



Neurotech International Limited

ACN 610 205 402

Notice of Annual General Meeting, Explanatory Statement and Proxy Form

Annual General Meeting to be held at

**Suite 5 CPC
145 Stirling Highway
Nedlands Western Australia 6009**

On Monday, 18 November 2019 at 4.00pm (WST)

IMPORTANT NOTE

The Notice of Annual General Meeting and Explanatory Statement should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

Important Information

Contents

Item	Page
Notice of Annual General Meeting	ii
Voting Prohibitions and Exclusions	vi
Proxy Appointment, Voting and Meeting Instructions	viii
Explanatory Statement	1
Glossary	24
Schedule 1 – Terms of Director Options and Max Capital Options	27
Schedule 2 – Terms of CEO Options	30
Schedule 3 – Equity Securities issued in 12 months prior to Annual General Meeting	35
Schedule 4 – Terms of Convertible Notes	36
Schedule 5 – Terms of Conversion Options	46
Schedule 6 – Proposed amendments to the Company's Constitution	49
Proxy Form	Attached

Important dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	4.00pm (WST) on Saturday, 16 November 2019
Snapshot date for eligibility to vote	4.00pm (WST) on Saturday, 16 November 2019
Annual General Meeting	4.00pm (WST) on Monday, 18 November 2019

Defined terms

Capitalised terms used in this Notice of Annual General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary set out in the Explanatory Statement.

Notice of General Meeting

Notice is hereby given that the Annual General Meeting of Neurotech International Limited (ACN 610 205 402) (**Neurotech** or **Company**) will be held at **Suite 5 CPC, 145 Stirling Highway, Nedlands, Western Australia** at **4.00pm** (WST) on Monday, 18 November 2019.

The Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary as set out in the Explanatory Statement.

AGENDA

To consider, and if thought fit to pass, the resolutions set out below as ordinary resolutions (in respect of Resolutions 1 to 4 and 6 to 14) and as a special resolution (in respect of Resolution 5).

Financial Statements and Reports

To receive and consider the Financial Statements, Directors' Report and Auditor's Report of Neurotech International Limited for the financial year ended 30 June 2019.

Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following Resolution as a non-binding **ordinary resolution**:

“That the Remuneration Report contained in the Directors' Report for the year ended 30 June 2019 be adopted by the Company.”

Notes: In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Resolution 2 – Re-election of Dr David Cantor as a Director

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

“That for the purposes of Listing Rule 14.4 and article 6.3(f) of the Constitution and for all other purposes, Dr David Cantor, having been appointed by the Board as an additional Director on 4 July 2018 retires by rotation in accordance with article 6.3 of the Company's Constitution and being eligible offers himself for election, be elected as a Director.”

Resolution 3 – Election of Mr Winton Willesee as a Director

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

“That for the purposes of Listing Rule 14.4 and article 6.3(j) of the Constitution and for all other purposes, Mr Winton Willesee, having been appointed by the Board as additional Director on 16 April 2019 retires by rotation in accordance with article 6.3 of the Company's Constitution and being eligible offers himself for election, be elected as a Director.”

Resolution 4 – Election of Mr Mark Davies as a Director

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

“That for the purposes of Listing Rule 14.4 and article 6.3(j) of the Constitution and for all other purposes, Mr Mark Davies, having been appointed by the Board as an additional Director on 16 April 2019 retires by rotation in accordance with article 6.3 of the Company's Constitution and being eligible offers himself for election, be elected as a Director.”

Resolution 5 – Approval of Additional 10% Placement Facility

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

“That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the number of fully paid ordinary securities of the Company on issue (at the time of issue) calculated in accordance with the formula set out in Listing Rule 7.1A.2 for a period of 12 months from the date of the Meeting on the terms and conditions set out in the Explanatory Memorandum.”

Note: Resolution 5 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

Resolution 6 - Approval for grant of Options to a Director – Mr Winton Willesee

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

“That for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of 2,000,000 Options, each exercisable at a price equal to 135% of the 5 day VWAP prior to the date of the Meeting and expiring 3 years from the grant date, to Mr Winton Willesee, a Non-Executive Director of the Company, or his nominee, in the manner and on the terms and conditions set out in Schedule 1 of this Notice of Meeting and the Explanatory Statement.”

Resolution 7- Approval for grant of Options to a Director – Mr Mark Davies

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

“That for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of 2,000,000 Options, each exercisable at a price equal to 135% of the 5 day VWAP prior to the date of the Meeting and, expiring 3 years from the grant date, to Mr Mark Davies, the Non-Executive Chairman of the Company, or his nominee, in the manner and on the terms and conditions set out in Schedule 1 of this Notice of Meeting and the Explanatory Statement.”

Resolution 8 - Approval for grant of Options to a Director – Dr David Cantor

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

“That for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of 2,000,000 Options, each exercisable at a price equal to 135% of the 5 day VWAP prior to the date of the Meeting and expiring 3 years from the grant date, to Dr David Cantor, the Non-Executive Director of the Company, or his nominee, in the manner and on the terms and conditions set out in Schedule 1 of this Notice of Meeting and the Explanatory Statement.”

Resolution 9 – Approval to grant Options to Mr Peter Griffiths under Consultancy Services Agreement

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

“That for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of:

- (a) 6,500,000 Tranche 1 Options, exercisable at \$0.0589 each; and*
- (b) 5,429,754 Tranche 2 Options, exercisable at \$0.0199 each,*

on the terms and conditions set out in Schedule 2 to this Notice of Meeting, to Mr Peter Griffiths or his nominee, for his services as the Company’s Chief Executive Officer under the Consultancy Services Agreement, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 10 – Approval to issue Convertible Notes

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

“That, for the purposes of Listing Rule 7.1 and all other purposes, Shareholders hereby approve the issue of up to 600,000 Convertible Notes to sophisticated and professional non-Related Party investors of the Company, at an issue price of \$1.00 per Convertible Note, to raise up to \$600,000 in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 11 – Ratification of Shares issued on conversion of Convertible Loan

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of up to 20,253,151 Shares that may be issued before the Meeting on the conversion and repayment of Convertible Loans in the amount of up to \$300,000, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 12 – Approval to grant Conversion Options to holders of Shares issued on conversion of Convertible Loan

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of up to 20,253,151 Conversion Options on the conversion of Convertible Loans, on the basis of one (1) Conversion Option for every one (1) Share issued on conversion of Convertible Loans, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 13 – Approval to issue Options to Max Capital

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

“That, subject to the approval for Resolution 10, for the purposes of Listing Rule 7.1 and all other purposes, Shareholders hereby approve the issue of 4,000,000 Options, each exercisable at a price equal to 135% of the 5 day VWAP prior to the date of the Meeting and expiring 3 years from the grant date to Max Capital Pty Ltd, or its nominee, as a fee for arranging the placement of Convertible Notes, in the manner and on the terms and conditions set out in Schedule 1 of this Notice of Meeting and the Explanatory Statement.”

Resolution 14 – Approval to amend Company Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act, proposed Listing Rule 15.12 and for all other purposes, the Company’s Constitution be amended, in the manner and on the terms and conditions as set out in Schedule 6 of this Notice of Meeting and the Explanatory Statement.”

