



30 October 2020

Dear Sir/Madam

NOTICE OF GENERAL MEETING AND PROXY FORM

Esports Mogul Limited (“**ESH**” or “**the Company**”) (ASX:ESH) invites you to attend the General Meeting of shareholders. Physical attendance by shareholders **will not** be permitted due to COVID-19 social distancing restrictions, travel restrictions and other requirements imposed by State and federal governments. Attendance is only available by video conference to registered shareholders, the Board, auditors and Company advisors.

You must register your interest to attend the meeting by weblink **on or before 10.00 am (Melbourne time) Sunday 29 November 2020** by sending an email to the Company Secretary at george.lazarou@mogul.gg including your Holder Name, Address and HIN or SRN details.

You must lodge your proxy in advance of the meeting by 10:00 am (Melbourne time) on Saturday 28 November 2020.

In accordance with section 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Notice of General Meeting, accompanying Explanatory Statement and Schedules (Meeting Materials) are being made available to shareholders electronically.

You are able to view and download the Meeting Materials online from the Company website, and specifically the announcements page <https://www2.asx.com.au/markets/trade-our-cash-market/announcements>.

If you have nominated an email address and have elected to receive electronic communications with the Company’s share registry, Automic Group Pty Ltd, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials. In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at **investor.automic.com.au/#/signup** and log in with your unique shareholder identification number you can find on your Personalised Proxy Form.

As a valued shareholder in the Company, we look forward to your participation in the meeting.

If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company’s share registry, Automic Group Pty Ltd, on 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

A copy of both the abovementioned Meeting Materials and Proxy Form are attached herewith.

-Ends-

For more information please contact:

George Lazarou

Company Secretary

T: +61 412 076 641

E: george.lazarou@mogul.gg

ESPORT MOGUL LIMITED

ACN 148 878 782

NOTICE OF GENERAL MEETING

TIME: 10:00AM Melbourne time

DATE: Monday, 30 November 2020

PLACE: Suite 27, Level 21
459 Collins Street
Melbourne Victoria 3000

Physical attendance by shareholders will not be permitted due to COVID-19 social distancing restrictions, travel restrictions and other requirements imposed by State and federal governments. **Attendance is only available by video conference.** Registration by email will be available up to 10:00am (Melbourne time) Sunday 29 November 2020 by emailing the Company Secretary at george.lazarou@mogul.gg.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (Melbourne time) on Monday 30 November 2020 at Suite 27, Level 21, 459 Collins Street, Melbourne, Victoria, 3000. Due to COVID-19 requirements attendee registration by email will be available up to 10:00am (Melbourne time) Sunday 29 November 2020 by emailing the Company Secretary at george.lazarou@mogul.gg and including your Holder Name, Address and HIN or SRN details.

ATTENDING THE MEETING

Physical attendance by shareholders **will not** be permitted due to COVID-19 social distancing restrictions, travel restrictions and other requirements imposed by State and federal governments. Attendance is only available by video conference to registered shareholders, the Board and Company advisors.

You must lodge your vote or proxy in advance of the Meeting by 10:00 am (Melbourne time) on Saturday 28 November 2020.

If you have lodged a proxy, you are still entitled to attend the Meeting by video conference. You must register your interest to attend the meeting by weblink on or before 10.00am (Melbourne time) Sunday 29 November 2020 by sending an email to the Company Secretary at george.lazarou@mogul.gg including your Holder Name, Address and HIN or SRN details.

SUBMITTING QUESTIONS

It is preferred that if you have any questions of the Board that they be submitted in writing to the Company Secretary by email at george.lazarou@mogul.gg on or before 10.00 am (Melbourne time) Friday 27 November 2020. The Company will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

Shareholders and proxyholders will be given an opportunity to ask questions in real-time during the Meeting.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

INTERPRETATION

Capitalised terms which are not otherwise in this Notice and Explanatory Statement have the meanings given to those terms in the Glossary section of the Explanatory Statement.

References to "\$" and "A\$" in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Melbourne, Victoria.

