

dorsaVi Ltd

ACN 129 742 409

Registered Office: c/- Pitcher Partners, Level 13, 664 Collins Street, Docklands, Victoria, 3008

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a General Meeting of shareholders of dorsaVi Ltd (**dorsaVi** or the **Company**) will be held at 86 Denmark Street, Kew, Victoria, 3101 on Tuesday, 28 January 2020 at 10:00 am (Melbourne time).

The explanatory memorandum accompanying this notice of meeting (**Explanatory Memorandum**) provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the proxy form, form part of this notice. Terms and abbreviations used in this notice have the meanings given to them in the Explanatory Memorandum.

Business

Ordinary Business

1 Ratification of prior issue - Shares issued under the Placement

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

"That, for the purpose of Listing Rule 7.4, and for all other purposes, shareholders approve and ratify the issue and allotment of 7,407,408 fully paid ordinary shares in the Company at an issue price of \$0.027 per Share under the Placement offer announced on 28 November 2019 to sophisticated and professional investors as set out in the Explanatory Memorandum."

2 Issue of Shares to Certain Related Parties of the Company

To consider and, if thought fit, to pass the following resolutions as **ordinary resolutions**:

- (a) "That, the issue of 4,629,629 fully paid ordinary shares in the Company to major shareholder, Starfish Technology Fund II Nominees A Pty Ltd at an issue price of \$0.027 per share under the Placement offer announced on 28 November 2019 in order to raise approximately \$125,000, is approved for the purpose of Listing Rule 10.11 and for all other purposes."
- (b) "That the issue of 4,629,630 fully paid ordinary shares in the Company to major shareholder, Starfish Technology Fund II Nominees B Pty Ltd at an issue price of \$0.027 per share under the Placement offer announced 28 November 2019 in order to raise approximately \$125,000, is approved for the purpose of Listing Rule 10.11 and for all other purposes."
- (c) "That the issue of 3,703,704 fully paid ordinary shares in the Company to Tanarny Super Fund Pty Ltd ACN 153 672 792 as trustee for the Tanarny Super Fund at an issue price of \$0.027 per share under the Placement offer announced 28 November 2019 in order to raise approximately \$100,000, is approved for the purpose of Listing Rule 10.11 and for all other purposes."
- (d) "That the issue of 370,370 fully paid ordinary shares in the Company to Evinby Pty Ltd ACN 006 670 515 as trustee for The Lorrol Family Trust at an issue price of \$0.027 per share under the Placement offer announced 28 November 2019 in order to raise approximately \$10,000, is approved for the purpose of Listing Rule 10.11 and for all other purposes."

3 Approval for the issue of shares on conversion of the convertible notes

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

"That, the issue of a maximum of 38,500,000 fully paid ordinary shares on conversion of the 1,155,000 convertible notes issued on 6 December 2019 on the terms set out in the Explanatory Statement, be approved under and for the purpose of Listing Rule 7.1 and for all other purposes."

Voting exclusion statement:

The Company will disregard any votes cast in favour of the resolution on:

- Resolution 1 (**Ratification of prior issue – Shares issued under the Placement**) by any person who was issued Shares under the Placement on 6 December 2019 and 9 December 2019 or any of their associates;
- Resolution 2(a) (**Issue of Shares to Certain Related Parties**) by Starfish Technology Fund II Nominees A Pty Ltd, Starfish Technology Fund II Nominees B Pty Ltd, Dr Michael Panaccio or any of their associates;

- Resolution 2(b) (**Issue of Shares to Certain Related Parties**) by Starfish Technology Fund II Nominees B Pty Ltd and Starfish Technology Fund II Nominees A Pty Ltd, Dr Michael Panaccio or any of their associates;
- Resolution 2(c) (**Issue of Shares to Certain Related Parties**) by Tanarny Super Fund Pty Ltd, Dr Andrew Ronchi or any of their associates;
- Resolution 2(d) (**Issue of Shares to Certain Related Parties**) by Evinby Pty Ltd ACN 006 670 515, Caroline Elliott or any of their associates; and
- Resolution 3 (**Ratification of prior issue of convertible notes**) by any person who participated in the issue of convertible notes on 6 December 2019 or any of their associates.

