



ROTOGRO

9 September 2020

Dear Shareholder

Re: Notice of General Meeting on Friday, 9 October 2020 at 9.00am (Melbourne time)

Notice is hereby given that a General Meeting of Shareholders of Roto-Gro International Limited (“Company”) will be held virtually via a webinar conferencing facility at 9.00am (Melbourne time) on Friday, 9 October 2020 (“General Meeting”, “GM” or “Meeting”).

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Company will not be dispatching physical copies of the Notice of Meeting. Instead the Notice of Meeting and accompanying explanatory statement (“Meeting Materials”) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company’s website <https://www.rotogro.com/> (Blog & Gallery tab > ASX Announcement) or at or at the Company’s share registry’s online voting site, Investor Vote at www.investorvote.com.au.
- A complete copy of the Meeting Materials has been posted to the Company’s ASX Market announcements page at www.asx.com.au under the Company’s ASX code “RGI”.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://www.computershare.com/au>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry, Computershare, on <https://www.computershare.com/au> or by phone on 1300 850 505 (within Australia) between 8.30am and 5.00pm Monday to Friday, to obtain a copy.

As a result of the potential health risks and the Governments restrictions in response to the COVID-19 pandemic, the Meeting will be held via a webinar conferencing facility. You are invited to register in advance for the meeting through https://us02web.zoom.us/webinar/register/WN_NS20yToQSkyZbBOgeljOqA following which you will receive a confirmation email containing information about joining the meeting. Even if you plan to participate online, we encourage all shareholders to cast proxy votes beforehand and to lodge questions in respect of the GM resolutions ahead of the meeting at info@rotogro.com. Lodging questions and casting your proxy vote ahead of the meeting will not prevent you from attending online.

Yours sincerely,

Melanie Leydin
Company Secretary

Registered and Business Office

Level 4, 100 Albert Road
South Melbourne VIC 3205
T: +61 3 9692 7245
F: +61 3 9077 9233
E: info@rotogro.com.au

Directors

Michael Carli (Non-Executive Chairman)
Michael Di Tommaso (Executive Director)
Jamie Myers (Non-Executive Director)
Terry Gardiner (Non-Executive Director)

Chief Financial Officer

Melanie Leydin

Company Secretary

Melanie Leydin



ROTOGRO

ROTO-GRO INTERNATIONAL LIMITED
ABN 84 606 066 059

Notice of General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Friday 9 October 2020

Time of Meeting:
9:00am (Melbourne time)

Place of Meeting: **to be held virtually via webcast**

Due to the ongoing COVID-19 pandemic, the General Meeting will be held via an audioconferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting.

Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (No.1) 2020, no hard copy of the Notice of General Meeting and Explanatory Memorandum will be circulated. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Securities Exchange Announcement platform and on the Company's website.

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

ROTO-GRO INTERNATIONAL LIMITED

ABN 84 606 066 059

Registered office: Level 4, 100 Albert Road, South Melbourne, VIC 3205

Notice is hereby given that the General Meeting of shareholders of Roto-Gro International Limited (the "Company" or "Roto-Gro") will be held virtually via webcast at 9:00am (Melbourne time) on Friday 9 October 2020 ("General Meeting" or "Meeting").

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice of Meeting ("Notice"), include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement, and the Proxy Form in their entirety.

ORDINARY BUSINESS:

Resolution 1 – Ratification of Prior Issue of Shares

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

"That for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve, ratify and confirm the issue and allotment, made on 31 December 2019, of 18,256,000 fully paid ordinary shares in the Company, at an issue price of \$0.125 (12.5 cents) per share, to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

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

- the named person or class of persons excluded from voting being those persons who participated in the issue (as named in the table below); or
- an associate of that person or those persons.

However, this does not apply to votes 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 the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting 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 nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Persons excluded from voting	Persons excluded from voting
Holistic Wealth – Macquarie	Desert Capital Investment Fund Pte Ltd
Holistic Wealth - Netwealth Wrap	Cannacorde
Holistic Wealth - Netwealth Super	Barclay Wells
Kovac Private Wealth – Netwealth	BYS (ACY / DRB)
AP Private Wealth CMC	Mbaker
AP Private Wealth Netwealth Super	Zero Nominees
AP Private Wealth Netwealth Wrap	Fresh Equities
Cumulus Wealth	Chris Koh

Resolution 2 – Approval to Issue Options to Institutional and Sophisticated Investors

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

“That for the purposes of ASX Listing Rule 7.1, and for all other purposes, shareholders approve the issue of 9,128,000 Options (exercisable at \$0.20 on or before 2 years from issue) attached to the fully paid ordinary shares issued on 31 December 2019 to institutional and sophisticated investors, under the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

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

- the named person or class of persons excluded from voting being a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (as named in the table below); or
- an associate of that person or those persons.

However, this does not apply to votes 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 the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting 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 nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Persons excluded from voting	Persons excluded from voting
Holistic Wealth – Macquarie	Desert Capital Investment Fund Pte Ltd
Holistic Wealth - Netwealth Wrap	Cannacorde
Holistic Wealth - Netwealth Super	Barclay Wells
Kovac Private Wealth – Netwealth	BYS (ACY / DRB)
AP Private Wealth CMC	Mbaker
AP Private Wealth Netwealth Super	Zero Nominees
AP Private Wealth Netwealth Wrap	Fresh Equities
Cumulus Wealth	Chris Koh

Resolution 3 – Approval to Issue Shares to Mr Adam Clode

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

“That for the purposes of ASX Listing Rule 7.1, and for all other purposes, shareholders approve the issue of 400,000 fully paid ordinary shares in the Company at an issue price of \$0.125 (12.5 cents) to Mr Adam Clode, Chief Executive Officer of the Company, following his application for ordinary shares in the Company’s placement made in December 2019, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

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

- Mr Adam Clode; or
- an associate of Mr Adam Clode.

However, this does not apply to votes 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 the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting 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 nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Approval to Issue Options to Mr Adam Clode

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

“That for the purposes of ASX Listing Rule 7.1, and for all other purposes, shareholders approve the issue of 200,000 Options (exercisable at \$0.20 on or before 2 years from issue) attached to the fully paid ordinary shares applied for by Mr Adam Clode under the placement made in December 2019, under the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

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

- Mr Adam Clode; or
- an associate of Mr Adam Clode.

However, this does not apply to votes cast in favour of a resolution by:

- a person as 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
- the chair of the meeting 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
- a holder acting solely in nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Approval to Issue Consideration Shares

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

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 30,000,000 fully paid ordinary shares in the capital of the Company to the vendors of Medicinal Compassion Canni Farms Inc on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

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

- the named persons or class of persons excluded from voting being a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (as named in the table below); or
- an associate of that person or those persons.

However, this does not apply to votes cast in favour of a resolution by:

- a person as 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
- the chair of the meeting 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
- a holder acting solely in nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Persons excluded from voting
Lori-Ann Bolton (or nominee)
Violet McDoughall (or nominee)
Kelland Zastowny (or nominee)

Resolution 6 – Approval to Issue Tranche 2 Securities to Obsidian Global GP, LLC

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

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of:

- (a) Convertible Notes; and*
- (b) fully paid ordinary shares,*

to Obsidian Global GP, LLC, pursuant to the Tranche 2 Agreement, on the terms and conditions in the Explanatory Statement.”

Voting Exclusion

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

- Obsidian Global GP, LLC; or
- an associate of Obsidian Global GP, LLC.

However, this does not apply to votes 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 the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting 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 nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7 – Ratification of Prior Issue of Tranche 1 Securities to Obsidian Global GP, LLC

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

“That for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve, ratify and confirm the issue and allotment of:

- (a) 182,300 Convertible Notes made on 12 August 2020; and*
- (b) 2,307,061 fully paid ordinary shares made on 7 August 2020,*

to Obsidian Global GP, LLC, pursuant to the Tranche 1 Agreement, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

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

- Obsidian Global GP, LLC being the persons who participated in the issue; or
- an associate of Obsidian Global GP, LLC.

However, this does not apply to votes 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 the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting 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 nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

DATED this 9 September 2020 at Melbourne.