Note: Resolution 14 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

Voting Prohibitions and Exclusions

Corporations Act voting exclusion statements

Pursuant to sections 224 and 250BD of the Corporations Act, a vote on the following Resolutions must not be cast (in any capacity) by or on behalf of the party specified in the table below or their respective Associates:

Resolution	Excluded Parties
Resolution 1	Members of Key Management Personnel or their closely related Associates.
Resolution 6	Winton Willesee or any other Related Parties to whom Resolution 6 would permit a financial benefit to be given.
Resolution 7	Mark Davies or any other Related Parties to whom Resolution 7 would permit a financial benefit to be given.
Resolution 8	David Cantor or any other Related Parties to whom Resolution 8 would permit a financial benefit to be given.
Resolution 9	Peter Griffiths or any other Related Party to Peter Griffiths.

However, this voting prohibition does not prevent the casting of a vote on any of Resolutions 1 and 6 to 9, if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution, and it is not cast on behalf of a Related Party to whom the Resolution would permit a financial benefit to be given, or their Associate.

In relation to Resolutions 1 and 6 to 9, members of Key Management Personnel and their closely Related Parties (other than the Chairman) may not vote as proxy if the appointment does not specify how the proxy is to vote. The Chairman may vote as proxy in accordance with an express authorisation on the Proxy Form.

ASX voting exclusion statements

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons or an Associate of those persons:

Resolution	Excluded Parties
Resolution 5	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder).
Resolution 6	Winton Willesee and any nominee of Winton Willesee.
Resolution 7	Mark Davies and any nominee of Mark Davies.
Resolution 8	David Cantor and any nominee of David Cantor.
Resolution 9	Peter Griffiths and any nominee of Peter Griffiths.
Resolution 10	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder).
Resolution 11	Any person who converted their Convertible Loan into Loan Conversion Shares prior to the date of the Meeting.
Resolution 12	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder).

Resolution 13	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder).
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However, the Company need not disregard a vote on Resolutions 5 to 13 if it is cast by:

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board



Winton Willesee
Director

26 September 2019

Proxy Appointment, Voting and Meeting Instructions

Lodgement of a Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address given below by **4.00pm (WST) on Saturday, 16 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid. Proxy Forms may be lodged as follows:

By hand: Attn: Danielle Petch
Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153

By post: Attn: Danielle Petch
Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153

By email: registrar@securitytransfer.com.au

By fax: 1300 992 916 (within Australia) or +61 8 9315 2233 (outside Australia)

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Chairman as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairman, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, you may photocopy the Proxy Form or an additional Proxy Form may be obtained by telephoning the Security Transfer Australia Pty Ltd on 1300 992 916 (from within Australia) or +61 8 9315 2233 (if overseas).

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate

representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry, Security Transfer Australia Pty Ltd, before the Meeting or at the registration desk on the day of the Meeting.

Certificates of Appointment of Corporate Representatives are available at:

<https://www.securitytransfer.com.au/forms/appointment-corporate-representative.pdf>

or on request by contacting Security Transfer Australia Pty Ltd on telephone number 1300 992 916 (from within Australia) or +61 3 9628 2200 (if overseas).

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate boxes. If you do not mark any of the boxes next to a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution, your vote will be invalid.

Chairman voting undirected proxies

At the date of this Notice, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and, in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairman to exercise undirected proxies on all Resolutions even though the Chairman is connected directly or indirectly with the Resolution.

Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at **4.00pm (WST) on Saturday, 16 November 2019**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Questions from Shareholders

At the Meeting, the Chairperson will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company.

In addition to asking questions at the Meeting, written questions to the Board about the management of the Company may be submitted by no later than **4.00pm (WST) on Wednesday, 13 November 2019** in the same manner as outlined above for lodgement of Proxy Forms.

Copies of written questions will be available at the Meeting.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

BDO Audit (WA) Pty Ltd, as the Auditor responsible for preparing the Auditor's Report for the year ended 30 June 2019 (or its representative), will attend the Meeting. The Chairman will allow a reasonable opportunity for the Shareholders as a whole to ask the Auditor questions at the Meeting about:

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

To assist the Board and the Auditor of the Company in responding to any questions you may have, please submit any questions you may have by fax or to the address below by no later than **5.00pm (WST) on 11 November 2019**.

By mail: 770 Canning Highway
 Applecross WA 6153

By facsimile: 1300 992 916 (within Australia) or +61 8 9315 2233 (if outside Australia)

As required under section 250PA of the Corporations Act, at the Meeting, the Company will make available those questions directed to the Auditor received in writing at least five business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the Annual Financial Report for the year ended 30 June 2019. The Chairman of the Meeting will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Annual Report

The Company advises that a copy of its Annual Report for the year ended 30 June 2019, is available to download at the website address, www.neurotechinternational.com.

When you access the Company's Annual Report on-line, you can view it and print a copy.

Please note that if you have elected to continue to receive a hard copy of the Company's Annual Reports, the Annual Report will accompany this Notice of Meeting or alternatively it will be mailed to you no later than 21 days before the Meeting.

However, if you did not elect to continue to receive a hard copy of the Company's Annual Reports and now (or sometime in the future) wish to receive a hard copy of the Company's Annual Reports, please contact Security Transfer Australia Pty Ltd on 1300 992 916 (from within Australia) or +61 3 9628 2200 (if overseas). They will be pleased to mail you a copy.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. Financial Statements and Reports

Shareholders are to receive and consider the Financial Statements, Directors' Report and the Auditor's Report of Neurotech International Limited for the financial year ended 30 June 2019.

Shareholders will be given the opportunity to ask questions of the Board and the Auditors in relation to the Annual Report for the financial year ended 30 June 2019, at the Annual General Meeting.

2. Resolution 1 - Adoption of the Remuneration Report

The Remuneration Report is set out in the Directors' Report in the Company's 2019 Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. In accordance with section 250R (3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

At the Company's previous Annual General Meeting the votes against the Remuneration Report was less than 25% of the votes cast on the Resolution. As such, Shareholders do not need to consider a spill resolution at the Meeting.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. Key Management Personnel and their Closely Related Parties may not vote on this Resolution and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairman and expressly authorises the Chairman to exercise the proxy. The Chairman will use any such proxies to vote in favour of Resolution 1.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Remuneration Report).

3. Resolution 2 – Re-election of Dr David Cantor as a Director

3.1 Background

Resolution 2 seeks approval for the re-election of Dr David Cantor as a Director.

Article 6.3(c) of the Company's Constitution requires that one third of the Directors in office (other than a Managing Director) retire by rotation at each annual general meeting of the Company. Article 6.3(f) provides that the retiring Directors are then eligible for re-election.

Dr Cantor who was appointed as a Non-Executive Director on 4 July 2018 retires in accordance with article 6.3(c), and being eligible, offers himself for re-election as a Director.

3.2 Biography

A profile of Dr Cantor is contained in the Company's Annual Report for the financial year ended 30 June 2019.

3.3 Directors' recommendation

Dr Cantor has a material personal interest in the outcome of Resolution 2 and accordingly declines to make a recommendation in respect of Resolution 2.

The Directors (other than Dr Cantor) recommend that Shareholders vote in favour of Resolution 2 to re-elect Dr Cantor as a Non-Executive Director.

4. Resolutions 3 and 4 – Election of Directors – Mr Winton Willesee and Mr Mark Davies

4.1 Background

The Company's Constitution provides that the Directors may appoint any person as a Director to fill a casual vacancy or as an addition to the existing Directors. Article 6.3 of the Company's Constitution and Listing Rule 14.4 provide that a Director appointed by the Board will hold office until the next annual general meeting of the Company when the Director may then be elected.