However, the Company need not disregard a vote in relation to resolutions 1 to 3 if it is cast:

- *in accordance with a direction on the proxy form; or*
- *by a person chairing the meeting pursuant to an express authorisation on the proxy form to exercise the proxy as they see fit.*

To the extent he is permitted to vote, the Chairman intends to vote undirected proxies held by him **in favour** of each resolution.

Please refer to the proxy form accompanying this Notice of Meeting for more information.

Dated: 27 December 2019

By order of the board

Brendan Case

Company Secretary

Notes

- (1) Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the directors of the Company have determined that, for the purposes of this meeting, those persons who are registered as the holders of ordinary shares in the Company at 7:00 pm (Melbourne time) on 26 January 2020 (**Effective Time**) will be taken to be the holders of shares for the purposes of determining voting entitlements at the meeting.
- (2) All holders of ordinary shares in the Company as at the Effective Time are entitled to attend and vote at this meeting and may appoint an individual or a body corporate as proxy to attend this meeting and vote instead of the shareholder.
- (3) Shareholders who are unable to attend the meeting are encouraged to appoint a proxy to attend and vote on their behalf.
- (4) A proxy need not be a shareholder of the Company.
- (5) A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form:
 - a. the full name of the body corporate appointed as proxy; and
 - b. the full name or title of the individual representative of the body corporate at the meeting.
- (6) The proxy form personalised to you and sent with this notice of meeting should be used for this meeting.
- (7) Each shareholder who is entitled to attend and vote at this meeting is entitled to appoint one proxy or, if the shareholder is entitled to cast two or more votes at this meeting, may appoint 2 proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a shareholder who appoints 2 proxies does not specify the proportion or number of that shareholder's votes each proxy may exercise, each proxy will be entitled to exercise half the votes of the appointor shareholder. An additional proxy form will be supplied by the Company on request.
- (8) You may appoint the chairman of the meeting as your proxy. The chairman of the meeting intends to vote all available proxies **in favour** of each item of business. The chairman of the meeting is deemed to be appointed as your proxy where a signed proxy form is returned which does not contain the name of the proxy or where the person appointed on the form does not attend the meeting or has been directed to vote but does not vote on the resolution. If the chairman of the meeting is your proxy (or becomes your proxy by default), you will be taken to have expressly authorised him to exercise your proxy in relation to items 1 to 3.
- (9) If your proxy chooses to vote, he/she must vote in accordance with your directions. If you have directed your proxy to vote, and they fail to attend the meeting or they choose not to vote on a poll, then the chairman of the meeting will vote your proxies as directed by you. If you do not mark a box, your proxy may vote as they choose on that item.
- (10) In the case of a corporation or appointments of representatives by corporations, a proxy must be executed by the corporation in accordance with section 127 of the Corporations Act 2001, or signed by a duly authorised officer/s or attorney (and such authorisation must be in writing and received by the Company as specified in paragraph (12) below).
- (11) Any shareholder may, by power of attorney, appoint an attorney to act on his or her behalf and such power of attorney or a certified copy of it thereof must be received by the Company as specified in paragraph (12).
- (12) Proxies and powers of attorneys granted by shareholders must be received by the Company by no later than 10:00am (Melbourne time) on Sunday 26 January 2020 at the Company's share registry – Computershare Investor Services Pty Limited:
 - (a) by post – GPO Box 242, Melbourne, Victoria, 3001;
 - (b) by fax – fax number +61 3 9473 2555, within Australia 1800 783 447;
 - (c) online – www.investorvote.com.au; or
 - (d) for Intermediary Online subscribers only (custodians) – www.intermediaryonline.com

EXPLANATORY MEMORANDUM

Ordinary Business

This Explanatory Memorandum has been prepared to provide shareholders with further information to enable them to make an informed decision on the business to be conducted at the General Meeting of dorsaVi Ltd to be held on Tuesday, 28 January 2020 at 10:00 am (Melbourne time).