By the order of the Board

A handwritten signature in black ink, appearing to read 'Melanie Leydin', with a long horizontal flourish extending to the right.

Melanie Leydin
Company Secretary

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7pm on the date 48 hours before the date of the General Meeting. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.
3. **Proxies**
 - a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company, it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
 - h. To be effective, Proxy Forms must be received by the Company's share registry Computershare Investor Services Pty Ltd no later than 48 hours before the commencement of the General Meeting, this is no later than 7 October 2020 at 9:00am (Melbourne time). Any proxy received after that time will not be valid for the scheduled meeting.

4. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

5. **How the Chairman will vote Undirected Proxies**

Subject to the restrictions set out in Note 6 below, the Chairman of the General Meeting will vote undirected proxies in favour of all of the proposed resolutions.

6. **Voting Exclusion Statement**

A voting exclusion statement for each resolution is included in the Notice.

7. **COVID-19 General Meeting Protocols**

The health and safety of the Company's shareholders, personnel, and other stakeholders are the Company's highest priority, and the Company is acutely aware of the current circumstances arising from the COVID-19 pandemic. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on the resolutions in the Notice using the proxies filed prior to the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and, in any event, prior to the deadline for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be delivered to you by email or post (depending on your communication preferences).

Shareholders attending the General Meeting virtually will have an opportunity to ask questions. The General Meeting will be conducted using Zoom webinar. Shareholders who intend to join the General Meeting are asked to dial-in 30 minutes prior to the start of the meeting. You may attend the General Meeting virtually using the following information:

When: Friday, 9 October 2020 at 9:00am (Melbourne time)

Topic: RGI General Meeting

Register in advance for the virtual General Meeting: https://us02web.zoom.us/webinar/register/WN_NS20yToQSkyZbBOgeliOqA

After registering, you will receive an email confirming your attendance at the General Meeting. The Company strongly recommends that its shareholders lodge a directed proxy as soon as possible prior to the meeting although they plan to attend the meeting online. The Company will accept and endeavour to respond to questions submitted prior to the meeting by email to info@rotogro.com. If a written question is posed regarding the Company's key management personnel or a resolution tabled at the General Meeting, the Company will endeavour to address the relevant question during the meeting or after the meeting in writing (although the Company will be under no obligation to respond to unreasonable and/or offensive questions). If the situation in relation to the COVID-19 pandemic impacts the General Meeting, the Company will provide a further update prior to the General Meeting by releasing an announcement to the ASX.

Therefore, any shareholder who wishes to attend the General Meeting online should monitor the Company's website and its ASX announcements for updates regarding the General Meeting. If it becomes necessary or appropriate to make alternative arrangements for the General Meeting, the Company will make further information available through the ASX website at www.asx.com.au (ASX: RGI) and on its website at <https://www.rotogro.com/investors/>.

EXPLANATORY STATEMENT

1. Resolution 1: Ratification of Prior Issue of Shares

1.1 **Background**

The Company is seeking shareholder approval to ratify the issue made on 31 December 2019 of 18,256,000 fully paid ordinary shares to institutional and sophisticated investors (**Placement Shares**), in accordance with the Company's ASX announcements dated 18 and 31 December 2019.

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the Placement Shares was within the Company's available placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1A allows the Company to issue new securities up to 10% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of Shares was within the Company's available placement capacity under ASX Listing Rule 7.1A.

The issue of the Placement Shares was made under a combination of the Company's Listing Rules 7.1 and 7.1A capacities in the following amounts:

- (a) 5,185,052 Shares were issued under the Company's Listing Rule 7.1 capacity; and
- (b) 13,070,948 Shares were issued under the Company's Listing Rule 7.1A capacity.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rules 7.1 and 7.1A if the issue did not breach ASX Listing Rules 7.1 and 7.1A at the time and shareholders subsequently approve it. As the issue of the Placement Shares was within the Company's ASX Listing Rule 7.1 and 7.1A placement capacity and was not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4.

If this Resolution is approved, the prior issue of the 18,256,000 Placement Shares under the Placement may be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Company will therefore be able to issue additional equity securities without the Placement Shares the subject of Resolution 1 counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1 or the 10% facility limit for the purposes of ASX Listing Rule 7.1A.

If this Resolution is not approved, the prior issue of the 18,256,000 Placement Shares under the Placement will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Company will therefore have the Placement Shares as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1 or the 10% facility limit for the purposes of ASX Listing Rule 7.1A. This will limit the Company's placement capacity under the Listing Rule 7.1 and 7.1A.

1.2 **Information required by Listing Rule 7.5**

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The Placement Shares, ranking *pari passu* with existing fully paid ordinary shares in the Company, were issued on 31 December 2019 in the following amounts to the following persons:

Persons	Number of fully paid ordinary shares
Holistic Wealth - Macquarie	800,000
Holistic Wealth - Netwealth Wrap	952,400
Holistic Wealth - Netwealth Super	2,007,600
Kovac Private Wealth - Netwealth	960,000
AP Private Wealth CMC	160,000
AP Private Wealth Netwealth Super	33,600
AP Private Wealth Netwealth Wrap	366,400

Cumulus Wealth	4,090,000
Desert Capital Investment Fund Pte Ltd	2,000,000
Cannacorde	2,060,000
Barclay Wells	2,000,000
BYS (ACY / DRB)	1,230,000
Mbaker	96,000
Zero Nominees	800,000
Fresh Equities	200,000
Chris Koh	500,000
	18,256,000

- (b) The Placement Shares were issued at an issue price of \$0.125 (12.5 cents) each.
- (c) Funds raised from the Placement were issued for technical development of the Company's 710 Perishable Food Rotational Gardens in support the first commercial automated perishable food facility as well as ongoing growing research and development and general working capital. The \$2,282,000 received from the proceeds of issue of shares were used as follows and the remaining balance at 30 June 2020 stood at \$345,524.

Use of funds	Amount*
Design and Innovation of the RotoGro Model 710 Rotational Garden System	C\$624,306 (~A\$696,094)
Ongoing Growing Research	C\$233,126 (~A\$259,933)
General Operating Expenses	C\$642,240 (~A\$716,091)
Property and Utilities	C\$168,314 (~A\$187,668)
Patent Applications and Enforcement Documentation (legal)	C\$68,781 (~A\$76,690)

*A conversion rate of 1.114989 AUD to one CAD was used.

- (d) A voting exclusion statement is included in the Notice.

1.3 **Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 1. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

1.4 **Voting Exclusions**

A voting exclusion statement is included in the Notice.

2. **Resolution 2: Approval to Issue Options to Institutional and Sophisticated Investors**

2.1 **Background**

The Company is seeking shareholder approval to issue 9,128,000 Options (exercisable at \$0.20 on or before 2 years from the date of issue) (**Placement Options**) attached to the Placement Shares on a 1 for 2 basis. The Company intends to seek quotation of the Placement Options provided that the class of Options meets the ASX threshold of at least 50 individual holders with a marketable parcel of those securities.

If this Resolution is approved, the Placement Options will be issued to the Institutional and Sophisticated Investors.

If this Resolution is not approved, no Placement Options will be issued to the Institutional and Sophisticated Investors as the issue was conditional to shareholder approval being received.

2.2 Information required by Listing Rule 7.3

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) 9,128,000 Placement Options will be issued to the following persons on the basis of one (1) Option for every two (2) Shares subscribed for as part of the Placement:

Persons	Number of Listed Options
Holistic Wealth - Macquarie	400,000
Holistic Wealth - Netwealth Wrap	476,200
Holistic Wealth - Netwealth Super	1,003,800
Kovac Private Wealth - Netwealth	480,000
AP Private Wealth CMC	80,000
AP Private Wealth Netwealth Super	16,800
AP Private Wealth Netwealth Wrap	183,200
Cumulus Wealth	2,045,000
Desert Capital Investment Fund Pte Ltd	1,000,000
Cannacorde	1,030,000
Barclay Wells	1,000,000
BYS (ACY / DRB)	615,000
Mbaker	48,000
Zero Nominees	400,000
Fresh Equities	100,000
Chris Koh	250,000
	9,128,000

- (b) A summary of the material terms of the Placement Options has been provided under **Annexure A**.
- (c) The 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 the issue will occur on the same date as the Meeting or so soon after as is practicable.
- (d) No funds will be raised under the issue of the Placement Options.
- (e) The Placement Options are being issued as free-attaching Options (on a one (1) free attaching Option for every two (2) Shares issued) to the Placement.
- (f) A voting exclusion statement is included in the Notice.