Subject to Resolutions 2, 3 and 4 being passed, after the Annual General Meeting the Board will comprise Mr Peter Griffiths, Dr David Cantor, Mr Winton Willesee and Mr Mark Davies. The Board considers that this Board composition, including the mix of executive and non-executive Directors, provides an appropriate range of skills, knowledge and experience.

Messrs Willesee and Davies, having consented by notice in writing to act as Directors, were appointed by the Board as Directors on 16 April 2019, pursuant to article 6.2(b) of the Company's Constitution.

In accordance with article 6.3(j) of the Company's Constitution and Listing Rule 14.4, Messrs Willesee and Davies, being eligible, offered themselves for election as Directors.

4.2 Biography

Profiles of Mr Willesee and Mr Davies are contained in the Company's Annual Report for the financial year ended 30 June 2019.

4.3 Directors' recommendation

Mr Willesee has a material personal interest in the outcome of Resolution 3 and accordingly declines to make a recommendation in respect of Resolution 3.

Mr Davies has a material personal interest in the outcome of Resolution 4 and accordingly declines to make a recommendation in respect of Resolution 4.

The Directors (other than Messrs Willesee and Davies) recommend that Shareholders vote in favour of Resolutions 3 and 4.

5. Resolution 5 – Approval of additional 10% placement capacity

5.1 Background

Resolution 5 seeks Shareholder approval for an additional issuing capacity under Listing Rule 7.1A (**Additional Placement Facility**).

If approved, Resolution 5 would enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without obtaining Shareholder approval.

Resolution 5 is a special resolution. It must be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

5.2 Applicable Listing Rules

Listing Rule 7.1A permits eligible entities that have obtained the approval of Shareholders by special resolution at an annual general meeting, to have an additional capacity to issue additional Equity Securities issue equal to approximately 10% of its issued capital, over a 12-month period.

The Company is an eligible entity (being an entity with market capitalisation of \$300 million or less and which is not included in the S&P/ASX 300 index) and seeks Shareholder approval under this Resolution for the Additional Placement Facility.

5.3 Applicable Listing Rules

(a) Quoted securities

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being Shares.

(b) Number of Equity Securities that may be issued

Listing Rule 7.1 permits the Company to issue Equity Securities equal to approximately 15% of the Company's issued capital over a 12-month period without Shareholder approval.

The Additional Placement Facility under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1. The effect of Shareholders passing Resolution 5 is to allow the Company to issue Equity Securities equal to approximately 25% of its issued capital during the next 12 months without first obtaining specific Shareholder approval.

The exact number of additional Equity Securities that the Company may issue under the Additional Placement Facility is not fixed but is calculated under a formula prescribed by the Listing Rules (set out below).

At the date of this Notice the Company has 135,743,869 Shares on issue. If Resolution 5 is passed to approve the Additional Placement Capacity, the Company will be permitted to issue approximately:

- (i) 20,361,580 Equity Securities under the Listing Rule 7.1 15% placement capacity; and
- (ii) 13,574,386 Equity Securities under the Additional Placement Capacity.

(c) Formula for Additional Placement Facility

If this Resolution 5 is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4;
- less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

5.4 Listing Rule requirements

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

(a) **Minimum price at which Equity Securities may be issued**

The issue price of any Equity Security under the Additional Placement Facility will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed; or
- (ii) if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

(b) **Risk of economic and voting dilution**

If Resolution 5 is passed and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date or the new Equity Securities may be issued in consideration for the acquisition of a new asset.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A		Nominal issue price		
		\$0.014 (market price)	\$0.028 (50% increase in market price)	\$0.0070 (50% decrease in market price)
Current issued capital A = 135,743,869 Shares	Shares issued – 10% voting dilution	13,574,386	13,574,386	13,574,386
	Funds raised	\$190,041	\$380,083	\$95,021
50% increase in issued capital A = 203,615,803 Shares	Shares issued – 10% voting dilution	20,361,580	20,361,580	20,361,580
	Funds raised	\$285,062	\$570,124	\$142,531
100% increase in issued capital A = 271,487,738 Shares	Shares issued – 10% voting dilution	27,148,773	27,148,773	27,148,773
	Funds raised	\$380,083	\$760,166	\$190,041

This table has been prepared on the following assumptions:

1. the latest available market price of Shares, being the closing price as at 25 September 2019, which was \$0.014;
2. the Company issues the maximum number of Equity Securities available under the Additional Placement Facility;
3. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;
4. the Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Placement Facility;
5. the impact of placements under Listing Rule 7.1 or following the exercise of Options is not included in the calculations;
6. the calculations do not show the dilution that any one particular Shareholder will be subject to; all Shareholders should consider the dilution caused to their own shareholding depending upon their specific circumstances; and
7. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue; accordingly, the voting dilution is shown in each example as 10%.

(c) **Date by which Equity Securities may be issued**

Equity Securities may be issued under the Additional Placement Facility for 12 months after the Meeting.

However, the approval to the Additional Placement Facility under this Resolution will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) **Purpose for which Equity Securities may be issued**

The Company may seek to issue Equity Securities under the Additional Placement Facility for the following purposes:

- (i) cash consideration to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital; and
- (ii) non-cash consideration to acquire new assets or make investments. In these circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company;
- (iv) prevailing market conditions; and
- (v) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a Related Party or an Associate of a Related Party of the Company. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their Shareholding will be diluted.

If the Additional Placement Facility is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of these assets/investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the Additional Placement Facility.

5.5 Additional information on issued securities

Shareholders approved an Additional Placement Facility at the Company's 2018 annual general meeting.

The total number of Equity Securities issued in the 12 months before this Meeting is 26,731,823. These represent 15.4% of the total number of Equity Securities on issue at the commencement of that 12 month period (being 172,761,225 Equity Securities).

The details for each separate issue of Equity Securities issued during the 12 months before this Meeting are set out at Schedule 3.

5.6 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5 as it will give the Company the flexibility to raise and fund necessary working capital whilst preserving the Company's cash reserves.

6. Resolutions 6 to 8: Grant of Options to Directors

Resolutions 6 to 8 seek Shareholder approval, under Chapter 2E of the Corporations Act and Listing Rule 10.13, for the grant of 2,000,000 Options to each of Messrs Willesee and Davies and Dr Cantor (or their respective nominees) as part of their remuneration for services rendered to the Company as Directors (**Director Options**).

6.1 Regulatory requirements

(a) Section 195(1) of the Corporations Act

Section 195(1) of the Corporations Act provides that a director who has a “material personal interest” in a matter being considered at a director’s meeting must not be present while the matter is being considered or vote on the matter.

Section 195(4) of the Corporations Act provides that where there are insufficient directors to form a quorum at a directors’ meeting because of section 195(1), the directors may call a general meeting of shareholders to consider the matter.

The Directors are unable to form a quorum to consider any matters relating to the issue of Director Options under Resolutions 6 to 8, as each of the Directors has a material personal interest in the outcome of the Resolutions. Therefore, the Company is seeking approval under section 195(4) of the Corporations Act to deal with the matter.

(b) Chapter 2E of the Corporations Act

The grant of Director Options to Directors constitutes the giving of a financial benefit to a Related Party within the meaning of section 208 of the Corporations Act.

Accordingly, Shareholder approval is sought for the purposes of section 208 of the Corporations Act for the grant of the Options to Directors. Refer to Section 6.2 for an explanation of the requirements of section 208.

(c) Listing Rule requirements

Listing Rule 10.11 provides that a company must not issue or agree to issue, without Shareholder approval, any equity securities, or other securities with rights to conversion to equity, to either a Related Party, or to any other person whose relationship to the entity is such that in ASX’s opinion, Shareholder approval should be obtained.