Background to Resolutions 1 and 2

Placement to Sophisticated and Institutional Investors

On 28 November 2019, the Company announced that it had received commitments from sophisticated and institutional investors to subscribe for new 20.7 million fully paid ordinary shares in the Company (**New Shares**) at an issue price of A\$0.027 per share to raise approximately \$0.56 million (**Placement**).

As part of the Placement, Managing Director, Andrew Ronchi (via his self-managed super fund), Director, Caroline Elliott (via her family trust) and major shareholders, Starfish Technology Fund II Nominees A Pty Ltd and Starfish Technology Fund II Nominees B Pty Ltd (**Starfish**) participated in the Placement for a combined commitment of \$0.36 million. In addition, the Company announced that as Andrew Ronchi, Caroline Elliott and Starfish are related parties of dorsaVi, the issue of shares under the Placement to them is subject to shareholder approval and the Company will call an EGM in the first quarter of 2020 for shareholders to vote on a resolution to approve the issue of shares to them on the terms of the Placement.

7,407,408 New Shares were issued on 6 December 2019 and 9 December 2019 under the Placement at an issue price of \$0.027 to raise approximately \$0.2million from sophisticated and professional investors.

The funds raised from the Placement will be primarily used by the Company for general working capital.

Share Purchase Plan

In addition to the Placement, the Company also announced on 28 November 2019 that it was offering existing shareholders with a registered address in Australia the opportunity to subscribe for up to \$29,960 or 1,070,000 newly issued fully paid ordinary shares at an issue price of A\$0.028 per share to raise a maximum of \$1 million under a Share Purchase Plan (**SPP**).

The Issue Price is at a small premium of 3.7% to the issue price of A\$0.027 offered under the Placement. The reason for this is because in order for the SPP to be able to be offered to eligible shareholders at the same time as the Placement, the maximum discount to the 5 day VWAP permitted under the ASX Listing Rules is 20% and an issue price of 2.7cents would have exceeded the permissible discount.

The amount raised under the SPP will be capped at A\$1 Million (i.e. a maximum of 35,714,286 new ordinary shares issued). The proceeds of the SPP will be used by the Company for the same purposes as the Placement. The Company notes that the issue of shares under the SPP does not require shareholder approval as the terms of the issue of such shares falls within exception 15 of Listing Rule 7.2.

Shareholders should read the notice of meeting including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions. Refer to the Notes on page 3 for further instructions on how to vote, either in person at the meeting or by proxy.

1. Resolution 1 – Ratification of Prior Issue – Shares Issued Under the Placement

1.1 General

In accordance with the announcements made on 28 November 2019, 6 December 2019 and 9 December 2019, the Company issued 7,407,408 New Shares to sophisticated and institutional investors, at an issue price of \$0.027 per Share pursuant to the Placement.

ASX 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. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting subsequently approves the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The Placement was conducted in accordance with the Company's 15% existing placement capacity in accordance with Listing Rule 7.1, excluding any Shares issued to related parties which are subject to shareholder approval. However, the Company seeks shareholder approval pursuant to ASX Listing Rule 7.4 for the issue of those Shares so that the Company can preserve its 15% annual placement capacity and retain the flexibility to issue equity securities in the

future of up to the 15% of its placement capacity without the requirement to obtain prior shareholder approval. This will give the Company greater flexibility to raise additional funds if required.

L.2 Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to shareholders in relation to the New Shares issued under the Placement:

- a) The total number of New Shares issued by the Company under the Placement on 6 December 2019 was 3,703,704 and total number of New Shares issued by the Company under the Placement on 9 December 2019 was 3,703,704.
- b) The New Shares were issued at A\$0.027 per Share.
- c) The New Shares have been issued on the same terms as, and will rank equally in all respects with, the Company's existing Shares on issue.
- d) The New Shares were issued and allotted to new and existing sophisticated and professional investors who are clients of Shaw and Partners (who acted as lead manager for the Placement) or are contacts of the directors of the Company, none of whom are related parties of the Company.
- e) The funds raised from the Placement will be used by the Company for general working capital purposes.
- f) A voting exclusion statement is provided in the Notice of Meeting attached to this Explanatory Memorandum.