VOTING EXCLUSION STATEMENTS

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 7:00pm (Melbourne time) on Saturday 28 November 2020.

VOTING BY PROXY

In accordance with clause 13.16 of the Constitution, the Chair has determined that voting on all Resolutions will be conducted by poll. Voting will be by way of proxy instructions received in advance of the Meeting.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with clause 13.24 of the Constitution, each proxy may exercise one-half of the votes.

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:**

- 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); and
- 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; and
- 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
- 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).

Transfer of non-chair proxy to chair in certain circumstances

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

- 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; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - 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.

Chair's intentions in relation to undirected proxies

If the Chair is your proxy or is appointed as your proxy by default, and you do not direct the Chair how to vote on your Proxy Form, you will be expressly authorising the Chair to vote as the Chair sees fit. The Chair intends to vote undirected proxies in favour of all Resolutions.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES ISSUED UNDER LISTING RULE 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 306,459,949 Shares to professional and sophisticated investors under Tranche 1 of the Placement announced on 14 October 2020, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the Tranche 1 Placement Participants) or an associate of that person or those persons.

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

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

2. RESOLUTION 2 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES ISSUED UNDER LISTING RULE 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 193,540,051 Shares to professional and sophisticated investors under Tranche 1 of the Placement, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the Tranche 1 Placement Participants) or an associate of that person or those persons.

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

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

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. **RESOLUTION 3 – APPROVAL TO ISSUE FREE-ATTACHING TRANCHE 1 PLACEMENT OPTIONS**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue one free attaching Option for every two Shares subscribed for and issued under Tranche 1 of the Placement (exercisable at \$0.02 each on or before 31 October 2022) (**Placement Options**), on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

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

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

4. **RESOLUTION 4 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES AND FREE-ATTACHING TRANCHE 2 PLACEMENT OPTIONS**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 300,000,000 Shares (**Tranche 2 Placement Shares**) and one Placement Option for every two Shares subscribed for and issued under Tranche 2 of the Placement, on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – DIRECTOR PARTICIPATION IN PLACEMENT – MR GERNOT ABL

Resolution 5(a) – Issue of Tranche 2 Placement Shares to Mr Gernot Abl

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 of the Tranche 2 Placement Shares to Mr Gernot Abl (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Resolution 5(b) – Issue of Tranche 2 Placement Options to Mr Gernot Abl

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

“That, subject to Resolution 5(a) being passed by Shareholders, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,500,000 of the Placement Options to Mr Gernot Abl (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement for each of Resolutions 5(a) and 5(b):

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Gernot Abl (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

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

6. RESOLUTION 6 – ISSUE OF BROKER OPTIONS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 82,000,000 Options to Brokers on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Brokers) or an associate of that person (or those persons).

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

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

Dated: 29 October 2020

By order of the Board


George Lazarou
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO THE PLACEMENT

1.1 Background

On 14 October 2020, the Company announced its intention to undertake a placement of 800,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.01 (1 cent) per Share to raise up to approximately \$8,000,000, together with one free attaching listed Option for every two Shares issued, exercisable at \$0.02 each, on or before 31 October 2022 (**Placement**).

The Placement is comprised of two tranches as follows:

- (a) (**Tranche 1 Placement**) 500,000,000 Shares, issued on 26 October 2020, comprising:
 - (i) 306,459,949 Shares issued pursuant to the Company's placement capacity under Listing Rule 7.1 (the subject of Resolution 1); and
 - (ii) 193,540,051 Shares issued pursuant to the Company's additional placement capacity under Listing Rule 7.1A (the subject of Resolution 2),(together, the **Tranche 1 Placement Shares**), and
- (b) (**Tranche 2 Placement**) 300,000,000 Shares, which will be issued subject to receipt of Shareholder approval pursuant to Listing Rule 7.1 (the subject of Resolution 4) (**Tranche 2 Placement Shares**),

(together, the **Placement Shares**).

