

## **AXXIS TECHNOLOGY GROUP LIMITED**

### **NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of the shareholders of Axxis Technology Group Limited ACN 009 805 298 will be held on Tuesday, 16 May 2017 at 12:00 PM AEST at the Seasons Botanic Gardens Melbourne, 348 St Kilda Road, Melbourne, VIC, 3004.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

Capitalised terms are defined in the Glossary.

#### **1. Agenda for the Meeting**

##### **Resolution 1 – Election of Jeremy King as a Director**

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

*“That, Jeremy King, having been appointed as a Director of the Company by the Board of Directors on 11 January 2017, offers himself for election pursuant to article 13.4 of the Company’s Constitution and being eligible, is elected as a Director of the Company.”*

##### **Resolution 2 – Election of Eddie King as a Director**

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

*“That, Eddie King, having been appointed as a Director of the Company by the Board of Directors on 11 January 2017, offers himself for election pursuant to article 13.4 of the Company’s Constitution and being eligible, is elected as a Director of the Company.”*

##### **Resolution 3 – Consolidation of Capital**

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

*“That, the share capital of the Company be consolidated through the conversion of every one hundred (100) Shares into one (1) Share, and that any resulting fractions of Shares be rounded up to the nearest whole number of Shares.”*

##### **Resolution 4 – Approve the issue of up to 13,333,333 post consolidation Shares**

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 all other purposes, approval is given for the Company to issue up to 13,333,333 post consolidation Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue or might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, together with any associates of those persons. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **2. Determination of voting entitlement**

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognised as a shareholder and the holder of Shares if that person is registered as a holder of those Shares at 7:00 p.m. AEST on 12 May 2017.

## **3. Votes**

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

## **4. Proxies**

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder.

Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company in person at Suite 3, 35 Toorak Road South Yarra VIC, by mail at PO Box 804 South Yarra VIC 3141 or by facsimile on 03 8 678 1747 by 12:00 p.m. AEST on 14 May 2017.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on the Resolutions by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business. Subject to the voting restrictions set out in the Voting Exclusion Statements, the Chairperson will vote undirected proxies on, and in favour of all Resolutions. A form of proxy accompanies this Notice of Meeting.

## **EXPLANATORY STATEMENT**

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### **Resolution 1 – Election of Jeremy King as a Director**

In accordance with article 13.4 of the Company's Constitution, Jeremy King, a Director appointed subsequent to the last Annual General Meeting of the Company and retiring at the close of this General Meeting, offers himself for election as a Director.

Jeremy King is a corporate advisor with over 15 years' experience in domestic and international legal, financial and corporate matters. He spent several years in London where he worked with Allen & Overy LLP and Debevoise & Plimpton LLP and has extensive corporate experience, particularly in relation to cross-border private equity, leveraged buy-out acquisitions and acting for banks, financial institutions and corporate issuers in respect of various debt and equity capital raisings. Mr King regularly advises ASX listed companies on a range of corporate matters and currently serves as non-executive director of Red Mountain Mining Limited (ASX:RMX), DTI Group Limited (ASX: DTI), Smart Parking Limited (ASX: SPZ), Transcendence Technologies Limited (ASX: TTL) and Aquaint Capital Holdings Limited (ASX: AQU).

#### **Director's recommendation**

Non-associated Directors recommend that shareholders vote in favour of Resolution 1.

### **Resolution 2 – Election of Eddie King as a Director**

In accordance with article 13.4 of the Company's Constitution, Eddie King, a Director appointed subsequent to the last Annual General Meeting of the Company and retiring at the close of this General Meeting, offers himself for election as a Director.

Mr. King is a qualified Mining Engineer. Mr. King holds a Bachelor of Commerce and Bachelor of Engineering from The University of Western Australia. Mr King is currently a Representative for CPS Capital. Mr King's past experience includes being Manager for an investment banking firm, where he specialised in the technical and financial requirements of bulk commodity and other resource projects. Mr King also serves as non-executive director of ASX-listed Western Mining Network Ltd (ASX: WMN), non-executive chairman of Cabral Resources Limited (ASX: CBS) and Lindian Resources Limited (ASX: LIN).

#### **Director's recommendation**

Non-associated Directors recommend that shareholders vote in favour of Resolution 2.

### **Resolution 3 – Consolidation of Capital**

The Company proposes to consolidate its share capital through the conversion of every one hundred (100) Shares to one (1) Share. Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

The primary reason for the proposed consolidation is that the Company has a very large number of Shares on issue due to numerous historical equity-based capital raisings and capital transactions. The number of Shares is disproportionate to the Company's peers, so the Company proposes to reduce this number by way of this share consolidation.

### **Effect on Shareholdings and proposed issues of capital**

If the proposed Share consolidation is approved by the shareholders, the number of Shares on issue will be reduced from 2,560,406,871 Shares to approximately 25,604,069 Shares.

As the consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject only to the rounding of fractions). It follows that the percentage interest of each shareholder in the Company will not change as a result of the proposed consolidation - other than minor changes as a result of rounding.

The Company has no options or other equity securities on issue.

### **Holding Statements**

From the date of the consolidation all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-consolidation basis. After the consolidation becomes effective, the Company will arrange for new holding statements to be issued to shareholders. It is the responsibility of each shareholder to check the number of Shares held prior to disposal.

### **Taxation implications**

Shareholders are encouraged to seek and rely on their own professional advice in relation to their tax position. Neither the Company nor any of its officers, employees or advisors assumes any liability or responsibility for advising shareholders about the tax consequences for them from the proposed Share consolidation. It is the understanding of the Company that no capital gains tax event will occur as a result of the consolidation and therefore there should be no taxation implications arising for Shareholders.