Messrs Willesee and Davies and Dr Cantor are each Directors and are therefore Related Parties of the Company. Accordingly, Shareholder approval is required for the grant of Director Options.

Listing Rule 7.1 provides that prior approval of a company’s shareholders is required for an issue of Equity Securities (including shares) if the Equity Securities will, when aggregated with the Equity Securities issued by that company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12 month period.

If Resolutions 6 to 8 are approved, then approval is not required under Listing Rule 7.1, or Listing Rule 10.11, which prohibits the issue of Equity Securities to Related Parties without first obtaining shareholder approval.

Accordingly, Director Options to be granted to Messrs Willesee and Davies and Dr Cantor will not be included in the Company’s annual issuing capacity calculation for the purpose of Listing Rule 7.1.

6.2 Corporations Act information requirements

Section 219 of the Corporations Act requires that the following information be provided to Shareholders in relation to Resolutions 6 to 8 for the purposes of obtaining approval under Section 208 of the Corporations Act:

(a) Names of the Related Parties

The Related Parties are:

- (i) Mr Winton Willesee – Non-Executive Director of the Company;
- (ii) Mr Mark Davies - Non-Executive Chairman of the Company; and
- (iii) Dr David Cantor – Non-Executive Director of the Company.

(b) Nature of the financial benefit

The nature of financial benefit that will be given to the Directors if Resolutions 6 to 8 are approved is the grant of 2,000,000 Director Options to each of the Non-Executive Directors (or their nominees) in the proportions set out in the table below:

Related Party	Number of Director Options
Mr Winton Willesee	2,000,000 Director Options
Mr Mark Davies	2,000,000 Director Options
Dr David Cantor	2,000,000 Director Options

(c) Value of the financial benefit

A valuation of the Options was conducted by the Company which applied the Black-Scholes option pricing model (**Black-Scholes Model**).

The Black-Scholes Model is based on a number of assumptions and variables, including the following:

- (i) the assumed exercise price for each Director Option is \$0.0189, this assumed price is 135% of the VWAP of Shares traded on ASX over the 5 business days immediately prior to 25 September 2019 being the latest available date at the time of preparation of the Notice of Meeting;
- (ii) each Director Option will expire 3 years from the grant date, and it is assumed that the Director Options will be exercised immediately prior to the expiry date;
- (iii) the closing price of Shares traded on ASX on 25 September 2019 was \$0.014;
- (iv) a risk-free rate of 1% has been adopted;
- (v) a dividend yield rate of 0% has been adopted; and
- (vi) a volatility factor of 100% has been adopted.

The table below sets out the estimated value of the Director Options and the estimated financial benefit to be received by Messrs Willesee and Davies and Dr Cantor, applying the above valuation.

Related Party	Individual value	Number	Total value
Director Options			
Mr Winton Willesee	\$0.0084	2,000,000	\$16,800
Mr Mark Davies	\$0.0084	2,000,000	\$16,800
Dr David Cantor	\$0.0084	2,000,000	\$16,800
TOTAL		6,000,000	\$50,400

(d) **Remuneration of Non-Executive Directors**

The table below sets out the total remuneration paid or payable to Messrs Willesee and Davies and Dr Cantor for the last financial year and the proposed total remuneration for the current financial year (including the value of the proposed Director Options to be considered at the Meeting), including superannuation entitlements.

Related Party	2018/19 Financial Year	2019/20 Financial Year
Cash		
Mr Winton Willesee ¹	\$8,446	\$40,000
Mr Mark Davies ²	\$10,833	\$52,000
Dr David Cantor	\$62,951	\$40,000
Non-cash ³		
Mr Winton Willesee ¹	Nil	Nil
Mr Mark Davies ²	Nil	Nil
Dr David Cantor	\$6,714	Nil

Notes: Estimated value of existing Options in the table above was conducted applying the Black-Scholes Model.

1. Mr Willesee was appointed as a Director of the Company on 16 April 2019. \$8,970 was paid to Azalea Consulting Pty Ltd as at 30 June 2019. Mr Willesee is a director and controlling shareholder of Azalea Consulting Pty Ltd.
2. Mr Davies was appointed as a Director of the Company on 16 April 2019.
3. Non-cash payments for FY 2019/20 do not include proposed issue of Options to Directors in this Notice.

(e) **Security holdings of Non-Executive Directors**

The table below sets out the securities and rights in the Company in which each of Messrs Willesee and Davies and Dr Cantor has a direct or indirect interest at the date of the Notice. The table does not include the Director Options to be considered at the Meeting.

Related Party	Shares	Performance Rights	Options
Winton Willesee ¹	337,906 fully paid ordinary Shares	Nil	Nil
Mark Davies	Nil	Nil	Nil
David Cantor	142,857 fully paid ordinary Shares	Nil	Nil

Notes:

- 200,000 Shares are held by Chinchinchee Nominees Pty Ltd. 137,906 Shares are held by Azalea Family Holdings Pty Ltd. Winton Willesee has a relevant interest in these securities as they are related entities to him.

(f) **Voting interests and voting power of Non-Executive Directors**

The table below sets out details of the respective voting interests of Messrs Willesee and Davies and Dr Cantor, including how these interests may change upon the events specified in the table occurring.

Event	New Shares received	Total Shares held after event	Voting power after event (rounded)
Winton Willesee			
Existing Shares held	337,906 ¹	337,906	0.24%
Exercise of all existing Options	Nil	337,906	0.24%
Exercise of all proposed Director Options	2,000,000	2,337,906	1.69%
Exercise of all Options (existing and proposed)	2,337,906	2,337,906	1.69%
Mark Davies			
Existing Shares held	Nil	Nil	Nil
Exercise of all existing Options	Nil	Nil	Nil
Exercise of all proposed Director Options	2,000,000	2,000,000	1.45%
Exercise of all Options (existing and proposed)	2,000,000	2,000,000	1.45%
David Cantor			
Existing Shares held	142,857	142,857	0.10%

Event	New Shares received	Total Shares held after event	Voting power after event (rounded)
Exercise of all existing Options	Nil	Nil	0.10%
Exercise of all proposed Director Options	2,000,000	2,142,857	1.55%
Exercise of all Options (existing and proposed)	2,142,857	2,142,857	1.55%

Notes:

- Shares held by Chinchinchee Nominees Pty Ltd and Azalea Family Holdings Pty Ltd of which Winton Willesee is a director and controlling shareholder.

(g) **Dilution**

If Resolutions 6 to 8 are approved, a total of 6,000,000 Director Options will be granted to the Non-Executive Directors. The grant of Director Options will not dilute the shareholding interests of existing Shareholders unless and until Director Options are exercised.

Assuming that the number of Shares currently on issue (135,743,869) does not change, the dilutive effect on the shareholding interests of existing Shareholders if all Director Options are exercised would be approximately 4.23%.

(h) **Exercise**

The market price of Shares during the period of the Director Options will normally determine whether or not the Director Options are exercised.

At the time any Director Options are exercised, and Shares are issued pursuant to the same, Shares may be trading on ASX at a price which is higher than the exercise price of the Director Options.

(i) **Trading history**

The most recent available data concerning the price of the Company's Shares traded on ASX since 25 September 2018 (i.e. approximately 12 months before the Notice date) is summarised in the table below.