Further details of the Placement are set out in the Company's announcement released on the ASX platform (ASX: ESH) on 14 October 2020 (**Relevant ASX Announcement**).

1.2 Use of Funds

As set out in the Relevant ASX Announcement, the funds raised from the Placement will be used to support continued innovation of the Company's world-class tournament platform, accelerate monetisation strategy around brands, further international partner expansion, and continuing to secure partnerships with PC and Mobile game publishers.

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES ISSUED UNDER LISTING RULES 7.1 AND 7.1A

2.1 General

The background to the Placement is set out above in Section 1.1.

On 26 October 2020, the Company issued 500,000,000 Shares to professional and sophisticated investors at an issue price of \$0.01 per Share to raise \$5,000,000 (**Tranche 1 Placement Shares**).

306,459,949 Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1 (being the subject of Resolution 1) and 193,540,051 Shares were issued pursuant to the Company's 7.1A capacity which was approved by

Shareholders at the annual general meeting held on 28 May 2020 (being the subject of Resolution 2).

2.2 Listing Rule 7.1

Broadly speaking and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. An "eligible entity" means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

The issue of the Tranche 1 Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

2.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares, comprising:

- 306,459,949 Shares issued pursuant to the Company's placement capacity under Listing Rule 7.1; and
- 193,540,051 Shares issued pursuant to the Company's additional placement capacity under Listing Rule 7.1A.

2.4 Technical information required by Listing Rule 14.1A

Resolution 1

If Resolution 1 is passed, the 306,459,949 Shares issued under the Tranche 1 Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolution 1 is not passed, the 306,459,949 Shares issued under the Tranche 1 Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

Resolution 2

If Resolution 2 is passed, the 193,540,051 Shares issued under the Tranche 1 Placement will be excluded in calculating the Company's additional 10% placement capacity in Listing Rule 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolutions 2 is not passed, the 193,540,051 Shares issued under the Tranche 1 Placement will be included in calculating the Company's additional 10% placement capacity in Listing Rule 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

2.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who are clients of CPS Capital Group Pty Ltd (AFSL 294848) (**CPS**). The recipients were identified through a bookbuild process, which involved CPS seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company, or existing substantial shareholders, advisers, members of key management personnel, or associates of such persons;
- (b) the Tranche 1 Placement Shares were issued on the following basis:
 - i. 306,459,949 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - ii. 193,540,051 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2).
- (c) the Tranche 1 Placement Shares issued were all 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 Tranche 1 Placement Shares were issued on 26 October 2020;
- (e) the issue price was \$0.01 per Tranche 1 Placement Share. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
- (f) the purpose of the issue of the Tranche 1 Placement Shares was to raise capital, which will be applied towards the purposes set out in Section 1.2;
- (g) all the material terms of the agreement for issue of the Tranche 1 Placement Shares are set out in Section 2;
and
- (h) voting exclusion statements are included in Resolution 1 and 2 of the Notice.

2.6 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 and 2. The Chair intends to vote undirected proxies in favour of Resolutions 1 and 2.

3. **RESOLUTION 3 – APPROVAL TO ISSUE FREE-ATTACHING TRANCHE 1 PLACEMENT OPTIONS**

3.1 **General**

The background to the Placement is set out above in Section 1.1. Under the Placement, the Company will be offering one Placement Option (free attaching, for every 2 Shares subscribed for and issued) to participants of the Placement (**Placement Participants**), to be issued as follows:

- (a) 250,000,000 Options free attaching to the Tranche 1 Placement Shares (**Tranche 1 Placement Options**); and
- (b) 150,000,000 Options free attaching to the Tranche 2 Placement Shares (**Tranche 2 Placement Options**),

(together, the **Placement Options**).

The Placement Options will be exercisable at \$0.02 each, on or before 31 October 2022 and otherwise on the terms and conditions set out in Schedule 1. The Placement Options will be offered under a prospectus to be issued by the Company. The Placement Options are intended to be listed on the ASX and the Company will apply for quotation of the Placement Options.