L.3 Voting exclusion for Resolution 1

A voting exclusion applies to this Resolution 1 as set out in the Notice of Meeting.

L.4 Directors' Recommendation

The Directors recommend shareholders vote **in favour** of Resolution 1.

L.5 Voting Intention

The Chairman of the Meeting intends to vote all available proxies **in favour** of Resolution 1.

2. Resolutions 2(a) and 2(b) - Issue of Shares under Placement to Starfish Entities

2.1 General

The Company is seeking shareholder approval for the issue of a total of 9,259,259 fully paid ordinary Shares to entities controlled by Director, Dr Michael Panaccio, namely Starfish Technology Fund II Nominees A Pty Ltd and Starfish Technology Fund II Nominees B Pty Ltd (the **Starfish Entities**) at an issue price of \$0.027 per Share pursuant to the Placement in the proportions set out below:

Starfish Entity	Shares acquired	Total issue price (approx)
Starfish Technology Fund II Nominees A Pty Ltd	4,629,629	\$125,000
Starfish Technology Fund II Nominees B Pty Ltd	4,629,630	\$125,000

Dr Panaccio is a principal and director of Starfish Ventures Pty Ltd, the manager and agent of the Starfish Entities. Accordingly, the Starfish Entities are each considered a related party to the Company for the purpose of Listing Rule 10.11, and resolutions 2(a) and 2(b) therefore seek shareholder approval for the issue of 4,629,629 Shares to Starfish Technology Fund II Nominees A Pty Ltd and 4,629,630 Shares to Starfish Technology Fund II Nominees B Pty Ltd in order to comply with Listing Rule 10.11.

2.2 Chapter 2E of the Corporations Act 2001

Chapter 2E of the Corporations Act 2001 (**Corporations Act**) prohibits related party transactions, unless certain exceptions apply. 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 issue of New Shares to the Starfish Entities under the Placement potentially constitutes *dorsavi* giving a financial benefit to a related party of *dorsavi* by virtue of Dr Panaccio being a director of *dorsavi* and a principal and director of Starfish Ventures Pty Ltd.

The Directors have considered whether shareholder approval is required pursuant to Chapter 2E of the Corporations Act and determined that it is not required in respect of the Placement because the New Shares to be issued to the Starfish Entities will be issued (subject to shareholder approval) on the same terms as the Shares were issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms which is permitted under section 210 of the Corporations Act.

2.3. Listing Rule 10.11

ASX Listing Rule 10.11 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 ASX Listing Rule 10.12 applies.

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

2.4. Information required by ASX Listing Rule 10.13

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

- (a) the New Shares will be issued under the Placement to the Starfish Entities, namely Starfish Technology Fund II Nominees A Pty Ltd and Starfish Technology Fund II Nominees B Pty Ltd;
- (b) a maximum of 9,259,259 New Shares will be issued, with 4,629,629 New Shares being issued to Starfish Technology Fund II Nominees A Pty Ltd and 4,629,630 New Shares being issued to Starfish Technology Fund II Nominees B Pty Ltd;
- (c) the New Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the New Shares will be issued at a price of \$0.027 per Share, being the same price as all other Shares issued under the Placement;
- (e) the New 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 ordinary shares;
- (f) The funds received will be used for general working capital purposes.

Separate approval pursuant to ASX Listing Rule 7.1 is not required for the issue of these New Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of New Shares to Starfish will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

2.5 Voting exclusion for Resolution 2(a) and 2(b)

A voting exclusion applies to Resolutions 2(a) and 2(b) as set out in the Notice of Meeting.

2.6 Directors' Recommendation

The Directors (other than Dr Panaccio) recommend shareholders vote **in favour** of both the Resolutions 2(a) and 2(b).

2.7 Voting Intention

The Chairman of the Meeting intends to vote all available proxies **in favour** of both the Resolutions 2(a) and 2(b).