	High	Low	Last
Price	\$0.118	\$0.007	\$0.014
Date	26 September 2018 and 2 October 2018	16 April 2019	25 September 2019

(j) **Funds raised**

The Company will not raise any funds from the issue of Director Options under Resolutions 6 to 8. These Options will be granted as part of the remuneration offered to the Directors.

If all of the Director Options to be granted are exercised, the Company will raise \$113,400 (before costs) assuming the exercise price for the Director Options is \$0.0189, this assumed price is 135% of the VWAP of Shares traded on ASX over the 5 business days immediately prior to 25 September 2019 being the latest available date at the time of preparation of the Notice of Meeting.

These funds will be applied to the general working capital requirements of the Company at that time.

(k) **Directors interests in the proposed resolutions**

Mr Winton Willesee has a material personal interest in the outcome of Resolution 6 and will be the only Director to receive a benefit from that Resolution.

Mr Mark Davies has a material personal interest in the outcome of Resolution 7 and will be the only Director to receive a benefit from that Resolution.

Dr David Cantor has a material personal interest in the outcome of Resolution 8 and will be the only Director to receive a benefit from that Resolution.

(l) **Any other information**

Other than as set out in this Explanatory Statement, the Directors do not consider there is any further information which the Shareholders would reasonably require in order to decide whether or not to approve Resolutions 6 to 8.

6.3 Listing Rule information requirements

Listing Rule 10.13 requires that the following information be provided to Shareholders in relation to Resolutions 6 to 8 for the purposes of obtaining approval under Listing Rule 10.11:

(a) **Name of person(s) receiving securities**

- (i) in relation to Resolution 6 – Mr Winton Willesee;
- (ii) in relation to Resolution 7 – Mr Mark Davies; and
- (iii) in relation to Resolution 8 – Dr David Cantor.

(b) **Maximum number of securities to be issued**

Each of the Directors will be issued, subject to Shareholder approval, 2,000,000 Director Options. Accordingly, a maximum of 6,000,000 Director Options will be issued to the three Directors.

(c) **Date by which securities will be granted**

If Resolutions 6 to 8 are approved, the Company intends to grant the Options as soon as practicable following the Meeting. In any event, the Company will not grant the Director Options later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(d) **Issue price of the securities**

The Director Options will be issued for no cash consideration.

Each Director Option will be exercisable at the greater of:

- (i) \$0.0189 each (**Minimum Price**); or
- (ii) an exercise price representing a premium of 135% above the volume weighted average (**VWAP**) of Shares traded on ASX over the 5 trading days up to and including 18 November 2022.

Upon the exercise of each Director Option into Shares, those Shares will rank equally in all respects with Shares in the Company then on issue.

(e) **Intended use of funds raised**

Refer to Section 6.2(j) for the intended use of funds raised.

6.4 Directors' recommendations

The Directors (other than Mr Willesee) recommend that Shareholders vote in favour of Resolution 6. Mr Willesee has a material personal interest in Resolution 6 and therefore declines to make any voting recommendation to Shareholders.

The Directors (other than Mr Davies) recommend that Shareholders vote in favour of Resolution 7. Mr Davies has a material personal interest in Resolution 7 and therefore declines to make any voting recommendations to Shareholders.

The Directors (other than Dr Cantor) recommend that Shareholders vote in favour of Resolution 8. Dr Cantor has a material personal interest in Resolution 8 and therefore declines to make any voting recommendations to Shareholders.

In the case of each of the recommendations, the Directors (other than a Director to whom Options are proposed to be granted) consider that the issue of Options to the relevant Director (or his nominee):

- (a) aligns the interests of the Director with the financial success of the Company, in that exercise of the Options would generally only be warranted by an increase of the price of Shares traded on ASX to above the exercise price; and
- (b) is a reasonable and appropriate method to provide cost effective and efficient remuneration, as the non-cash form of this benefit will allow the Company to spend a greater portion of its cash reserves on its operation than it would if alternative cash forms of remuneration were given to the Director.

7. Resolution 9 - Approval to grant Options to Mr Peter Griffiths under Consultancy Services Agreement

7.1 Background

Effective 1 December 2018, Neurotech and its subsidiary AAT Research, entered into a Consultancy Services Agreement (**CSA**) with Lake Analytics Ltd (the **Contractor**) and Peter Griffiths (the **Consultant**) for the provision of chief executive officer services to Neurotech and AAT Research Ltd (**Group Company**) for an initial term of 12 months (**Initial Term**).

Under the CSA and subject to Shareholder approval, the Company has agreed to Grant to Mr Peter Griffiths or his nominee:

- (a) 6,500,000 Options (**Tranche 1 Options**); and
- (b) 5,429,754 Options (**Tranche 2 Options**),

(together, **CEO Options**), on the terms and conditions set out in Schedule 2.

7.2 Chapter 2E of the Corporations Act

The issue of Options to a Director (or their nominee) constitutes the giving of a financial benefit to a Related Party of the Company for the purposes of section 208 of the Corporations Act. Refer to Section 6.1(b) for an explanation of the requirements of section 208.

Section 211 of the Corporations Act provides that shareholder approval is not required to give a financial benefit in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

Having considered the Company's circumstances, Mr Griffiths' position as Chief Executive Officer of the Company, the Board (other than Mr Griffiths) has formed the view that Shareholder approval under section 208 is not required for the proposed issue of CEO Options to Mr Griffiths, as the CEO Options are being issued to Mr Griffiths as part of his remuneration for services provided to the Company, under the CSA, in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances, and accordingly the exception in section 211 applies.

7.3 Applicable Listing Rules

Listing Rule 10.11 provides that a company must not issue or agree to issue, without Shareholder approval, any equity securities, or other securities with rights to conversion to equity, to either a Related Party, or to any other person whose relationship to the entity is such that in ASX's opinion, Shareholder approval should be obtained.

Peter Griffiths is the Chief Executive Officer and a Director of the Company.

If Resolution 9 is approved, then approval is not required under Listing Rule 7.1 for the issue of the CEO Options.

7.4 Listing Rule information requirements

Listing Rule 10.13 requires that the following information be provided to the Shareholders in relation to Resolution 9 for the purposes of obtaining approval under Listing Rule 10.11:

(a) **Name of the person being issued securities**

Peter Griffiths (or his nominee) will be granted CEO Options subject to Shareholder approval.

(b) **Maximum number of securities to be issued**

The CEO Options proposed to be granted to Peter Griffiths comprise:

- (i) 6,500,000 Tranche 1 Options; and
- (ii) 5,429,754 Tranche 2 Options.

(c) **Date by which securities will be granted**

If Resolution 9 is approved, the Company intends to grant the CEO Options as soon as practicable following the Meeting. In any event, the Company will not grant the Options later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(d) **Issue Price of the CEO Options**

The CEO Options will be granted for nil cash consideration under the terms of the CSA. Accordingly, funds will not be raised on the grant of CEO Options.

CEO Options are exercisable at:

- (i) in relation to Tranche 1 Options - \$0.0589 each Option; and
- (ii) in relation to Tranche 2 Options - \$0.0199 each Option.

Upon exercise of CEO Options into Shares in the Company, those Shares will rank equally in all respects with Shares then on issue.

(e) **Intended use of funds raised**

CEO Options will be granted for nil cash consideration as part of remuneration for the Directors. Accordingly, funds will not be raised on grant.

However, if all CEO Options were exercised into Shares, based on the exercise prices above in paragraph 7.4(d)(i) and 7.4(d)(ii), the Company would raise approximately:

- (i) \$382,850 (before costs) in relation to Tranche 1 Options; and
- (ii) \$108,052 (before costs) in relation to Tranche 2 Options.