The Board notes that the exercise price of the Placement Options (being \$0.02) is lower than the market price of the Company's Shares as at the close of trading on 27 October 2020, being \$0.027. At this share price, the Placement Options would be "in the money" and holders of Placement Options would be able to acquire Shares in the Company at a discount to the market price by exercising their Placement Options. However, the share price of the Company at the time of announcement of the Placement was \$0.012, which is lower than the exercise price of the Placement Options. Additionally, the market price of the Company's shares at the time when the Placement Options are issued may be higher or lower than their exercise price.

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue of the Placement Options does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval under Listing Rule 7.1 for the issue of the Placement Options.

3.2 **Technical information required by Listing Rule 14.1A**

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Tranche 1 Placement Options. In addition, the issue of the Tranche 1 Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Tranche 1 Placement Options. The consequence of Resolution 3 not being passed is that the Tranche 1 Placement Participants will not be issued the Tranche 1 Placement Options as the Company agreed to issue these securities subject to receipt of Shareholder approval.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 1 Placement Options.

3.3 Technical information required by Listing Rule 7.1

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

- (a) the Tranche 1 Placement Options will be issued to the Placement Participants, who are professional and sophisticated investors identified by CPS. The recipients have been identified through a bookbuild process, which involved CPS seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the participants will be related parties of the Company, or existing substantial shareholders, advisers, members of key management personnel, or associates of such persons;
- (b) as set out above in Section 3.1, the maximum number of Tranche 1 Placement Options to be issued is equal to 50% of the number of Tranche 1 Placement Shares to be issued, being 250,000,000 Tranche 1 Placement Options, as the Tranche 1 Placement Options will be issued free attaching with the Tranche 1 Placement Shares on a 1 for 2 basis;
- (c) the Tranche 1 Placement Options will be issued on the terms and conditions set out in Schedule 1;
- (d) the Tranche 1 Placement Options 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 the Placement Options will occur progressively;
- (e) the issue price will be nil per Placement Option as the Tranche 1 Placement Options will be issued free attaching with the Tranche 1 Placement Shares on a 1 for 2 basis. The Company will not receive any other consideration for the issue of the Tranche 1 Placement Options (other than in respect of funds received on exercise of the Tranche 1 Placement Options);
- (f) the purpose of the issue of the Tranche 1 Placement Options is to meet the terms of the issue of the Placement Shares (issued to raise capital for the Company which will be applied towards the purposes set out in Section 1.2);
- (g) the Tranche 1 Placement Options are not being issued under an agreement;
- (h) the Tranche 1 Placement Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 3 of the Notice.

3.4 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

4. RESOLUTION 4 – APPROVAL FOR TRANCHE 2 PLACEMENT SHARES AND FREE-ATTACHING TRANCHE 2 PLACEMENT OPTIONS

4.1 General

As set out above in Section 1.1 above, as part of the Placement, the Company is proposing to issue up to 300,000,000 Tranche 2 Placement Shares to raise up to \$3,000,000. As set out above in Section 3.1, the Company will also be offering one Placement Option (free attaching, for every 2 Shares subscribed for and issued) to Placement Participants.

The Placement Options will be exercisable at \$0.02 each, on or before 31 October 2022 and otherwise on the terms and conditions set out in Schedule 1. The Placement Options will be offered under a prospectus to be issued by the Company. The Placement Options are intended to be listed on the ASX and the Company will apply for quotation of the Placement Options.

The Board notes that the exercise price of the Placement Options (being \$0.02) is lower than the market price of the Company's Shares as at the close of trading on 27 October 2020, being \$0.027. At this share price, the Placement Options would be "in the money" and holders of Placement Options would be able to acquire Shares in the Company at a discount to the market price by exercising their Placement Options. However, the share price of the Company at the time of announcement of the Placement was \$0.012, which is lower than the exercise price of the Placement Options. Additionally, the market price of the Company's shares at the time when the Placement Options are issued may be higher or lower than their exercise price.