2.3 Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 2. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

2.4 Voting Exclusions

A voting exclusion statement is included in the Notice.

3. Resolution 3: Approval to Issue Shares to Mr Adam Clode

3.1 Background

Mr Adam Clode, Chief Executive Officer of the Company, has subscribed for 400,000 Shares under and on the terms and conditions as the Placement as announced on 18 December 2019. For transparency purposes, the Company is seeking Shareholder approval to issue the Shares to Mr Clode though Mr Clode is not a related party of the Company pursuant to the ASX Listing Rules.

If this Resolution is approved, the 400,000 Shares will be issued to Mr Adam Clode subject to receipt of the funds.

If this Resolution is not approved, the 400,000 Shares will not be issued to Mr Adam Clode and the Company will not receive the portion of this investment (i.e. \$50,000).

3.2 Information required by Listing Rule 7.3

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) 400,000 Shares, ranking *pari passu* with the existing class of fully paid ordinary shares of the Company, will be issued to Mr Adam Clode at an issue price of \$0.125 (12.5 cents) each.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date as the Meeting or so soon after as is practicable.
- (c) \$50,000 will be raised under the issue.
- (d) Funds raised from the Placement is expected to be allocated for ongoing growing research and development (\$20,000) and general working capital (\$30,000).
- (e) A voting exclusion statement is included in the Notice.

3.3 Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

3.4 Voting Exclusions

A voting exclusion statement is included in the Notice.

4. Resolution 4: Approval to Issue Options to Mr Adam Clode

4.1 Background

For transparency purposes, the Company is seeking Shareholder approval to issue 200,000 Placement Options (exercisable at \$0.20 on or before 2 years from issue) to Mr Adam Clode under this Resolution 4. The Placement Options to be issued to Mr Clode attach to the 400,000 Shares proposed to be issued to Mr Clode under Resolution 3, on a one (1) for two (2) basis as free-attaching Options under the terms of the Placement. The Company intends to seek quotation of the Placement Options provided that the class of Options meets the ASX threshold of at least 50 individual holders with a marketable parcel of those securities.

If this Resolution is approved, the Options will be issued to Mr Adam Clode subject to the issue of the 400,000 Shares to be approved under Resolution 3.

If this Resolution is not approved, no Options will be issued to Mr Adam Clode as the issue was conditional to shareholder approval being received.

4.2 Information required by Listing Rule 7.3

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) 200,000 Placement Options will be issued to Mr Adam Clode on the basis of one (1) Option for every two (2) Shares subscribed for as part of the Placement.
- (b) A summary of the material terms of the Placement Options has been provided under **Annexure A**.
- (c) The 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 the issue will occur on the same date as the Meeting or so soon after as is practicable.
- (d) No funds will be raised under the issue of the Placement Options.
- (e) The Placement Options are being issued as free-attaching Options (on a one (1) free attaching Option for every two (2) Shares issued) to the Placement.
- (f) A voting exclusion statement is included in the Notice.

4.3 Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

4.4 Voting Exclusions

A voting exclusion statement is included in the Notice.

5. Resolution 5: Approval to Issue Consideration Shares

5.1 Background

The Company announced in October 2019 that it had executed a Share Purchase Agreement (**SPA**) to acquire 51% of the share capital (**Acquisition**) of Medicinal Compassion Canni Farms Inc (**MCCF**) from its current shareholders (**MCCF Vendors**). MCCF is a private company incorporated under Ontario's *Business Corporations Act* and has as principal activities the production and distribution of cannabis products in Canada, as regulated by Canada's *Cannabis Act*.

The total consideration payable to the MCCF Vendors is C\$6,750,000 (AU\$7,063,625) by the issuance of 30,000,000 Shares in the Company (**Consideration Shares**) and C\$100,000 (AU\$104,647) in cash. Based on a share price at acquisition of AU\$0.235 per share and conversion rate of one AUD to 0.9556 CAD at 28 August 2020.

A resolution to issue the Consideration Shares the subject of this Resolution 5 has previously been proposed to and passed by Shareholders at the 2019 Annual General Meeting of the Company held on 29 November 2019 (**Prior Approval**). The terms of the Prior Approval (in accordance with ASX Listing Rule 7.3.4) required the Consideration Shares to be issued within 3 months of the date of the Prior Approval. The Consideration Shares have not yet been issued by the Company and as such Shareholder approval is again being sought for the issue of the Consideration Shares as they can no longer be issued under the Prior Approval.

The Consideration Shares have not been issued to the MCCF Vendors as Health Canada has yet to grant MCCF a Cultivation Licence, a condition precedent to the SPA. Accordingly, the Company seeks Shareholder approval again for the issue of the Consideration Shares in accordance with the SPA as the Company has been advised that Health Canada will grant MCCF its Cultivation Licence in the near future.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve-month period any equity securities, or other securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the company on issue at the commencement of that twelve (12) month period. One circumstance where an action or an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The issue of the Consideration Shares described above will, as a consequence, require the approval of the Company's Shareholders. The Acquisition is conditional on Shareholder approval for the issue of the Consideration Shares being obtained. The Consideration Shares will be subject to voluntary escrow for a period of 12 months from the date of issue.

Under the SPA, completion of the Acquisition occur 14 days after all requisite corporate and regulatory approvals have been obtained and all conditions precedent are satisfied or otherwise waived.

If this Resolution is approved, the Consideration Shares will be issued to MCCF subject completion of all requisites, as described above, and will also be subject to a voluntary escrow period of 12 months.

If this Resolution is not approved, the Consideration Shares will not be issued to MCCF and the agreement with MCCF will be terminated unless the Company and MCCF are able to find payment alternatives satisfactory to all parties.

5.2 Information required by Listing Rule 7.3

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) A maximum of 30,000,000 Shares, ranking *pari passu* with existing fully paid ordinary shares on issue, will be issued to the MCCF Vendors (or their nominees), details of which have been provided below:

Name of MCCF Vendors	No. of shares
Lori-Ann Bolton (or nominee)	6,000,000
Violet McDoughall (or nominee)	12,000,000
Kelland Zastowny (or nominee)	12,000,000

- (b) The Consideration Shares are fully paid ordinary shares that will rank *pari passu* with all other fully paid ordinary shares upon their issue. The Consideration Shares will be subject to 12 months voluntary escrow effective from the date of completion of the Acquisition.
- (c) The Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date as the Meeting or so soon after as is practicable, subject to the Cultivation Licence being received from Health Canada by MCCF.
- (d) The Consideration Shares will be issued as part consideration for the Acquisition for nil cash consideration. The deemed issue price of the Consideration Shares for accounting purposes is CAD 0.225 per Share.
- (e) No funds will be raised through the issue of the Consideration Shares, which are to be issued as part consideration for the Acquisition.
- (f) The Consideration Shares will be issued pursuant to the SPA. The material terms of the SPA are as follows:
- (i) a purchase price of CAD 6,750,000 to be satisfied through issuance of 30,000,000 Consideration Shares and through cash payment of CAD 100,000;
 - (ii) the Consideration Shares will be issued subject to the satisfaction of conditional requirements including, but not limited to, the issuance of the Cultivation License to MCCF from Health Canada and shareholder approval being received for the issue of the Consideration Shares; and
 - (iii) the Consideration Shares will be subject to voluntary escrow for a period of 12 months from the date of issue.
- (g) A voting exclusion statement is included in the Notice.

5.3 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 5. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

5.4 Voting Exclusions

A voting exclusion statement is included in the Notice.