Funds will be applied to general working capital purposes of the Company at that time.

7.5 Directors' recommendation

Mr Griffiths has a material personal interest in the outcome of Resolution 9 and accordingly declines to make a recommendation in respect of Resolution 9.

The Directors (other than Mr Griffiths) recommend Shareholders vote in favour of Resolution 9.

8. Resolution 10 – Approval to issue Convertible Notes

8.1 Background

Resolution 10 seeks Shareholder approval to allow the Company to conduct a placement for the issue of up to \$600,000 in Convertible Notes (**Placement**) to professional and sophisticated investors (**Placement Participants**).

The Company proposes to issue up to 600,000 Convertible Notes, which upon maturity will convert into one (1) Share and one (1) Option in the Company as described in Section 8.2(e) below.

The Company has engaged Max Capital Pty Ltd to manage and arrange the Placement to the Placement Participants.

For full terms and conditions attaching to the Convertible Notes refer to Schedule 4.

8.2 Listing Rule information requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

If approval is obtained for Resolution 10, the issue of Convertible Notes will not be included in calculating the Company's 15% issuing capacity for the purposes of Listing Rule 7.1.

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 10:

(a) **The maximum number of Securities to be issued**

The Company proposes to issue a maximum of 600,000 Convertible Notes to professional and sophisticated Placement Participants.

The number of Convertible Notes issued pursuant to this Resolution may be less than 600,000 if the Company issues Shares on the conversion of Convertible Loans as described in Section 9.1 of the Explanatory Statement.

(b) **The date on which Securities will be issued**

The Convertible Notes will all be issued at the same time on one date within 3 months of the date of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.

(c) **The issue price of Securities**

The issue price of the Convertible Notes will be \$1.00 per Convertible Note, being the face value of each Convertible Note.

As a result, the Company expects it will raise up to \$600,000 (before costs) upon the issue of the Convertible Notes.

(d) **Names of persons whom securities will be issued**

The Convertible Notes will be issued to professional and sophisticated investors.

(e) **Terms of Securities**

Convertible Notes will be granted on terms and conditions outlined in Schedule 4.

A summary of the key terms of the Convertible Notes is set out in the table below:

Face value	A\$1.00 per Convertible Note.
Maturity Date	31 December 2021.
Security	The Convertible Notes will not be secured.
Conversion Price	The lower of: (a) \$0.02; and (b) the amount equal to 90% of the VWAP Price as at the Conversion Date. VWAP means the volume weighted average price of Shares traded on ASX over the 5 Trading Days up to and including the trading Day immediately before the Conversion Date. Trading Day means a trading day (within the meaning of the Listing Rules) on which Shares are traded on ASX.
Interest	8.0% calculated daily and payable quarterly in arrears in cash (Interest). Interest is payable within 7 Business Days of the end of each quarter. Accrued and unpaid Interest shall be cumulative and payable in Conversion Securities on conversion or in cash on redemption of the Convertible Notes.
Conversion	The principal amount and accrued and unpaid Interest will be convertible at the Noteholder's election into Conversion Securities at any time prior to the Maturity Date.
Conversion Securities	On conversion, each Convertible Note will convert to: (a) one Share; and (b) one option to subscribe for a Share (Conversion Option), to be granted on the terms set out in Schedule 5. Each Conversion Option is exercisable at an amount equal to 130% of the Conversion Price on or before 31 January 2023.
Redemption	Convertible Notes not converted on or before the Maturity Date must be redeemed by the Company on the Maturity Date by the Company paying

	<p>120% of the outstanding face value of the Convertible Notes and any interest accrued but unpaid.</p> <p>The Noteholder may require the Company to redeem the Convertible Notes following occurrence of a Default Event.</p>
Bonus issues and reconstructions	<p>If there is a Bonus Issue, the Company must issue to each Noteholder, that number of Bonus Securities which the Noteholder would have been entitled to receive, by way of participation in the issue of Bonus Securities, if the Convertible Notes had been converted into Shares immediately before the issue of Bonus Securities.</p> <p>If there is a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, then subject to the Listing Rules, the basis for conversion of the Convertible Notes will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholders which are not conferred on Members.</p>
Ranking	<p>The Convertible Notes at all times constitute unsecured debt obligations of the Company, which together with any accrued and unpaid Interest, ranks for payment in a winding up of the Company, behind any secured debt of the Company, equally with all present and future subordinated and unsecured debt obligations of the Company, and ahead of all Shares.</p>
Negative Covenants	<p>Nil</p>
Events of default	<p>The Default Events are:</p> <ul style="list-style-type: none"> (a) failure to pay: the Company fails to pay or repay within 10 Business Days of its due date any amount due by it; (b) non-remediable failure: the Company fails to perform or observe any material undertaking, obligation or agreement expressed or implied and that failure is not, in the reasonable opinion of the Noteholder, remediable; (c) misrepresentation: any warranty, representation or statement made by the Company in relation to Convertible Notes is or becomes false, misleading or incorrect in a material respect when made or regarded as made by the Company; (d) Insolvency Event: an Insolvency Event (as defined) occurs in respect of the Company; (e) arrangements: the Company enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them otherwise than while solvent and with the prior written consent of the Noteholder; (f) winding up: an application or order is made for the winding-up or dissolution of the Company, which application is not dismissed or withdrawn within 21 days or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of the Company otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Noteholder; or (g) illegality: all or any part of the provisions of the Convertible Notes is or becomes illegal, void, voidable, unenforceable or otherwise of limited force or effect to the material detriment of the Noteholder. <p>On the occurrence of a Default Event the Company may be required to repay to the Noteholder 120% of the outstanding face value of the Convertible Notes in cash and any interest accrued but unpaid.</p>
Transfer of Convertible Notes	<p>The Convertible Notes are transferable to a Permitted Transferee or to such other person with prior express written consent of the Board in its absolute discretion.</p> <p>A Permitted Transferee is an Affiliate of the Noteholder.</p>

	An Affiliate is defined in the terms of the Convertible Notes – refer Schedule 4.
Rights of Noteholders	The Convertible Notes confer no rights on a Noteholder: (a) to vote at any meeting of Shareholders; (b) to subscribe for or participate in any new issue of securities by the Company; or (c) to otherwise participate in the profits or property of the Company, except as set out in the Convertible Note terms.
Quotation	Convertible Notes will not be quoted on ASX. Shares issued on the conversion of Convertible Notes will be quoted on ASX. Conversion Options will not be quoted on ASX.

(f) **Use or Intended use of funds**

The Company intends to use the funds raised by the proposed grant of Convertible Notes ongoing general working capital requirements.

8.3 Directors' recommendations

The Directors recommend that Shareholders vote in favour of this Resolution.

9. Resolution 11 – Ratification of Shares issued on conversion of Convertible Loans

9.1 Background

The Company has entered into or will enter into loan and convertible note subscription agreements (**Convertible Loans**) providing for the loan to the Company of an amount of up to \$300,000, with various professional and sophisticated investors (**Lenders**) introduced by Max Capital Pty Ltd.

Each Convertible Loan is unsecured and bears interest at 8% per annum. Pursuant to the terms of each Convertible Loan, Lenders may elect to convert their loan amount to Shares in the Company on the basis the Lender issues the Company with a conversion notice prior to the date of the Annual General Meeting (**Loan Conversion Shares**).