The Company is seeking Shareholder approval under Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares and the Tranche 2 Placement Options.

Subject to Shareholder approval, Director Gernot Abl will participate in Tranche 2 of the Placement by subscribing for 5,000,000 Tranche 2 Placement Shares at an issue price of \$0.01 and 2,500,000 Tranche 2 Placement Options for a participation of \$50,000 (the **Director Participation**). This participation is the subject of Resolution 5. Please refer to Section 5.1 for further information.

4.2 Listing Rule 7.1

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue of the Tranche 2 Placement Shares and the Tranche 2 Placement Options does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares and the Tranche 2 Placement Options. In addition, the issue of the Tranche 2 Placement Shares and the Tranche 2 Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares and the Tranche 2 Placement Options. The consequence of Resolution 4 not being passed is that the total funds raised under the Placement will total \$5,000,000 (being the amount raised from the issue

of the Tranche 1 Placement Shares) as the Company will not be able to issue the Tranche 2 Placement Shares and the Tranche 2 Placement Options.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares and the Tranche 2 Placement Options.

4.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Tranche 2 Placement Shares will be issued to the Tranche 2 Placement Participants, being professional and sophisticated investors who are clients of CPS. The recipients will be identified through a bookbuild process, which will involve CPS seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients will be related parties of the Company, or existing substantial shareholders, advisers, members of key management personnel, or associates of such persons;
- (b) the Tranche 2 Placement Options will be issued to the Tranche 2 Placement Participants;
- (c) the maximum number of:
 - i. Tranche 2 Placement Shares to be issued is 300,000,000; and
 - ii. Tranche 2 Placement Options to be issued is 150,000,000 (being 50% of the number of Tranche 2 Placement Shares to be issued, as the Tranche 2 Placement Options will be issued free attaching with the Tranche 2 Placement Shares on a 1 for 2 basis);
- (d) The Tranche 2 Placement 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;
- (e) the Tranche 2 Placement Options will be issued on the terms and conditions set out in Schedule 1;
- (f) the Tranche 2 Placement Shares and the Tranche 2 Placement Options 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 the Tranche 2 Placement Shares will occur on the same date;
- (g) the issue price of the Tranche 2 Placement Shares will be \$0.01 per Tranche 2 Placement Share. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Shares;
- (h) the issue price of the Tranche 2 Placement Options will be nil as the Placement Options will be issued free attaching with the Tranche 2 Placement Shares on a 1 for 2 basis. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Options (other than in respect of funds received on exercise of the Tranche 2 Placement Options);
- (i) the purpose of the issue of the Tranche 2 Placement Shares and the Tranche 2 Placement Options is to raise capital, which will be applied towards the purposes set out in Section 1.2;

- (j) all the material terms of the agreement for issue of the Tranche 2 Placement Shares and the Tranche 2 Placement Options are set out in Section 4;
- (k) the Tranche 2 Placement Shares and the Tranche 2 Placement Options are not being issued under, or to fund, a reverse takeover; and
- (l) a voting exclusion statement is included in Resolution 4 of the Notice.

4.5 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4. The Chair intends to vote undirected proxies in favour of Resolution 4.

5. RESOLUTIONS 5(a) & 5(b) - DIRECTOR PARTICIPATION IN PLACEMENT - MR GERNOT ABL

5.1 General

As set out in Section 4.1 above, Director Gernot Abl wishes to participate in Tranche 2 of the Placement, by subscribing for 5,000,000 Tranche 2 Placement Shares at an issue price of \$0.01 (with 2,500,000 free-attaching Tranche 2 Placement Options) for a participation of \$50,000 (**Director Participation**). The Director Participation will be on the same terms as unrelated participants in the Tranche 2 Placement.

Accordingly, the Company is seeking Shareholder approval:

- under Resolution 5(a) for the issue of 5,000,000 Tranche 2 Placement Shares to Gernot Abl (or his nominee); and
- under Resolution 5(b) for the issue of 2,500,000 Tranche 2 Placement Options to Gernot Abl (or his nominee),

(collectively, the **Tranche 2 Director Placement Securities**), on the terms set out below.