6. Background to issue of Tranche 1 and 2 Securities to Obsidian Global GP, LLC

6.1 Background

As announced to ASX on 4 August 2020 (**Announcement**), the Company has entered into two separate Convertible Securities Agreements with Obsidian Global GP, LLC (**Obsidian**) under which Obsidian has agreed to invest the total amount of \$1,250,000 (**Investment Amount**) into the Company in two separate tranches, being an initial tranche of \$250,000 (**Tranche 1 Agreement**) and a second tranche of \$1,000,000 (**Tranche 2 Agreement**) (the Tranche 1 Agreement and the Tranche 2 Agreement, together the **Agreements**). Obsidian has agreed to advance the Investment Amount to the Company in exchange for:

- (a) in the case of the Tranche 1 Agreement, the issue of 182,300 secured Convertible Notes each with a face value of USD 1.20 (**Tranche 1 Convertible Notes**) and a commitment fee of \$12,500 (**Tranche 1 Commitment Fee**) payable by way of the issuance of 307,061 Shares (**Tranche 1 Commitment Shares**); and
- (b) in the case of the Tranche 2 Agreement, the issue of such number of secured Convertible Notes each with a face value of USD 1.20 equal to the actual amount paid in USD by Obsidian to procure the transfer of \$1,000,000 to the Company divided by USD 1.00 (**Tranche 2 Convertible Notes**) and a commitment fee of \$50,000 (**Tranche 2 Commitment Fee**) payable by way of the issuance of Shares equal to \$50,000 divided by the lowest 1-day VWAP of the Company's Shares in the 5 actual trading days prior to the date of the Tranche 2 Agreement funding (**Tranche 2 Commitment Shares**).

Pursuant to the terms of the Agreements, the issue of the Tranche 1 and Tranche 2 Convertible Notes is to be secured by way of the issue of collateral shares equal to the lesser of 50% of the face value of the Tranche 1 and Tranche 2 Convertible Notes divided by the Conversion Price, respectively, and that number of Shares that would result in the voting power in the Company of Obsidian being 1 Share less than 5% at the time of issue (**Collateral Shares**).

Under the terms of the Tranche 2 Agreement, the Company is obliged to seek Shareholder approval for the issue of securities to Obsidian to under the Tranche 2 Agreement, being the Tranche 2 Convertible Notes, the Tranche 2 Commitment Shares and the Collateral Shares to be issued pursuant to that agreement (**Tranche 2 Collateral Shares**).

6.2 Terms of the Convertible Notes

The material terms of the Convertible Notes are as follows:

Investment Amount	Tranche 1: AU\$250,000. Tranche 2: AU\$1,000,000.
Securities issued/to be issued	Tranche 1: 182,300 issued on 12 August 2020. Tranche 2: That number of convertible notes which is equal to the actual amount paid in US\$ by Obsidian, so as to procure the transfer of the Tranche 2 Investment Amount to Roto-Gro, divided by US\$1.00, provided that if the resultant number contains a fraction, the number must be rounded upwards to the next whole number. (Together, the Convertible Notes). Each Note has a face value of US\$1.20 subject to amendment in accordance with the default provisions of the Agreement (see " Events of Default " section below).

Commitment Fee	<p>Roto-Gro to pay Obsidian a commitment fee of AU\$62,500 (cumulatively across Tranches 1 and 2), payable in fully paid ordinary shares (Shares) calculated on the basis of the lowest VWAP of Shares in the 5 actual trading days prior to the date of funding. The commitment fee is apportioned with respect to Tranches 1 and 2 as follows:</p> <p>(a) Tranche 1: \$12,500; (b) Tranche 2: \$50,000.</p> <p>On 7 August 2020, the Company issued 307,061 Shares to Obsidian at a deemed issue price of \$0.04070864 per Share (Tranche 1 Commitment Shares) in satisfaction of the Tranche 1 Commitment Fee.</p>
Maturity Date	<p>Tranche 1: 12 February 2022. Tranche 2: 18 months from the date of issue.</p>
Interest	<p>None.</p>
Fixed Conversion Price	<p>Tranche 1: \$0.075 per Convertible Note. Tranche 2: The Tranche 2 Convertible Notes will each have a fixed conversion price equal to the greater of:</p> <p>(a) \$0.075; and (b) 1.5 times the VWAP of Shares in the 5 days prior to the date of funding. (Conversion Price).</p> <p>The Conversion Price is subject to amendment in accordance with the anti-dilution provisions of the Agreements (see 'Anti-Dilution' section below)</p>
Conversion Rights	<p>Convertible Notes may be converted at any time up until the Maturity Date.</p>
Maximum Number of Shares	<p>The maximum number of securities to be issued pursuant to the Tranche 1 Agreement is restricted to 14,000,000 securities, including on conversion of the Tranche 1 Convertible Notes.</p> <p>If there is an amount outstanding after conversions of the Tranche 1 Convertible Notes up to the agreed maximum number and Obsidian issues a further conversion notice, Roto-Gro may elect to satisfy the relevant liability by redemption of that amount in cash within 30 days, or through an issue of securities subject to receiving Shareholder approval for such issue.</p> <p>The Shares able to be issued under the Tranche 2 Agreement will not be subject to a maximum number, and the total Shares issued on conversion of the Tranche 2 Convertible Notes will be determined by the Conversion Price.</p>
Repayment	<p>Roto-Gro will have the option to repay Convertible Notes at any time in whole or in part and must repay any remaining Convertible Notes on issue at the relevant Maturity Date in cash at a 5% premium.</p> <p>Obsidian can elect to convert Notes following the receipt of a redemption notice from Roto-Gro, prior to the redemption.</p>

<p>Security</p>	<p>Roto-Gro's obligations under the terms of the Tranche 1 Agreement are secured by the Tranche 1 Collateral Shares, and its obligations under the Tranche 2 Agreement shall be secured by way of the issue of Shares to Obsidian equal to the lesser of:</p> <ul style="list-style-type: none"> (a) 50% of the face value of the Tranche 2 Convertible Notes to be issued divided by the Conversion Price; and (b) that number of Shares that would result in the voting power in the Company of Obsidian being 1 Share less than 5% at the time of issue, as collateral (Tranche 2 Collateral Shares). <p>Where at any time RGI is required to issue Shares to Obsidian pursuant to the Agreements, Obsidian may elect to partially or wholly satisfy Roto-Gro's obligation to issue the relevant Shares to Obsidian by reducing the number of Collateral Shares held by the corresponding number of Shares.</p> <p>The Collateral Shares will not be freely tradeable and will only be tradeable by Obsidian in the following circumstances:</p> <ul style="list-style-type: none"> (a) in order to satisfy an issue of conversion shares that the Company is obliged to make under the relevant Agreement (i.e. in replacement of Roto-Gro issuing further new Shares); or (b) following an event of default with the net proceeds of sale of the Collateral Shares reducing the amount outstanding under the relevant Agreement. <p>Any remaining Collateral Shares held after payment in full of the amount outstanding under the relevant Agreement are then to be bought back by Roto-Gro for nominal consideration.</p>
<p>Monthly Amortisation Payments</p>	<p>Commencing 60 days after the date of issue of the Tranche 1 and Tranche 2 Convertible Notes, respectively, Roto-Gro is to make monthly amortisation payments (Monthly Amortisation Amount) to Obsidian, with the option to satisfy these payments in Shares or in cash. Where any part of the Monthly Amortisation Amounts are to be paid in Shares, the Shares are to be issued at an issue price equal to the lowest daily VWAP of Roto-Gro Shares during the 10 previous actual trading days.</p> <p>In satisfying the Monthly Amortisation Amount payments in equity, Roto-Gro must not issue Shares:</p> <ul style="list-style-type: none"> (a) to Obsidian in a number more than 100% of the average trading volume in the 10 actual trading days prior; and (b) more than once every 10 trading days. <p>If Obsidian has not received the full Monthly Amortisation Amount each month, the remaining balance owed each month will be rolled over to the next month and any shortfall month to month will be accrued on a continuous basis until maturity, with Obsidian retaining the ability to convert these unpaid amounts up to maturity. Any Monthly Amortisation Amounts not paid up as at the maturity date shall be paid in cash at a 5% premium.</p> <p>Obsidian shall have the right to accelerate up to 6 months' Monthly Amortisation Amounts payable in Shares under both Agreements.</p> <p>The Monthly Amortisation Amounts which will be payable in respect of each tranche are:</p> <ul style="list-style-type: none"> (a) Tranche 1: \$18,750; (b) Tranche 2: \$75,000.
<p>Restrictions on Obsidian</p>	<p>For the term of the Agreements, on each day Obsidian will be prohibited from selling Shares equal to the greater of:</p> <ul style="list-style-type: none"> (a) 15% of the daily trading volume in Roto-Gro; and (b) AU\$15,000. <p>If the Company's daily VWAP drops below \$0.02 for any 3 consecutive trading days, or any default provision in the Agreements has been met, the above restrictions will be removed.</p>