In the event a conversion notice is not received by the Company prior to the date of the Annual General Meeting, the Company will issue Convertible Notes to the Lender as contemplated by Resolution 10, subject to the approval of that Resolution. Refer to Section 8 for further information about the Convertible Notes that may be issued.

Shares issued upon receipt of a conversion notice, prior to the date of the Annual General Meeting will be calculated according the following formula:

$$NS = OP / IP$$

Where:

NS = the number of Shares to be issued to the Lender;

OP = the outstanding principal and any accrued but unpaid interest calculated up to the date of issue of the Loan Conversion Shares; and

IP = the lower of:

(a) \$0.02; and

(b) the amount equal to 90% of the volume weighted average price of Shares traded on ASX over the 5 Trading Days up to and including the Trading Day immediately before the date of the loan conversion notice,

being the issue price of the Loan Conversion Shares.

The Loan Conversion Shares that may be issued by the Company before the Meeting will, if issued, be issued within the Company's placement capacity under Listing Rule 7.1.

The terms of the Convertible Loans provide that any agreement for the issue of Loan Conversion Shares is subject to a condition precedent that the Lender may only elect to convert the loan amount to Loan Conversion Shares if the number of Loan Conversion Shares to be issued on conversion would be within the Company's placement capacity under Listing Rule 7.1. At the time of entering into the Convertible Loans the Company's placement capacity under Listing Rule 7.1 was 20,253,151 equity securities.

The terms of the Convertible Loans also provide that if a Lender elects to convert a loan amount to Loan Conversion Shares, the Lender will not be entitled to be issued Conversion Options unless Shareholders approve the issue of those Loan Conversion Options at the Meeting pursuant to Resolution 12. Refer to Section 10 for further information about the issue of Loan Conversion Options.

9.2 Applicable Listing Rules

Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 provides that an issue by a company of Equity Securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's shareholders subsequently approve it.

9.3 Listing Rules information requirements

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 11:

(a) The number of Securities issued

Under the Convertible Loans an aggregate total of up to 20,253,151 Shares may be issued to the Lenders before the Meeting. This is the maximum number of Loan Conversion Shares that may be issued.

The actual number of Loan Conversion Shares that may be issued before the Meeting will depend on the amount of Convertible Loans which Lenders validly elect to convert before the Meeting and the issue price of Loan Conversion Shares determined in accordance with section 9.3(b).

(b) Issue price of Securities

Loan Conversion Shares may be issued before the Meeting at an issue price not less than the lower of:

- (i) \$0.02; and
- (ii) the amount equal to 90% of the volume weighted average price of Shares traded on ASX over the 5 Trading Days up to and including the Trading Day immediately before the date of the loan conversion notice.

(c) The terms of Securities issued

Loan Conversion Shares are fully paid ordinary shares that will rank equally with all existing Shares on issue.

(d) **Persons to whom the Securities were issued**

Loan Conversion Shares were issued before the Meeting to the Lenders.

(e) **The use or intended use of funds raised**

The Company has used the funds raised from the Lenders entering into Convertible Loans for ongoing projects and general working capital requirements.

9.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 11 as it will refresh the Company's issuing capacity under Listing Rule 7.1 and give the Company the flexibility to raise additional working capital through the offer and issue of Equity Securities, if and as required.

10. Resolution 12 - Approval to grant Conversion Options to holders of Shares issued on conversion of Convertible Loan

10.1 Background

The terms of the Convertible Loan contemplate that, subject to Shareholder approval of this Resolution 12, the Company grant conversion options (**Conversion Options**) to the Lenders on the basis of one (1) Conversion Option for every one (1) Loan Conversion Share the Lender receives following the issue of a conversion notice.

As described in Section 9.1, the Company intends to use its placement capacity under Listing Rule 7.1 to issue Loan Conversion Shares.

Subject to Shareholder approval, Conversion Options will be issued to the Lenders under the same terms and conditions as Options issued on the conversion of Convertible Notes as described in Section 8.2(e) above.

For terms and conditions of Conversion Options, refer to Schedule 5.

10.2 Listing Rule information requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

If approval is obtained for Resolution 12, the issue of Conversion Options will not be included in calculating the Company's 15% issuing capacity for the purposes of Listing Rule 7.1.

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 12:

(a) **The maximum number of Securities to be issued**

The Company proposes to issue a maximum of 20,253,151 Conversion Options, being the maximum number of Loan Conversion Shares that may be issued by the Company before the Meeting (refer to Section 9.3(a)), on the basis of one Conversion Option for every one Loan Conversion Share issued.

As an example, if a Lender receives 50,000 Loan Conversion Shares upon the Company's receipt of a conversion notice of a Convertible Loan, Resolution 12 contemplates the same Lender receiving 50,000 Conversion Options in addition to the Loan Conversion Shares if the Resolution is passed. If the Resolution is not passed then no Conversion Options will be issued to Lenders who elect to convert loan amounts to Loan Conversion Shares.

(b) **The date on which Securities will be issued**

Conversion Options will all be issued at the same time on one date within 3 months of the date of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.

(c) **The issue price of Securities**

Conversion Options will be issued for no cash consideration.

Each Conversion Option will be exercisable at the amount equal to 130% of the issue price of Loan Conversion Shares.

Upon the exercise of each Conversion Option into Shares, those Shares will rank equally in all respects with Shares in the Company then on issue.

(d) **Names of persons whom Securities will be issued**

Conversion Options are proposed to be issued to the Lenders as described in Section 9.1.

(e) **Terms of Securities**

Conversion Options are proposed to be issued to the Lenders in accordance with the terms and conditions described in Schedule 5.

(f) **Use or intended use of funds**

As Conversion Options are issued for nil cash consideration, no funds will be raised by the issue of the Conversion Options.

However, if Conversion Options are exercised into Shares, the Company will raise up to approximately \$335,392 (before costs), assuming a maximum of 20,253,151 Conversion Options are issued with at an exercise price of \$0.01656 each and are all exercised. The assumed exercise price is 130% of \$0.01274 being an assumed issue price of Loan Conversion Shares based on 90% of \$0.0141 being the latest available VWAP of Shares traded on ASX over the 5 Trading Days prior to 25 September 2019 being the latest available date before the preparation of this Notice.

Funds received on the exercise of Conversion Options will be allocated to general working capital requirements at that time.

11. Resolution 13 - Approval to issue Options as fee for placement of Convertible Notes – Max Capital Pty Ltd

11.1 Background

Subject to approval of Resolution 10, the Company proposes to engage Max Capital Pty Ltd (ACN 152 214 956) (**Max Capital**) to manage and arrange the Placement of Convertible Notes to the Placement Participants as described above in Section 8.1.

Resolution 13 seeks Shareholder approval to issue 4,000,000 Options to Max Capital as a fee for managing and arranging the Placement (**Max Capital Options**).

Subject to Shareholder approval of Resolution 10, the Company proposes to grant the Max Capital Options on the same terms and conditions as Director Options, which are the subject of Resolutions 6 to 8 in Section 6 above.

Refer to Schedule 1 for full terms and conditions attaching to the Max Capital Options.

11.2 Listing Rule requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

If approval is obtained for Resolution 13, the issue of the Max Capital Options will not be included in calculating the Company's 15% issuing capacity for the purposes of Listing Rule 7.1.

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 13:

(a) **The maximum number of Securities to be issued**

The Company proposes to issue a maximum of 4,000,000 Max Capital Options to Max Capital Pty Ltd for arranging the Placement.

(b) **The date on which Securities will be issued**

Max Capital Options will all be issued at the same time on one date within 3 months of the date of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.

