt-related liabilities, minus any cash or cash equivalents available to meet those liabilities
Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FY##	Financial year ended 30 June
IER	This Independent Expert Report
Milestone	Company producing and selling 100 tonnes of Murray Cod
Non Associated Shareholders	Shareholders who are not a party, or associated to a party, to the Proposed Transaction
Non control basis	As assessment of the fair value on an equity interest, which assumes the holder or holders do not have control of entity in which the equity is held
Notice	The notice of meeting to vote on the Proposed Transaction

NPBT	Net Profit Before Tax
NPAT	Net Profit After Tax
Proposed Transaction	It has the meaning given to the term in paragraph 1.1 of this Report
Regulations	Corporations Act Regulations 2001 (Cth)
Report	This Independent Experts Report prepared by RSM dated 27 October 2016
RG 111	ASIC Regulatory Guide 111 Contents of Expert's Reports
Riverina	Riverina Aquaculture business
RSM	RSM Corporate Australia Pty Ltd
Ryan assets	Land and farm assets owned by Mathew Ryan
Saracen	Saracen Minerals Holdings Limited
S&P Capital IQ	An entity of Standard and Poors which is a third party provider of company and other financial information
Silverwater	Silverwater Native Fish
Tassal	Tassal Group Limited
Timpetra	Timpetra Resources Limited
Zebina	Zebina Minerals Pty Ltd
VWAP	Volume weighted average share price

D. TRANSACTION RESOLUTIONS

Resolution 8 - Approval to change in nature and scale of activities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the nature and scale of the Company's activities resulting from the Acquisition and the Capital Raising, on the terms and conditions set out in the Explanatory Memorandum."

Resolution 9 – Approval to purchase Ryan Farm and issue MBRPL Consideration Securities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with item 7 of section 611 of the Corporations Act and Listing Rule 10.1 and for all other purposes, Shareholders approve the issue of:

- (a) 58,928,572 Initial Consideration Shares;
- (b) 19,642,857 Deferred Consideration Shares; and
- (c) 40,000,000 Options (and the issue of 40,000,000 Shares on the exercise of those Options),

(together, MBRPL Consideration Securities) to Mr Mathew Ryan or his nominee on the terms and conditions set out in the Explanatory Memorandum as consideration for the acquisition by the Company of the Ryan Farm and MBRPL's interests in Bidgee and Riverina Aquaculture."

Resolution 10 – Approval to issue Vendors' Consideration Securities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:

- (a) 22,357,143 Initial Consideration Shares;
- (b) 6,785,714 Deferred Consideration Shares; and
- (c) 24,000,000 Options,

(together, Vendors' Consideration Securities) to the Vendors (or their respective nominees) (other than MBRPL) on the terms and conditions set out in the Explanatory Memorandum."

Resolution 11 – Approval to issue Performance Rights

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 15,000,000 Performance Rights to Kimbalex or its nominee on the terms and conditions set out in Schedule 3 and the Explanatory Memorandum."

Resolution 12 – Approval to issue Capital Raising Shares

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 200,000,000 Shares (Capital Raising Shares) at \$0.05 each on the terms and conditions in the Explanatory Memorandum."

Resolution 13 – Approval of Employee Incentive Scheme

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with exception 9 of Listing Rule 7.2, Shareholders approve the establishment of an employee incentive scheme to be called the 'Murray Cod Australia Limited Employee Incentive Scheme' and the issue of Securities under that scheme on the terms and conditions set out in the Explanatory Memorandum. "

Resolution 14 – Approval to issue Director Options

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

That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 21,000,000 Options to the Directors as follows:

- (a) 15,000,000 Options to Mr Ross Anderson;
- (b) 2,000,000 Options to Mr Morgan Barron;
- (c) 2,000,000 Options to Mr Martin Priestly; and
- (d) 2,000,000 Options to Mr Douglas O'Neill,

(together the Director Options) on the terms and conditions set out in Schedule 2 and the Explanatory Memorandum)

Resolution 15 – Approval to issue Options to Panaquatic Health Solutions Pty Ltd for consulting fees

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 7.1 and for all other purposes, Shareholders approve the issue of up to 5,000,000 Options to Panaquatic Health Solutions Pty Ltd (or its nominee) on the terms and conditions set out in 0 in the Explanatory Memorandum."

Resolution 16 – Approval to issue Adviser Securities

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 7.1 and for all other purposes, Shareholders approve the issue of up to 1,000,000 Adviser Shares and 2,000,000 Adviser Options on the terms and conditions in the Explanatory Memorandum."