<p>Shareholder Approval</p>	<p>The Tranche 1 Securities were issued out of RGI's existing Listing Rule 7.1 capacity. Roto-Gro is now seeking ratification of their issue in order to 'refresh' its 7.1 capacity pursuant to Resolution 7.</p> <p>The issue of the Tranche 2 Convertible Notes is subject to Shareholder approval being obtained, such approval the subject of Resolution 6. Under the terms of the Tranche 2 Agreement, Roto-Gro must obtain Shareholder approval for the issue of the Tranche 2 Convertible Notes within 4 months of the date of execution of the Tranche 2 Agreement.</p> <p>No funds will be received by Roto-Gro under Tranche 2 unless and until shareholder approval is obtained for the issue of the Tranche 2 Convertible Notes.</p>
<p>Exchange Rate</p>	<p>All Convertible Notes shall be held in USD based on prevailing exchange rates as at the date of funding.</p> <p>The face value of the Convertible Notes converted or redeemed will be converted from USD to AUD at the exchange rate at the spot rate of exchange displayed at or about 1100am (Sydney time) for the day immediately prior to the date of conversion or redemption as the context requires.</p> <p>Conversion of the Convertible Notes will be subject to a limitation of 10% on depreciation of the AUD to USD exchange rate at the time of conversion as compared to the exchange rate as at the date of funding. Where the depreciation of the exchange rate is greater than 10% the amount not converted will be payable in cash at the time of issue of the Shares relating to that conversion.</p>
<p>Anti-Dilution</p>	<p>If Roto-Gro issues Shares below the Conversion Price or convertible securities (including options) convertible or exercisable at a price below the Conversion Price (subject to certain exceptions including Shares issued to Obsidian under the Agreements), the Conversion Price will be amended down to the lower price.</p>
<p>Events of Default</p>	<p>The Agreements provide that in the event of default by Roto-Gro, the face value of the Convertible Notes shall be increased by 7.5% and by an additional 1.5% on the occurrence of each subsequent event of default. Unremedied or irremediable events of default shall give Obsidian the right to call for payment of monies owing (subject to the face value uplift) and/or terminate the Agreements.</p> <p>The Agreements provide that a default will occur on the occurrence of certain events including:</p> <ul style="list-style-type: none"> (a) Roto-Gro fails to repay the amount outstanding in respect of the relevant Convertible Notes to Obsidian in cash on the maturity date or such other date required by the Agreements; (b) any Cleansing Statement or Prospectus is not issued in the manner and in the time period specified in the Agreements; (c) Roto-Gro breaches any of its representations and warranties under the Agreements; (d) any securities are not issued to Obsidian within the time period specified in this Agreements; (e) any of Obsidian's Shares are not quoted on ASX by the second business day immediately following the date of their issue; (f) a security interest over an asset valued in excess of \$100,000 of Roto-Gro or a related entity is enforced; (g) any present or future liabilities, including contingent liabilities, of Roto-Gro or a related entity for an amount or amounts totaling more than \$250,000 are not satisfied on time, or become prematurely payable; (h) Roto-Gro or a related entity grants any security interest over any of its assets that secures an amount in excess of the \$100,000, or a security interest comes into existence over any such assets that secures an amount in excess of the \$100,000, without Obsidian's prior written consent; or (i) a change of control occurs without Obsidian's prior written consent. <p>The Agreements are also subject to other events of default customary for a commercial agreement of this type.</p>

Transferability	With the prior written consent of Roto-Gro (not to be unreasonably withheld), Obsidian may assign the Agreement/s and/or any of its rights and/or obligations under them to any person, where such person has entered into a deed of covenant in favour of the Company agreeing to be bound by the terms of the Agreement/s to the extent of the assignment. Obsidian may only assign a Convertible Note if the assignee executes a deed of covenant in favour of Roto-Gro agreeing to be bound by the terms of the Agreement/s to the extent of the assignment.
ASX Listing	The Company will, on the conversion date, apply for official quotation by ASX of the Shares issued on conversion of Convertible Notes.

6.3 Pro forma balance sheet of the Roto-Gro taking into account issue of the Convertible Notes

- (a) Set out below is a pro forma consolidated Statement of Financial Position as at 31 December 2019 for the Company based on the consolidated Statement of Financial Position as at 31 December 2019 for the Company.
- (b) The pro forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The pro forma financial information is not audited. The classification of the allocations between debt and equity for the Convertible Notes may change in the future.
- (c) For the avoidance of doubt, no funds will be received by the Company under the Tranche 2 Agreement unless and until Shareholder approval is obtained for the issue of the Tranche 2 Convertible Notes (being the subject of Resolution 6).

Proforma Consolidated Statement of Financial Position of Roto-Gro International Limited

	Reviewed	Pro forma adjustments			Unaudited
	31 December 2019	Movements to 30 June 2020 ¹	Convertible Note Tranche 1 ^{2, 3 & 5}	Convertible Note Tranche 2 ² , 4 & 5	30 June 2020
Assets					
Current Assets					
Cash and cash equivalents	2,417,219	(2,071,129)	250,000	1,000,000	1,596,090
Trade and other receivables	159,900	(123,156)			36,744
Inventories	932,942	(18,361)			914,581
Other current assets	100,153	75,932			176,085
Total current assets	3,610,214	(2,136,714)	250,000	1,000,000	2,723,500
Non-current assets					
Other financial assets	461,306	(461,306)			-
Property, plant and equipment	970,084	69,573			1,039,657
Right of Use Assets	392,846	(73,086)			319,760
Intangible assets	18,113,826	(413,317)			17,700,509
Total non-current assets	19,938,062	(878,136)	-	-	19,059,926
Total asset	23,548,276	(3,014,850)	250,000	1,000,000	21,783,426
Current liabilities					
Trade and other payables	(718,406)	96,492			(621,914)
Lease liabilities	(143,744)	70,377			(73,367)
Employee benefits	(17,099)	(33,655)			(50,754)
Other current liabilities	(1,006,597)	4,003			(1,002,594)
Total current liabilities	(1,885,846)	137,217	-	-	(1,748,629)
Non-current liabilities					
Lease liabilities	(284,468)	3,130			(281,338)
Convertible Note	-	-	(250,000)	(1,000,000)	(1,250,000)
Total non-current liabilities	(284,468)	3,130	(250,000)	(1,000,000)	(1,531,338)
Total liabilities	(2,170,314)	140,347	(250,000)	(1,000,000)	(3,279,967)
Net assets	21,377,962	(2,874,503)	-	-	18,503,459
Equity					
Issued capital	28,828,664	(20,689)	12,500	50,000	28,870,475
Reserves	6,976,731	115,430			7,092,161
Accumulated losses	(14,427,433)	(2,969,244)	(12,500)	(50,000)	(17,459,177)
Total equity	21,377,962	(2,874,503)	-	-	18,503,459

NOTES

- 1 Details the movement in the balances for the period from 1 January 2020 to 30 June 2020
- 2 The convertible note may be separated into debt and equity components upon valuation subsequent to issue
- 3 Tranche 1 Notes: 250,000 Convertible Notes with a face value of US\$1.20 each.
The face value of liability of Tranche 1 is AU\$300,000, discounted to present value amounts to the pro-forma amount of AU\$250,000, equivalent to the cash received. The discounted present value will be unwound to the face value of AU\$300,000 over the period of amortisation.
- 4 Tranche 2 Notes: 1,000,000 Convertible Notes with a face value of US\$1.20 each.
The face value of liability of Tranche 2 is AU\$1,200,000, discounted to present value amounts to the pro-forma amount of AU\$1,000,000 equivalent to the cash received. The discounted present value will be unwound to the face value of AU\$1,200,000 over the period of amortisation.
- 5 The costs associated with the convertible note, consisting of:
 - Cash: \$0
 - Non Cash: AU\$62,500A commitment fee of AU\$62,500 is payable in fully paid ordinary shares calculated on the basis of the lowest VWAP of Shares in the 5 actual trading days prior to the date of funding. The commitment fee is apportioned with respect to Tranches 1 and 2 as follows:
 - (a) Tranche 1: \$12,500
 - (b) Tranche 2: \$50,000

7. **Resolution 6: Approval to Issue Tranche 2 Securities Obsidian Global GP, LLC**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more 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. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of Shareholders at a general meeting.