3. Resolution 2(c) - Issue of Shares under Placement to Tanarny Super Fund Pty Ltd

3.1 General

The Company is seeking shareholder approval for the issue of 3,703,704 fully paid ordinary shares in the Company to Tanarny Super Fund Pty Ltd ACN 153 672 792 as trustee for the Tanarny Super Fund (**Tanarny**), being a self-managed super fund of which Director, Dr Andrew Ronchi is a beneficiary, at an issue price of \$0.027 per New Share pursuant to the Placement.

As Tanarny self-managed super fund of which Dr Andrew Ronchi is a beneficiary and Dr Ronchi is a director of *dorsaVi*, Tanarny is considered a related party to the Company for the purpose of Listing Rule 10.11, and resolution 2(c) therefore seeks shareholder approval for the issue of 3,703,704 New Shares to Tanarny in order to comply with Listing Rule 10.11.

3.2 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 issue of Shares to Tanarny under the Placement potentially constitutes *dorsaVi* giving a financial benefit to a related party of *dorsaVi* by virtue of Tanarny being a self-managed super fund of which Dr Andrew Ronchi is a beneficiary and Dr Ronchi being a director of *dorsaVi*.

The Directors consider that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Placement because the Shares to be issued to Tanarny will be issued (subject to shareholder approval for the purpose of Listing Rule 10.11 and for all other purposes) on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms which is permitted under section 210 of the Corporations Act.

3.3. Listing Rule 10.11

ASX 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 ASX Listing Rule 10.12 applies.

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

3.4. Information required by ASX Listing Rule 10.13

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

- (a) the New Shares will be issued to Tanarny Super Fund Pty Ltd ACN 153 672 792 as trustee for the Tanarny Super Fund;
- (b) a maximum of 3,703,704 New Shares will be issued;
- (c) the New Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the New Shares will be issued at a price of \$0.027 per Share, being the same price as all other Shares issued under the Placement;
- (e) the New 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 ordinary shares;
- (f) The funds received will be used for general working capital purposes.

Separate approval pursuant to ASX Listing Rule 7.1 is not required for the issue of these New Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of New Shares to Tanarny will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

3.5 Voting exclusion for Resolution 2(c)

A voting exclusion applies to this Resolution 2(c) as set out in the Notice of Meeting.

3.6 Directors' Recommendation

The Directors (other than Dr Ronchi) recommend shareholders vote **in favour** of the Resolution.

3.7 Voting Intention

The Chairman of the Meeting intends to vote all available proxies **in favour** of the Resolution.

4. Resolution 2(d) - Issue of Shares under Placement to Evinby Pty Ltd

4.1 General

The Company is seeking shareholder approval for the issue of 370,370 fully paid ordinary shares in the Company to Evinby Pty Ltd ACN 006 670 515 ATF The Lorrol Family Trust (**Evinby**), an entity controlled by Ms Caroline Elliott, at an issue price of \$0.027 per share pursuant to the Placement.

As Ms Caroline Elliott, is a beneficiary of The Lorrol Family Trust controlled by Evinby, Evinby is considered a related party to the Company for the purpose of Listing Rule 10.11, and resolution 2(d) therefore seeks shareholder approval for the issue of 370,370 Shares to Evinby in order to comply with Listing Rule 10.11.

4.2 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 issue of New Shares to Evinby under the Placement potentially constitutes *dorsavi* giving a financial benefit to a related party of *dorsavi* by virtue of Ms Elliott being a director of *dorsavi* and a beneficiary of The Lorrol Family Trust controlled by Evinby.

The Directors consider that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Placement because the New Shares to be issued to Evinby will be issued (subject to shareholder approval) on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms as permitted under section 210 of the Corporations Act.

4.3. Listing Rule 10.11

ASX 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 ASX Listing Rule 10.12 applies.