5.2 Chapter 2E of the Corporations Act

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 Director Participation will result in the issue of Shares and Options which constitutes giving a financial benefit and Mr Abl is a related party of the Company by virtue of being Directors of the Company.

The Directors (other than Mr Abl who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Director Participation because the Tranche 2 Director Placement Securities will be issued to Mr Abl (or his nominee) on the same terms as the Tranche 2 Placement Shares and Tranche 2 Placement Options to be issued to non-related party participants in the Tranche 2 Placement and as such the giving of the financial benefit is on arm's length terms.

5.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Director Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 5 seeks Shareholder approval for the Director Participation under and for the purposes of Listing Rule 10.11.

5.4 Technical information required by Listing Rule 14.1A

If both Resolutions 5(a) and 5(b) are passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares and Tranche 2 Placement Options under the Director Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 1.2 above.

As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 5(a) is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares under the Director Participation and the relevant Placement funds will not be raised from the issue.

As the Tranche 2 Placement Options are free-attaching to the Tranche 2 Placement Shares, if the resolution to approve the issue of the Tranche 2 Placement Shares to Gernot Abl (or his nominee) under Resolution 5(a) is not passed by Shareholders, then no Tranche 2 Placement Options will be issued to Mr Abl (or his nominee) even if Resolution 5(b) is passed.

If Resolution 5(a) is passed by Shareholders but Resolution 5(b) is not passed, the Company will not issue the Tranche 2 Placement Options under the Director Participation but may issue the Tranche 2 Placement Shares.

5.5 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 Resolutions 5(a) and 5(b):

- (a) the Tranche 2 Director Placement Securities will be issued to Gernot Abl (or his nominee), who each fall within the category set out in Listing Rule

10.11.1, as each of them is a related party of the Company by virtue of Gernot Abl being a Director (Gernot Abl's nominee will also be an associate of a related party for the purposes of Listing Rule 10.11.4);

- (b) the maximum number of Shares and Options to be issued is 5,000,000 Shares and 2,500,000 Placement Options to Gernot Abl (or his nominee);
- (c) the Shares forming part of the Tranche 2 Director Placement 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 forming part of the Tranche 2 Director Placement Securities will be issued on the terms and conditions set out in Schedule 1 (being the same terms and conditions as the Placement Options). The Shares issued on exercise of the Placement Options 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;
- (e) the Tranche 2 Director Placement Securities 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 it is anticipated the Tranche 2 Director Placement Securities under the Director Participation will be issued on the same date as the other Tranche 2 Placement Shares and the other Tranche 2 Placement Options;
- (f) the issue price will be \$0.01 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1 for 2 basis. The Company will not receive any other consideration for the issue of the Shares or the Placement Options (other than in respect of funds received on exercise of the Placement Options);
- (g) the purpose of the issue of Shares under the Director Participation is to raise capital, to be applied towards the purposes set out in Section 1.2 above;
- (h) the issue of the Tranche 2 Director Placement Securities under the Director Participation is not intended to remunerate or incentivise the Directors;
- (i) the Shares and Placement Options are not being issued under an agreement; and
- (j) voting exclusion statements are included in Resolutions 5(a) and 5(b) of the Notice.

5.6 Board recommendation

The Directors, with Mr Gernot Abl not being present while the matter is considered and abstaining from voting, recommend that Shareholders vote in favour of each of Resolutions 5(a) and 5(b). The Chair intends to vote undirected proxies in favour of each of Resolutions 5(a) and 5(b).

6. RESOLUTION 6 – ISSUE OF BROKER OPTIONS

6.1 General

On 12 October 2020, the Company entered into a mandate appointing CPS Capital Group Pty Ltd (**CPS**) as lead manager to the Placement (**Lead Manager Mandate**). Under the Lead Manager Mandate, the Company has agreed to pay to CPS (or its nominee) the following fees:

- (a) a management fee of 2% plus GST for funds raised via the Placement;

- (b) a placement fee of 4%, plus GST, for funds raised via the Placement; and
- (c) 82,000,000 Options at an issue price of \$0.00001 per Option with an expiry date of two years on the same terms as the Placement Options, noting some of these Options may be payable to third parties.