Resolution 6 seeks the required Shareholder approval under and for the purposes of Listing Rule 7.1 in respect of:

- (a) the Tranche 2 Convertible Notes;
 - (b) the Tranche 2 Commitment Shares; and
 - (c) the Tranche 2 Collateral Shares,
- (together, the **Tranche 2 Securities**).

If Resolution 6 is passed, the Company will be able to issue the Tranche 2 Securities within 3 months after the Meeting if the conditions for issuing the Tranche 2 Securities are met. In addition, the issue of the Tranche 2 Securities 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.

7.1 ***Dilution risk for Tranche 2 Convertible Notes***

Based on an example Conversion Price of \$0.075 for the Tranche 2 Convertible Notes, the Tranche 2 Convertible Notes will convert into 16,000,000 Shares, assuming that the exchange rate at the time of the conversion is the same as at the time of the funding. There is a risk that the exchange rate may vary, in which case the number of Shares that the Tranche 2 Convertible Notes will convert into may be more or less than 16,000,000, depending on the exchange rate at the time of conversion.

This is because, when converted, the face value of the Tranche 2 Convertible Notes will be converted from USD to AUD at the exchange rate at the spot rate of exchange displayed at or about 11:00am (Sydney time) for the day immediately prior to the date of conversion.

As there is a risk that the Company, during the term of the Tranche 2 Agreement, issues Shares at an issue price lower than the Conversion Price, there is a corresponding risk that the conversion price of the Tranche 2 Convertible Notes is lower than the Conversion Price having regard to the anti-dilution provisions in the Tranche 2 Agreement.

Accordingly, below are worked examples showing the potential dilutive effects of the conversion of the Tranche 2 Convertible Notes where the Conversion Price is both lower and higher than \$0.075:

Current Shares on issue:	151,272,547
Existing Shareholder holding percentage:	100%
Tranche 2 Convertible Notes to be issued: (based on an AUD to USD conversion rate of 0.7193 as at 26 August 2020)	863,160
Face Value of Tranche 2 Convertible Notes:	\$1,200,000

Conversion price	Shares issued on full conversion	Total shares on issue following conversion	Existing Shareholder holding %	Dilution Factor
\$0.09375 (25% increase)	12,800,000	164,072,547	92.20%	7.80%
\$0.075	16,000,000	167,272,547	90.43%	9.57%
\$0.0563 (25% decrease)	21,333,333	172,605,880	87.64%	12.36%
\$0.0375 (50% decrease)	32,000,000	183,272,547	82.54%	17.46%

*Note to table: the above table does not take into account the conversion of any of the Tranche 1 Convertible Notes (see Resolution 7) or the shares to be issued pursuant to Resolutions 3 or 5.

As there is no floor to the conversion price of the Tranche 2 Convertible Notes by virtue of the operation of the anti-dilution provisions in the Tranche 2 Agreement, the issue of the Tranche 2 Convertible Notes may be highly dilutive to existing Shareholders if the Company issues securities to a third party during the term of the Tranche 2 Agreement that have an issue or exercise price lower than \$0.075.

7.2 Proposed issue of Tranche 2 Commitment and Collateral Shares

7.2.1 Tranche 2 Commitment Shares

Under the terms of the Tranche 2 Agreement, Roto-Gro is required to issue the Tranche 2 Commitment Shares to Obsidian, subject to Shareholder approval. The number of Tranche 2 Commitment Shares to be issued will be the number of Shares equal to \$50,000 (the Tranche 2 Commitment Fee) divided by the lowest 1-day VWAP of the Company's Shares prior to the date of the Tranche 2 Agreement funding.

If issued, the Tranche 2 Commitment Shares:

- (a) will rank *pari passu* with all other Shares on issue in the Company; and
- (b) will be freely tradeable by Obsidian.

Below are worked examples showing the potential dilutive effects of the issue of the Tranche 2 Commitment Shares using different example issue prices. The issue price of the Tranche 2 Commitment Shares will be the lowest 1-day VWAP of the Company's Shares prior to the date of the Tranche 2 Agreement funding.

Current Shares on issue:	151,272,547
Existing Shareholder holding percentage:	100%
Value of Tranche 2 Commitment Shares:	\$50,000

Issue price	Commitment Shares issued	Total shares on issue following issue	Existing Shareholder holding %	Dilution Factor
\$0.09375 (25% increase)	851,064	152,123,611	99.44%	0.56%
\$0.047 (RGI Share closing price on 31 August 2020)	1,063,830	152,336,377	99.30%	0.70%
\$0.03525 (25% decrease)	1,418,440	152,690,987	99.07%	0.93%
\$0.05875 (50% decrease)	2,127,660	153,400,207	98.61%	1.39%

*Note to table: the above table does not take into account the conversion of any of the Tranche 1 Convertible Notes (see Resolution 7) or the Tranche 2 Convertible Notes (see this Resolution 6), the issue of the Tranche 2 Collateral Shares or the shares to be issued pursuant to Resolutions 3 or 5.

7.2.2 Tranche 2 Collateral Shares

Under the Tranche 2 Agreement, Roto-Gro is required to issue to Obsidian, subject to Shareholder approval, Collateral Shares equal to the lesser of 50% of the face value of the Tranche 2 Convertible Notes, calculated based on the fixed conversion price of the Tranche 2 Convertible Notes and that number of Shares that would result in the voting power in the Company of Obsidian being 1 Share less than 5% at the time of issue, pursuant to the terms of the Tranche 2 Agreement as set out in Section 6.2.

The Tranche 2 Collateral Shares:

- (a) will rank *pari passu* with all other Shares on issue in the Company; and
- (b) are only tradeable by Obsidian in the following circumstances:
 - (i) in order to satisfy an issue of conversion shares that the Company is obliged to make under the Tranche 2 Agreement (i.e. in replacement of the Company issuing further new shares under the Tranche 2 Agreement); or
 - (ii) following an event of default with the net proceeds of sale of the Tranche 2 Collateral Shares reducing the amount outstanding under the Tranche 2 Agreement.

Further, the Tranche 2 Collateral Shares to be held by Obsidian are to be used as collateral to secure the Company's obligations under the Tranche 2 Agreement (**Collateral Shareholding Number**).

The Collateral Shares held by Obsidian may otherwise be, at Obsidian's election:

- (a) used to satisfy an issue of Shares that the Company is otherwise obliged to make to Obsidian under the Tranche 2 Agreement (by reducing the Collateral Shareholding Number); and/or
- (b) used to convert Tranche 2 Convertible Notes with an aggregate face value equivalent to the number of Collateral Shares specified by Obsidian multiplied by the fixed conversion price (by reducing the Collateral Shareholding Number).

Any remaining Collateral Shares held after payment in full of the amount outstanding under the Tranche 2 Agreement are then to be bought back by the Company for nominal consideration.

Below are worked examples showing the potential dilutive effects of the issue of the Tranche 2 Collateral Shares using different example issue prices. The issue price of the Tranche 2 Collateral Shares will be the fixed conversion price of the Tranche 2 Convertible Notes.

Current Shares on issue:	151,272,547
Existing Shareholder holding percentage:	100%
Value of Tranche 2 Commitment Shares:	\$600,000

Issue price	Commitment Shares issued	Total shares on issue following issue	Existing Shareholder holding %	Dilution Factor
\$0.09375 (25% increase)	6,400,000	157,672,547	95.95%	4.06%
\$0.075	8,000,000	159,272,547	94.98%	5.02%
\$0.0563 (25% decrease)	10,666,667	161,939,214	93.41%	6.59%
\$0.0375 (50% decrease)	16,000,000	167,272,547	90.43%	9.57%

*Note to table: the above table does not take into account the conversion of any of the Tranche 1 Convertible Notes (see Resolution 7) or the Tranche 2 Convertible Notes (see this Resolution 6), the issue of the Tranche 2 Commitment Shares or the shares to be issued pursuant to Resolutions 3 or 5.