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

4.4. Information required by ASX Listing Rule 10.13

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

- (a) the New Shares will be issued to Evinby Pty Ltd ACN 006 670 515 as trustee for The Lorrol Family Trust;
- (b) a maximum of 370,370 New Shares will be issued;
- (c) the New Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the New Shares will be issued at a price of \$0.027 per Share, being the same price as all other Shares issued under the Placement;
- (e) the New 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 ordinary shares;
- (f) The funds received will be used for general working capital purposes.

Separate approval pursuant to ASX Listing Rule 7.1 is not required for the issue of these New Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of New Shares to Evinby will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

4.5 Voting exclusion for Resolution 2(d)

A voting exclusion applies to this Resolution 2(d) as set out in the Notice of Meeting.

4.6 Directors' Recommendation 2(d)

The Directors (other than Ms Elliott) recommend shareholders vote **in favour** of the Resolution.

4.7 Voting Intention

The Chairman of the Meeting intends to vote all available proxies **in favour** of the Resolution.

5. Resolution 3 – Approval for the issue of shares on conversion of the convertible notes

5.1 General

In accordance with the announcements made on 28 November 2019 and 6 December 2019, the Company issued 1,155,000 convertible notes to existing and new sophisticated and institutional investors to subscribe for 1,155,000 convertible notes, raising A\$1,155,000.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval (or subject to other 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. Convertible notes where the conversion of those notes to shares is subject to shareholder approval are regarded as debt securities until the time when shareholder approval is obtained. By seeking shareholder approval of the issue of fully paid ordinary shares to noteholders as a pre-condition to their conversion means that such issue of fully paid ordinary shares to noteholders when it occurs will not count towards the company's placement capacity under ASX Listing Rule 7.1.

Accordingly, resolution 3 seeks shareholder approval for the issue of fully paid ordinary shares in the Company on conversion of the convertible notes, entitling the Company to issue the shares on the conversion of the notes either on maturity or when a noteholder elects to convert its notes. If shareholders approve Resolution 3, the issue of ordinary Shares on the conversion of the notes will be excluded from the Company's 15% placement capacity under Listing Rule 7.1 and the Company will not need to seek further approval for any issue of shares on conversion of the notes that

exceed the 15% placement capacity under Listing Rule 7.1. This will give the Company greater flexibility to raise additional funds if required.

If shareholders approve Resolution 3, the conversion of the convertible notes (pursuant to the terms set out in paragraph 5.2 of this Explanatory Statement) will become unconditional. The Company advises that under the terms of the convertible notes, if the notes are repaid early, noteholders will be granted options equivalent to the value of the repaid notes on the basis set out in paragraph 5.2 of this Explanatory Statement, but that the issue of such early repayment options will be made from the Company's then Listing Rule 7.1 placement capacity, unless further shareholder approval is obtained. The Company has chosen not to seek shareholder approval at this stage for the issue of the early repayment options as such shareholder approval would require the options to be issued within 3 months of the date of such approval and the Company considers it unlikely that early repayment will occur within 3 months of the date of the general meeting and that accordingly it is unlikely that any early repayment options would need to be issued within the 3 month time period permitted under the Listing Rules.

5.2 Information required by ASX Listing Rule 7.3

ASX Listing Rule 7.3 requires that the following information be provided to shareholders in relation to the issue of the convertible notes:

- The total number of convertible notes issued by the Company on 6 December 2019 was 1,155,000.
- The convertibles notes were issued at \$1 per convertible note.
- The convertible notes have been issued on the following key terms:

Issue date: 6 December 2019

Face value: \$1 per convertible note

Interest: 10% per annum, payable monthly in arrears

Maturity Date: In respect of a note is 3 years from the issue date of the notes and in respect of an option is 3 years from the issue date of the note that was repaid and resulted in the grant of that option

Redemption: the Company may elect to repay the notes (and any accrued interest) in cash at any time before the Maturity Date.

Noteholder Conversion: Subject to and only after shareholder approval, but before the Maturity Date, a note holder may elect to convert their notes into shares at a conversion price of \$0.07 per note being converted (an approximately 160% premium to the Placement price). For example, if a note holder holds 1,000 notes, they will convert into 14,286 fully paid ordinary shares in *dorsaVi*.