### **Other information**

Where the consolidation of a Shareholder's holding results in a fraction of a Share, the fraction will be rounded up to the nearest whole number of Shares. Other than as set out in this Notice and information previously disclosed to the Shareholders, there is no other information that is known to the Board which may reasonably be expected to be material to the making of a decision by the shareholders whether or not to vote in favour of the Share consolidation.

### **Timetable for consolidation**

The Company will release a proposed timetable for the consolidation via ASX announcement upon lodgement of this Notice with ASX.

### **Director's recommendation**

All of the Directors recommend that shareholders vote in favour of Resolution 3.

### **Resolution 4 – Approve the issue of up to 13,333,333 post consolidation Shares**

#### **Purpose of Resolution 4**

Resolution 4 seeks Shareholder approval for the allotment and issue of up to 13,333,333 post consolidation Shares at an issue price of \$0.03 per Share to raise up to \$400,000. Shareholder approval is sought for the purposes of ASX Listing Rule 7.1 and all other purposes.

#### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

In addition, by obtaining the approval of the Shareholders to the issue of the Shares, on the issue of those Shares, they will not count within the 15% limit when determining compliance by the Company with Listing Rule 7.1 in the next 12 month period.

By approving the issue of the Shares in advance, the Company maintains the maximum ability to be able to issue securities without the need for Shareholder approval. That is important as it provides the Company with flexibility and the ability to maximise new investment opportunities as and when they arise.

#### **Information required by ASX Listing Rule 7.3**

In compliance with the information requirements of ASX Listing Rule 7.3, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	Up to 13,333,333 post consolidation Shares.
<b>Date by which the Shares will be issued</b>	The Shares will be issued progressively and no later than 3 months after the date of the Meeting.
<b>The issue price of securities</b>	\$0.03 per Share (post consolidation) raising up to \$400,000.
<b>Terms of issue</b>	The Shares issued will be fully paid ordinary Shares in the capital of the Company and will rank equally with all existing Shares on issue.
<b>Name of allottees or basis on which allottees will be determined</b>	The Shares will be allotted and issued to sophisticated and professional investors and/or clients of Australian based stockbroking firms (who are not related parties of the Company).
<b>Use of funds</b>	Given the Company's low cash position, funds raised will be used for working capital purposes, to meet the costs of the offer and to fund due diligence on potential acquisition opportunities.

#### **Director's recommendation**

All of the Directors recommend that shareholders vote in favour of Resolution 4.

#### **FURTHER INFORMATION:**

**Justyn Stedwell**  
**Company Secretary**  
**Phone: 03 9 041 6663**

## **GLOSSARY**

Words importing the singular include the plural and vice versa.

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

**\$** means Australian Dollars.

**AEST** means Australian Eastern Standard Time.

**ASX** means ASX Limited.

**Board** means the board of directors of the Company.

**Company** means Axxis Technology Group Limited (ACN 009 805 298).

**Constitution** means the constitution of the Company.

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

**Director** means a current director of the Company.

**Explanatory Statement** means the explanatory statement to this Notice of Meeting.

**Meeting** means the General Meeting of the Shareholders of the Company to be held on 16 May 2017, to which the Notice of Meeting and Explanatory Statement relate.

**Notice of Meeting** means this notice of meeting of the Company dated 12 April 2017.

**Resolution** means a resolution referred to in the Notice.

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

**Shareholder** means a holder of Shares.

# AXXIS TECHNOLOGY GROUP LIMITED - PROXY FORM FOR GENERAL MEETING OF SHAREHOLDERS

## STEP 1 – Appointment of Proxy

I/We \_\_\_\_\_

of \_\_\_\_\_

am/are a member of Axxis Technology Group Limited (ACN 009 805 298) and I/we appoint as my/our proxy:

\_\_\_\_\_

Or failing him or her, the Chairman of the General Meeting of the Company, to be held at Seasons Botanic Gardens Melbourne, 348 St Kilda Road, Melbourne, VIC, 3004 on Tuesday, 16 May 2017 at 12:00 PM AEST to vote for me/us at the meeting and at any adjournment of it. If 2 proxies are being appointed the proportion of voting rights this proxy is authorised to exercise is .....%. (The Company will supply an additional form on request).

## STEP 2 - Voting directions to your Proxy – please mark ☒ to indicate your directions

		For	Against	Abstain
Resolution 1	Election of Jeremy King as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Eddie King as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approve the issue of up to 13,333,333 post consolidation Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman intends to vote all undirected proxies in favour of all Resolutions. If you do not wish to direct your proxy on how to vote, please tick this box: ☐

By ticking this box, I/we authorize the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 1 to 4 even if the Chairman of the Meeting has an interest in the outcome of these items and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

## STEP 3 - PLEASE SIGN HERE

This section **must** be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name .....Contact Daytime Telephone ..... Date / / 2017

**PROXY INSTRUCTIONS:** A member entitled to attend and vote at a meeting is entitled to appoint not more than 2 proxies. Where more than 1 proxy is appointed, each proxy may be appointed to represent a specific portion of the member's voting rights. A proxy need not be a member of the Company. A proxy form must be signed by the member or his or her attorney. Proxies given by corporations must either be signed under seal or under the hand of a duly authorised officer of attorney. To be valid, the form appointing the proxy and the Power of Attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, in person at Suite 3, 35 Toorak Road South Yarra VIC, by mail at **PO Box 804 South Yarra VIC 3141** or by facsimile on 03 8 678 1747 **by not later than 12:00 p.m. AEST on 14 May 2017.**