7.3 Information required by Listing Rule 7.3

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) The Tranche 2 Securities will be issued to Obsidian Global GP, LLC.
- (b) The number of securities that will be issued will be:
 - (i) in respect of the Tranche 2 Convertible Securities, Convertible Securities equal to the actual amount paid in USD by Obsidian to procure the transfer of AU\$1,000,000 to the Company divided by USD 1.00, calculated based on the prevailing Reserve Bank of Australia exchange rates at the time the funds are advanced to the Company;
 - (ii) in respect of the Tranche 2 Commitment Shares, the number of Shares equal to \$50,000 (the Tranche 2 Commitment Fee) divided by the lowest 1-day VWAP of the Company's Shares prior to the date of the Tranche 2 Agreement funding; and
 - (iii) in respect of the Tranche 2 Collateral Shares, the number of Shares equal to the lesser of 50% of the face value of the Tranche 2 Convertible Notes, calculated based on the fixed conversion price of the Tranche 2 Convertible Notes and that number of Shares that would result in the voting power in the Company of Obsidian being 1 Share less than 5% at the time of issue.
- (c) A summary of the material terms of the Tranche 2 Convertible Notes is set out in Section 6.2 above. The Tranche 2 Commitment and Collateral Shares are fully paid ordinary shares.
- (d) The Tranche 2 Securities 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 the issue will occur 5 business days after the Meeting or so soon after as is practicable.
- (a) The Company will receive \$1,000,000 (before costs) from Obsidian for the issue of the Tranche 2 Convertible Notes. The Company will not receive any consideration for the issue of the Tranche 2 Commitment and Collateral Shares.
- (e) The purpose of the issue is:
 - (i) in respect of the Tranche 2 Convertible Notes, it is estimated that the funds will be used as follows:

Use of funds	Amount
Design and Innovation of the RotoGro Model 710 Rotational Garden System	A\$390,000
Ongoing Growing Research	A\$130,000
General Operating Expenses	A\$160,000
Property and Utilities Expenses	A\$180,000
Patent Applications and Enforcement Documentation	A\$30,000
Outstanding and other operating expenses	AU\$180,000

- (ii) in respect of the issue of the Tranche 2 Commitment Shares, in satisfaction of the Tranche 2 Commitment Fee; and

- (iii) in respect of the Tranche 2 Collateral Shares, to secure the Company's obligations under the Tranche 2 Agreement.
- (f) A summary of the material terms of the Tranche 2 Agreement is set out in Sections 6.1 and 6.2 above and in the Announcement.
- (g) A voting exclusion statement is included in the Notice.

7.4 Effect of approval/non-approval of Resolution 6

If Shareholders approve the issue of the Tranche 2 Securities, the approval will be valid for three months from the date of the Meeting in accordance with ASX Listing Rule 7.3.4. If Shareholders do not approve Resolution 6 then, pursuant to the terms of the Tranche 2 Agreement:

- (a) the Tranche 2 Securities will not be issued; and
- (b) the Company will not receive the portion of the Investment Amount set out in the Tranche 2 Agreement, being \$1,000,000.

7.5 Directors' Recommendation

The Board recommends that shareholders vote in favour of Resolution 6. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

7.6 Voting Exclusions

A voting exclusion statement is included in the Notice.

7.7 Directors' Recommendation

The Board recommends that shareholders vote in favour of Resolution 6. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

7.8 Voting Exclusions

A voting exclusion statement is included in the Notice.

8. Resolution 7: Ratification of Prior Issue of Tranche 1 Securities

The Company is seeking shareholder approval to ratify the issue to Obsidian of:

- (a) the 182,300 Tranche 1 Convertible Notes made on 12 August 2020;
- (b) the 307,061 Tranche 1 Commitment Shares made on 7 August 2020 at a deemed issue price of \$0.04070864 per Share; and
- (c) the 2,000,000 Tranche 1 Collateral Shares made on 7 August 2020 at a deemed issue price of \$0.075 per Share,

(together, the **Tranche 1 Securities**).

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the Tranche 1 Securities was within the Company's available placement capacity under ASX Listing Rule 7.1.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. As the issue of the Tranche 1 Securities was within the Company's ASX Listing Rule 7.1 placement capacity and was not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4.

If this Resolution 7 is approved, the prior issue of the Tranche 1 Securities may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore be able to

issue additional equity securities without the Tranche 1 Securities the subject of Resolution 7 counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

8.1 Dilution risk

Based on the conversion price of \$0.075 (**Tranche 1 Conversion Price**), the Tranche 1 Convertible Notes will convert into 4,000,000 Shares, assuming that the exchange rate at the time of the conversion is the same as at the time of the funding. There is a risk that the exchange rate may vary, in which case the number of Shares that the Tranche 1 Convertible Notes will convert into may be more or less than 4,000,000, depending on the exchange rate at the time of conversion.

This is because, when converted, the face value of the Tranche 1 Convertible Notes will be converted from USD to AUD at the exchange rate at the spot rate of exchange displayed at or about 11:00am (Sydney time) for the day immediately prior to the date of conversion.

As there is a risk that the Company, during the term of the Tranche 1 Agreement, issues Shares at an issue price lower than the Tranche 1 Conversion Price, there is a corresponding risk that the Tranche 1 Conversion Price is amended down to the lower price having regard to the anti-dilution provisions in the Tranche 1 Agreement.

Accordingly, below are worked examples showing the potential dilutive effects of the conversion of the Tranche 1 Convertible Notes, where the Tranche 1 Conversion Price is amended down pursuant to the anti-dilution provisions in the Tranche 1 Agreement:

Current Shares on issue:	151,272,547
Existing Shareholder holding percentage:	100%
Tranche 1 Convertible Notes issued:	182,300
Face Value of Tranche 1 Convertible Notes:	\$300,000

Conversion price	Shares issued on full conversion	Total shares on issue following conversion	Existing Shareholder holding %	Dilution Factor
\$0.075	4,000,000	155,272,547	97.42%	2.58%
\$0.0563 (25% decrease)	5,333,333	156,605,880	96.59%	3.41%
\$0.0375 (50% decrease)	8,000,000	159,272,547	94.98%	5.42%

*Note to table: The above table does not take into account the conversion of any of the Tranche 2 Convertible Notes (see Resolution 6 or the shares to be issued pursuant to Resolutions 3 or 5).

As noted in Section 6.2, the maximum number of securities that can be issued under the Tranche 1 Agreement, including the Tranche 1 Commitment and Collateral Shares and on conversion of the Tranche 1 Convertible Notes, is 14,000,000 Shares.

As the Tranche 1 Conversion Price of the Tranche 1 Convertible Notes may be amended down by virtue of the operation of the anti-dilution provisions in the Tranche 1 Agreement, the issue of the Tranche 1 Convertible Notes may be highly dilutive to existing Shareholders if the Company issues securities to a third party during the term of the Tranche 1 Agreement that have an issue or exercise price lower than the Tranche 1 Conversion Price, though the dilutive effect of the conversion of the Tranche 1 Convertible Notes is mitigated by the maximum number restriction (which also incorporates the already-issued Tranche 1 Commitment and Collateral Shares).

8.2 Information required by Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The Tranche 1 Securities were issued to Obsidian.
- (b) The number of securities that were issued was:
 - (i) in respect of the Tranche 1 Convertible Notes, 182,300 Convertible Notes on 12 August 2020; and

- (ii) in respect of the Tranche 1 Commitment and Collateral Shares, 2,307,061 fully paid ordinary shares on 7 August 2020.
- (c) A summary of the material terms of the Tranche 1 Convertible Notes is set out in Section 6.2 above. The Tranche 1 Commitment and Collateral Shares are fully paid ordinary shares.
- (d) The Company received the amount of \$250,000 (before costs) from Obsidian for the issue of the Tranche 1 Convertible Notes. The Company will not receive any consideration for the issue of the Tranche 1 Commitment and Collateral Shares.
- (e) The purpose of the issue was:
 - (i) in respect of the Tranche 1 Convertible Notes, to raise funds to satisfy short-term working capital requirements which have arisen as a result of the COVID-19 pandemic. \$90,000 were used for Property & Facilities and the remaining balance was used for general and operating expenses;
 - (ii) in respect of the issue of the Tranche 1 Commitment Shares, in satisfaction of the Tranche 1 Commitment Fee; and
 - (iii) in respect of the Tranche 1 Collateral Shares, to secure the Company's obligations under the Tranche 1 Agreement.
- (f) A summary of the material terms of the Tranche 1 Agreement is set out in Sections 6.1 and 6.2 above.
- (g) A voting exclusion statement is included in the Notice.