Early repayment options: If the Company repays any notes in cash before the Maturity Date, for each \$0.07 in the value of notes being repaid, the Company will grant the note holder an option to acquire 1 fully paid ordinary share for \$0.07 (the **Options**) (i.e. approximately 14.29 Options per convertible note). If shareholder approval for the issue of the convertible notes is obtained this will result in the Company being able to grant a maximum of 16,500,000 Options, which if fully exercised would result in the note holders being issued up to 16,500,000 fully paid ordinary shares (which would raise a further \$1.155million for the Company which would be used for general working capital purposes). The Options must be exercised on or before their Maturity Date.

Shareholder approval: The conversion of notes and grant of Options are subject to shareholder approval. If shareholder approval for the conversion of notes is not obtained, the Company must repay the notes in cash 3 years from the issue date.

Automatic conversion at a minimum of 3 cents and maximum of 7 cents on Maturity: Subject to shareholder approval of the convertible note issue, if the convertible notes are not repaid or converted before the Maturity Date they will automatically be converted into shares on the Maturity Date at the higher of 3 cents (being an 11% premium to the placement price) and up to 7 cents (an approximately 160% premium to the placement price) per share based on the following formula:

- (a) If the 40 day VWAP for *dorsaVi*'s shares prior to the Maturity Date less a 15% discount is less than 3 cents, the applicable conversion price will be 3 cents (and a total of 38,500,000 ordinary shares will be issued to Noteholders).
- (b) If the 40 day VWAP for *dorsaVi*'s shares prior to the Maturity Date less a 15% discount falls between 3 cents and 7 cents, that discounted VWAP based measure will constitute the applicable conversion price (and between 16,500,000 and 38,500,000 ordinary shares will be issued to Noteholders).
- (c) If the 40 day VWAP for *dorsaVi*'s shares prior to the Maturity Date less a 15% discount is higher than 7 cents, the applicable conversion price will be 7 cents (and a total of 16,500,000 ordinary shares will be issued to Noteholders).

Maximum and minimum share issues to note holders: The maximum number of ordinary shares that would, subject to shareholder approval, be issued to the holders of notes (if they convert at 3 cents) is 38,500,000 and the minimum number of ordinary shares that would, subject to shareholder approval, be issued to the holders of notes (if they convert at 7 cents) is 16,500,000.

- The convertible notes were issued and allotted to new and existing sophisticated and professional investors who are clients of Shaw and Partners (who acted as lead manager for the Placement) or are contacts of the directors of the Company, none of whom are related parties of the Company.
- The funds raised from the issue of the convertible notes will be used by the Company for general working capital purposes.
- A voting exclusion statement is provided in the Notice of Meeting attached to this Explanatory Memorandum.

5.3 Voting exclusion for Resolution 3

A voting exclusion applies to this Resolution 3 as set out in the Notice of Meeting.

5.4 Directors' Recommendation

The Directors recommend shareholders vote **in favour** of the Resolution.

5.5 Voting Intention

The Chairman of the Meeting intends to vote all available proxies **in favour** of the Resolution.



DVL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 am (Melbourne time) on Sunday, 26 January 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of dorsaVi Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 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) at the General Meeting of dorsaVi Ltd to be held at 86 Denmark Street, Kew, Victoria, 3101 on Tuesday, 28 January 2020 at 10:00 am (Melbourne time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on related party benefit resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2a, 2b, 2c and 2d (except where I/we have indicated a different voting intention in step 2) even though Resolutions 2a, 2b, 2c and 2d are connected directly or indirectly with a related party benefit being provided to one or more of the dorsaVi directors, including the Chairman. **Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2a, 2b, 2c and 2d by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary business	For	Against	Abstain
Resolution 1 Ratification of prior issue - Shares issued under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2a Issue of Shares to Starfish Technology Fund II Nominees A Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2b Issue of Shares to Starfish Technology Fund II Nominees B Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2c Issue of Shares to Tanarny Super Fund Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2d Issue of Shares to Evinby Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval for the issue of shares on conversion of the convertible notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