Resolution 17 – Election of Director – Mr Mathew Ryan

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

"That, subject to each of the other Acquisition Resolutions being passed and completion of the Acquisition, Mr Mathew Ryan be elected as a Director."

Resolution 18 – Election of Director – Mr George Roger Commins

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

"That, subject to each of the other Acquisition Resolutions being passed and completion of the Acquisition, Mr George Roger Commins be elected as a Director."

Resolution 19 – Participation in Capital Raising by related Party – Mr Ross Anderson

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 10.11 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 10,000,000 Capital Raising Shares to Mr Ross Anderson (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Resolution 20 – Participation in Capital Raising by related Party – Mr George Roger Commins

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 10.11 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 4,000,000 Capital Raising Shares to Mr George Roger Commins (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Resolution 21 – Approval of potential termination benefits to Mr Mathew Ryan

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

"That approval be given for all purposes (including for the purposes of sections 200B and 200E of the Corporations Act), for the giving of benefits by the Company or any of its related bodies corporate to Mr Mathew Ryan in connection with Mr Ryan ceasing to be a director or ceasing to hold a managerial or executive office in the Company as set out in the Explanatory Notes."

Resolution 22 – Approval to change Company name

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

"That, subject to each of the other Acquisition Resolutions being passed and completion of the Acquisition, and pursuant to and in accordance with section 157 of the Corporations Act and for all other purposes, the name of the Company be changed to "Murray Cod Australia Limited" with effect from the date that ASIC alters the details of the Company's registration."

Resolution 23 – Replacement of Constitution

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

"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair for identification purposes."

Resolution 24 – Approval for the Company to acquire Relevant Interest in Securities

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

"That, subject to and conditional on the passing of each of the Acquisition Resolutions, pursuant to and in accordance with item 7 of section 611 of the Corporations Act and for all other purposes, Shareholders approve the acquisition by the Company of a Relevant Interest in up to 107,714,286 Shares, 64,000,000 Options, 15,000,000 Performance Rights as a result of the voluntary escrow arrangements under the Acquisition Agreements, on the terms and conditions in the Explanatory Memorandum."

Resolution 25 – Section 195 Approval

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

"That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice of General Meeting."

THE POWER OF BEING UNDERSTOOD
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RSM is the trading name used by the members of the RSM network.

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Annexure B – Auditor's Nomination Letter

Mr Brett Tucker
Company Secretary
Timpetra Resources Limited
Level 1, 153 Yambil Street,
Griffith, NSW 2680

Dear Brett,

Nomination of Auditor – Timpetra Resources Limited

For the purposes of Section 328B(3) of the Corporations Act 2001, I, Ross Anderson, being a Director and member of Timpetra Resources Limited ("Company"), hereby nominate Pinnacle HPC Pty Ltd for appointment as auditor of the Company.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R Anderson', with a long, sweeping horizontal stroke extending to the right.

Ross Anderson
Director
Timpetra Resources Limited

Proxy Form

TIMPETRA RESOURCES LIMITED ACN 143 928 625

PROXY FORM

The Company Secretary
Timpetra Resources Limited

By post:
PO Box 763
Griffith NSW 2680

Delivery:
Level 1,
153 Yambil Street,
Griffith NSW 2680

By facsimile:
02 6964 1546

Step 1 - Appoint a Proxy to Vote on Your Behalf

I/We ¹ _____ of _____

being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

The Chairman of
the Meeting (mark
box)

☐

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting to be held at 10:00am (EST) on Friday, 16 December 2016 at Level 1, 153 Yambil Street, Griffith NSW 2680, on my/our behalf and 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, except as provided below).

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

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.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Step 2 - Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

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

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Spill resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director - Mr Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director - Mr Barron	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Removal of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to change in nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval to purchase Ryan Farm and issue Consideration Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval to issue Vendors' Consideration Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 11	Approval to issue Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Approval to issue Capital Raising Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Approval of Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval to issue Director Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Approval to issue Options to Panaquatic Health Solutions Pty Ltd for consulting fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16	Approval to issue Advisor Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17	Election of Director - Mr Ryan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 18	Election of Director - Mr Commins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 19	Participation in Capital Raising by Mr Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 20	Participation in Capital Raising by Mr Commins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 21	Approval of potential termination benefits to Mr Mathew Ryan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 22	Approval to change Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 23	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 24	Approval for the Company to acquire Relevant Interest in Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Authorised signature/s

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

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

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 should 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 by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (EST).

Business address: Level 1, 153 Yambil Street, Griffith NSW 2680

Postal address: PO Box 763, Griffith, NSW 2680

Facsimile: 02 6964 1546