8.3 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 7. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

8.4 Voting Exclusions

A voting exclusion statement is included in the Notice.

GLOSSARY

The following terms have the following meanings in the Notice and in this Explanatory Statement:

“\$” or “AU\$” or “AUD” means Australian Dollars;

“AEDT” means Australian Eastern Daylight Standard Time.

“Acquisition” means the Company’s acquisition of 51% of the share capital of MCCF;

“Agreements” means the Tranche 1 Agreement and the Tranche 2 Agreement;

“Announcement” means the Company’s ASX announcement of 4 August 2020 in relation to the Agreements;

“Board” means the Directors acting as the board of Directors of the Company or a committee appointed by such Board of Directors;

“C\$” or “CAD” means Canadian dollars;

“Chairman” means the person appointed to chair the Meeting of the Company convened by the Notice;

“Collateral Shares” means the Tranche 1 Collateral Shares and the Tranche 2 Collateral Shares;

“Collateral Shareholding Number” means the number of Collateral Shares held by Obsidian at any one point in time;

“Company” or “Roto-Gro” means Roto-Gro International Limited ACN 606 066 059;

“Consideration Shares” means the 30,000,000 Shares payable by the Company to the MCCF Vendors as consideration for the Acquisition and the subject of Resolution 5;

“Convertible Notes” means the secured convertible notes issued or to be issued on the terms set out in the Tranche 1 Agreement or the Tranche 2 Agreement.

“Corporations Act” means the Corporations Act 2001 (Cth);

“Director” means a Director of the Company;

“Explanatory Statement” means the explanatory statement which forms part of this Notice;

“General Meeting” or “Meeting” has the meaning given in the introductory paragraph of the Notice;

“Investment Amount” means \$1,250,000;

“Listing Rules” means the Listing Rules of the ASX;

“MCCF” means Medicinal Compassion Canni Farms, Inc., a private company incorporated under the *Ontario Business Corporations Act*;

“MCCF Vendors” means all of the current shareholders of MCCF;

“Notice” means this Notice of Meeting including the Explanatory Statement;

“Obsidian” means Obsidian Global GP, LLC;

“Option” means an option in the capital of the Company;

“Placement” means the issue of 18,256,000 Shares at an issue price of \$0.125 (12.5 cents) each to institutional and sophisticated investors made on 31 December 2019.

“Placement Options” means the 9,128,000 Options (exercisable at \$0.20 on or before 2 years from the date of issue) attaching to the Placement Shares on a 1 for 2 basis and the subject of Resolutions 2 and 4, the complete terms of which are provided in Annexure A;

“Placement Shares” means the 18,256,000 Shares issued under the Placement and the subject of Resolution 1;

“Prior Approval” means the prior Shareholder approval obtained by the Company for the issue of the Consideration Shares on 29 November 2019;

“Proxy Form” means the proxy form attached to the Notice;

“Resolution” means a resolution referred to in the Notice;

“Section” means a section of the Explanatory Statement;

“Share” means a fully paid ordinary share in the capital of the Company;

“Shareholder” means shareholder of the Company;

“SPA” means the share purchase agreement entered into between the Company and the MCCF Vendors in October 2019;

“Tranche 1 Agreement” means the Convertible Securities Agreement entered into between the Company and Obsidian on 31 July 2020 in respect of an investment of \$250,000;

“Tranche 1 Collateral Shares” means the 2,000,000 Shares issued to Obsidian as collateral under the Tranche 1 Agreement on 7 August 2020;

“Tranche 1 Commitment Fee” means the commitment fee of \$12,500 payable under the Tranche 1 Agreement;

“Tranche 1 Commitment Shares” means the 307,061 Shares issued to Obsidian in satisfaction of the Tranche 1 Commitment Fee on 7 August 2020;

“Tranche 1 Convertible Notes” means the 182,300 Convertible Notes issued to Obsidian under the Tranche 1 Agreement on 12 August 2020;

“Tranche 1 Securities” means the Tranche 1 Convertible Notes, the Tranche 1 Collateral Shares and the Tranche 1 Commitment Shares, together;

“Tranche 2 Agreement” means the Convertible Securities Agreement entered into between the Company and Obsidian on 31 July 2020 in respect of an investment of \$1,000,000;

“Tranche 2 Collateral Shares” means the Shares proposed to be issued to Obsidian as collateral under the Tranche 2 Agreement;

“Tranche 2 Commitment Fee” means the commitment fee of \$50,000 payable under the Tranche 2 Agreement;

“Tranche 2 Commitment Shares” means the Shares proposed to be issued to Obsidian in satisfaction of the Tranche 2 Commitment Fee under the Tranche 2 Agreement;

“Tranche 2 Convertible Notes” means the Convertible Notes proposed to be issued to Obsidian under the Tranche 2 Agreement;

“Tranche 2 Securities” means the Tranche 2 Convertible Notes, the Tranche 2 Collateral Shares and the Tranche 2 Commitment Shares, together; and

“VWAP” means volume weighted average price.

ANNEXURE A – TERMS OF PLACEMENT OPTIONS

The terms of the Placement Options are as follows:

(a) Entitlement

Each Placement Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise.

(b) Exercise Price and Expiry Date

The Placement Options have an exercise price of \$0.20 per Placement Option (**Exercise Price**) and an expiry date of 5:00pm (AEDT) on the date that is two (2) years from the date of issue of the Placement Options (**Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Exercise Period

The Placement Options are exercisable at any time and from time to time on or prior to the Expiry Date.

(d) Quotation of the Placement Options

The Company will apply to the ASX for official quotation of the Placement Options. The Company gives no assurance that such quotation will be granted.

(e) Transferability of the Placement Options

The Placement Options are freely transferable once quoted on the ASX.

(f) Notice of Exercise

Each Placement Option is exercisable by the Placement Option holder signing and delivering a notice of exercise of Placement Option/s together with the exercise price in full for each Share to be issued upon exercise of each Placement Option to the Company's share registry.

(g) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Placement Options with the appropriate remittance should be lodged at the Company's Registry.

(h) Shares Issued on Exercise

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

(i) Quotation and timing of Issue of Shares

Within 20 days after receiving a Notice of Exercise, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Placement 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) apply for official quotation on ASX of the Shares issued pursuant to the exercise of the Placement Options.

(j) Participation in New Issues

There are no participation rights or entitlements inherent in the Placement Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Placement Options prior to the date for determining entitlements to participate in any such issue.

(k) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Placement Option will be increased by the number of Shares which the Placement Option holder would have received if the Placement Option holder had exercised the Placement Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 12 will apply) there will be no adjustment of the Exercise Price of a Placement Option or the number of Shares over which the Placement Options are exercisable.

(m) Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Placement Option holders will be varied in accordance with the Listing Rules.



RGI

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 **9.00am (Melbourne time) on Wednesday, 7 October 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

Shareholders will not be permitted to physically attend the meeting due to the COVID-19 pandemic.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting virtually 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:

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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

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I/We being a member/s of Roto-Gro International Limited 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 Roto-Gro International Limited to be held virtually via webcast on Friday, 9 October 2020 at 9.00am (Melbourne time) and at any adjournment or postponement of that meeting.

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 poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval to Issue Options to Institutional and Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval to Issue Shares to Mr Adam Clode	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval to Issue Options to Mr Adam Clode	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to Issue Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval to Issue Tranche 2 Securities to Obsidian Global GP, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Ratification of Prior Issue of Tranche 1 Securities to Obsidian Global GP, LLC	<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

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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

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Computershare