CPS (or its nominee) will also receive an exercise fee of 6% plus GST for any funds raised via the exercise of any Placement Options issued to CPS (or its nominee) under the Placement or Options exercised by way of the 82,000,000 Options that CPS (or its nominee) receive.

The material terms and conditions of the Lead Manager Mandate are summarised in Schedule 2 to this Notice.

Pursuant to the Lead Manager Mandate, the Company has agreed to issue 82,000,000 Options to third party brokers to the Placement including the Lead Manager (the **Brokers**), comprising:

- (a) 10,000,000 Options to Veritas Securities Limited;
 - (b) 8,000,000 Options to Havana Nominees (WA) Pty Ltd; and
 - (c) 1,000,000 Options to Holla Investments Pty Ltd;
 - (d) 1,000,000 Options to LRB Capital Pty Ltd; and
 - (e) 62,000,000 Options to CPS Capital Group Pty Ltd,
- (together, the **Broker Options**).

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue of the Broker Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

6.2 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Broker Options.

In addition, the issue of the Broker Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Broker Options.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Broker Options.

6.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the Broker Options will be issued to the following third-party brokers:
 - i. Veritas Securities Limited (or its nominee);
 - ii. Havana Nominees (WA) Pty Ltd (or its nominee);

- iii. Holla Investments Pty Ltd (or its nominee),
- iv. LRB Capital Pty Ltd (or its nominee); and
- v. CPS Capital Group Pty Ltd (or its nominees),
none of whom are related parties of the Company;
- (b) the maximum number of Brokers Options to be issued to the Brokers is 82,000,000, in the amounts set out above in Section 6.1;
- (c) the Broker Options will be issued on the same terms and conditions as the Placement Options, which are set out in Schedule 1;
- (d) the Broker Options 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);
- (e) the Broker Options will be issued at \$0.00001 per Option, as part consideration for services provided by the Brokers for the raising of capital under the Placement, in accordance with the terms of the Lead Manager Mandate;
- (f) the purpose of the issue of the Broker Options is as partial consideration for services provided by the Brokers for the raising of capital under the Placement, in accordance with the terms of the Lead Manager Mandate;
- (g) the Broker Options are being issued under the Lead Manager Mandate. Other than the terms described in Schedule 1 and as disclosed in this Explanatory Statement, there are no other material terms on which the Broker Options are being issued. A summary of the Lead Manager Mandate is provided in Schedule 2;
- (h) the Broker Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 6 of the Notice.

6.4 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6. The Chair intends to vote undirected proxies in favour of Resolution 6.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Broker Options has the meaning in Section 6.1.

Brokers has the meaning in Section 6.1.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Esports Mogul Limited (ACN 148 878 782).

Constitution means the Company's constitution.

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

CPS means CPS Capital Group Pty Ltd (AFSL 294848).

Director Participation has the meaning in Section 5.1.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Placement has the meaning in Section 1.1.

Placement Options has the meaning in Section 3.1.

Placement Participants means those persons who subscribe for and are issued with Placement Shares and Placement Options.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Tranche 1 Placement has the meaning in Section 1.1.

Tranche 1 Placement Participants means those persons who subscribed for, and are issued with, Tranche 1 Placement Shares.

Tranche 1 Placement Shares has the meaning in Section 1.1.

Tranche 2 Director Placement Securities has the meaning in Section 5.1.

Tranche 2 Placement has the meaning in Section 1.1.

Tranche 2 Placement Participants means those persons who subscribed for, and are issued with, Tranche 2 Placement Shares.

Tranche 2 Placement Shares has the meaning in Section 1.1.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 October 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period 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.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **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 without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options will be listed on the ASX. The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – SUMMARY OF LEAD MANAGER MANDATE

On 12 October 2020, the Company entered into a mandate to appoint CPS Capital Pty Ltd (ACN 088 055 636) (**CPS**) as lead manager to the Placement (**Lead Manager Mandate**).

The material terms and conditions of the Lead Manager Mandate are as follows:

(a) **Capital Raising**

CPS has agreed to use its best endeavours to co-ordinate and manage the Placement. The Company agreed to appoint CPS as the lead manager, broker and corporate advisor to the Company.

(b) **Fees**

The Company has agreed to pay/issue to CPS (or its nominee):

- (i) a management fee of 2% plus GST for funds raised via the Placement;
- (ii) a placement fee of 4%, plus GST, for funds raised via the Placement; and
- (iii) 82,000,000 Options issued at \$0.0001 per Option, noting some of these Options may be payable to third parties and may require Shareholder approval to be listed. The Options are to be listed.

CPS (or its nominee) will also receive an exercise fee of 6% plus GST for any funds raised via the exercise of any Placement Options issued to CPS (or its nominee) under the Placement or Options exercised by way of the 82,000,000 Placement Options that CPS (or its nominee) receive.

CPS (or its nominee) will also receive a monthly corporate advisory fee of \$8,000 plus GST for the services performed by CPS for a minimum term of 12 months.

(c) **Termination**

CPS may terminate the Lead Manager Mandate:

- (a) By providing fourteen (14) days' notice in writing to that effect:
 - i. if the Company commits or allows to be committed a material breach of any of the terms or conditions of the Lead Manager Mandate, and the Company being unable to rectify the matter within that time; or
 - ii. if any warranty or representation given or made by the Company is not complied with or proves to be untrue in any respect, and the Company being unable to rectify the matter within that time; or
- (b) Immediately by notice in writing to that effect if:
 - i. if the Company becomes insolvent, has a receiver, administrative receiver or manager or administrator appointed over the whole of or any of their assets, enters into any composition with creditors generally or has an order made or resolution passed for it to be wound up; or
 - ii. if a court makes an administration order with respect to the Company or any composition in satisfaction of its debts of or a scheme of arrangement of the affairs of the Company.

The Lead Manager Mandate may be terminated by the Company, by seven (7) days written notice. In this event any outstanding expenses will be immediately payable.

The Lead Manager Mandate contains otherwise standard terms and conditions, including warranties and indemnities, for an agreement of this nature.

PROXY FORM

APPOINTMENT OF PROXY
ESPORTS MOGUL LIMITED
ACN 148 878 782

GENERAL MEETING

I/We

of

being a member of Esports Mogul Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws, as the proxy sees fit, at the General Meeting to be held at 10:00am (Melbourne time) at Suite 27, Level 21, 459 Collins Street, Melbourne Victoria 3000, on 30 November 2020 and at any postponement or adjournment thereof. Please note that physical attendance by shareholders will not be permitted due to COVID-19 social distancing restrictions, travel restrictions and other requirements imposed by State and federal governments. Attendance is only available by video conference to registered shareholders, the Board and Company advisors.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval to Issue Free Attaching Tranche 1 Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval to Issue Tranche 2 Placement Shares and Free Attaching Tranche 2 Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5(a) – Issue of Tranche 2 Placement Shares to Mr Gernot Abl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5(b) – Issue of Tranche 2 Placement Options to Mr Gernot Abl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

_____ %

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company
Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Compliance with Listing Rule 14.11):** In accordance with Listing Rule 14.11, if you hold Shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the Shares, you are required to ensure that the person(s) or entity/entities for which you hold the Shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the Company that you are in compliance with Listing Rule 14.11.

4. **(Signing instructions):**
 - i. **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - ii. **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - iii. **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - iv. **(Companies):** Where the company has a sole director, who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
5. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
6. **(Lodgement of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Esports Mogul Limited, PO Box 940, West Perth Western Australia 6872; or
 - (b) email to the Company at george.lazarou@mogul.qa

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.