(c) **The issue price of Securities**

The Max Capital Options will be issued for no cash consideration.

Each Max Capital Option will be exercisable at the greater of:

- (i) \$0.0189 each (**Minimum Exercise Price**); or
- (ii) an exercise price representing a premium of 135% above the volume weighted average (**VWAP**) of Shares traded on ASX over the 5 trading days up to and including the Meeting Date.

Upon the exercise of each Max Capital Option into Shares, those Shares will rank equally in all respects with Shares in the Company then on issue.

(d) **Names of persons whom securities will be issued**

Max Capital Pty Ltd and any nominee of Max Capital.

(e) **Terms of Securities**

Max Capital Options are proposed to be granted to Max Capital on the same terms and conditions set out in Schedule 1.

(f) **Use or intended use of funds**

Max Capital Options are proposed to be granted to Max Capital (or its nominee) for nil consideration as they will form the fee for the arrangement of the Placement. Accordingly, no funds will be raised from their issue.

However, should the Max Capital Options be exercised pursuant to their terms and conditions, the Company will raise up to \$75,600, based on the Minimum Exercise Price.

11.3 Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

12. Resolution 14 – Approval to amend Company’s Constitution

12.1 Background

On 28 November 2018, ASX released a consultation paper, *Simplifying, clarifying and enhancing the integrity and efficiency of the ASX Listing Rules*, outlining various changes to the ASX Listing Rules proposed to take effect as of 1 December 2019.

ASX requires that listed entities, i.e. the Company, with restricted securities currently on issue or who may issue restricted securities in at some future time, amend their constitutions to align with the proposed modified ASX escrow regime set out in Section 12.3 below.

Resolution 14 seeks Shareholder approval to amend, replace and delete various provisions in the Company’s Constitution as set out in Schedule 6.

Resolution 14 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

12.2 Corporations Act requirements

Section 136(2) of the Corporations Act provides that a company may modify its constitution by special resolution.

12.3 Listing Rule requirements

Proposed ASX Listing Rule 15.12 requires a listed entity’s constitution to include provisions relating to:

- (a) management by the Company of disposal of restricted securities by restricted security holders, unless permitted by ASX or the Listing Rules;
- (b) holders of restricted securities signing an escrow deed agreeing that restricted securities have a holding lock applied and are held on the entity’s issuer sponsored subregister for the duration of the applicable escrow period;
- (c) an entity refusing to acknowledge or action transfers or disposal of restricted securities during the applicable escrow period, subject to any permission from ASX or the Listing Rules;
- (d) a holder of restricted securities not being entitled to participate in any return of capital on restricted securities during the applicable escrow period except as permitted by ASX or the Listing Rules; and
- (e) if a holder of restricted securities breaches any escrow deed in place during the applicable escrow period, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

12.4 Directors’ recommendation

For the reasons outlined above, the Board unanimously recommends that Shareholders vote in favour of Resolution 14.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

A\$ or \$	Australian dollars.
€	Euro.
Additional Placement Facility	Has the meaning given to that term in Section 5.1 of this Notice.
Annual General Meeting or Meeting	The annual general meeting of Shareholders, or any meeting adjourned thereof, convened by the Notice.
Annual Report	The annual report of the Company for 2019, including the annual financial report, the Directors' report and the Auditor's report for the financial year ended 30 June 2019, which can be downloaded from the Company's website at www.neurotechinternational.com .
Associate	Has the meaning given to that term in the Listing Rules.
ASIC	Australian Securities and Investment Commission.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
Black-Scholes Model	The model based on certain assumptions and variables used to value issued Options.
Board	The board of Directors of the Company.
CEO Options	An option to subscribe for a Share under the Consultancy Agreement between the Company and the CEO, proposed to be granted to the CEO or his nominee on the CEO Option Terms set out in Schedule 2 of this Notice.
Chairman or Non-Executive Chairman	The chairman of the Annual General Meeting.
Chief Executive Officer	The chief executive officer of the Company.
Classified Asset	Has the meaning given to that term in Chapter 19 of the Listing Rules.
Closely Related Party	Has same meaning given to it in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of the member's spouse;(c) a dependent of the member or the member's spouse;(d) anyone else who is one of the member's family and may be expected to influence the member, or be influence by the member, in the member's dealing with the entity;(e) a company the member controls; or(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Commencement Date	Is the date the Consultancy Services Agreement commenced with effect, being 1 December 2018.
Company or Neurotech	Neurotech International Limited (ACN 610 205 402).
Constitution	The Constitution of the Company.

Consultant	Peter Griffiths.
Consultancy Services Agreement	The consultancy services agreement between the Consultant, AAT Research Ltd, the Contactor and the Company.
Contractor	Lake Analytics Limited, Company Registration MT24698930.
Conversion Options	Options issued to Lenders pursuant to conversion of Convertible Loan Agreements or Convertible Notes pursuant to the terms and conditions described in Schedule 5.
Convertible Loan Agreement	The convertible loan and subscription agreement between the Company and Lenders for loans to the Company totalling up to \$300,000.
Convertible Note	A security in the Company convertible by the holder into Shares on the terms and conditions outlined in Schedule 4.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Director Option	An Option proposed to be issued to Directors of the Company as contemplated by Resolutions 6 to 8.
Equity Security	Has the meaning given to that term in ASX Listing Rule 19.12, being: <ul style="list-style-type: none"> (a) a share; (b) a unit; (c) a right to a share or unit or option; (d) an option over an issued or unissued security; (e) a convertible security; (f) any security that ASX decides to classify as an equity security; (g) but not a security that ASX decides to classify as a debt security.
Expiry Date	In relation to Director Options and Max Capital Options, 3 years from the date of grant, being 18 November 2022.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
Glossary	This glossary of terms.
Group Company	Neurotech or AAT Research Ltd (C57103).
Initial Term	12 months from the date of the Consultancy Services Agreement, being 1 December 2018.
Key Management Personnel	Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons details of whose remuneration are included in the Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
Lenders	Professional and sophisticated investors who have loaned funds to the Company pursuant to the Convertible Loan Agreement.
Listing Rules	The listing rules of ASX, as amended from time to time.
Loan Conversion Shares	Shares in the Company issued to the Lenders who issue a conversion notice to the Company to convert their loan into Shares prior to the date of the Annual General Meeting.
Managing Director	The managing director of the Company.

Max Capital	Max Capital Pty Ltd (ACN 152 214 956).
Max Capital Options	Options proposed to be issued to Max Capital as a fee for managing and arranging the placement of Convertible Notes.
Non-Executive Director	A non-executive Director of the Company.
Notice or Notice of Annual General Meeting	The notice of Annual General Meeting which accompanies this Explanatory Statement.
Option	An option to subscribe for a Share.
Option Holder	The holder of an Option in the Company.
Placement	A placement of up to 600,000 Convertible Notes to raise up to \$600,000.
Placement Participant	Professional and sophisticated investors participating in the Placement.
Proxy Form	The proxy form accompanying this Notice of Meeting.
Remuneration Report	The remuneration report appearing in the Annual Report.
Related Party	Has the meaning given to that term in section 228 of the Corporations Act.
Resolution	A resolution set out in the Notice.
Securities	The securities of the Company within the meaning of section 761A of the Corporations Act and includes a Share and an Option.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	The holder of a Share.
Tranche 1 Options	CEO Options issued to the CEO pursuant to the terms outlined in Schedule 2.
Tranche 2 Options	CEO Options issued to the CEO pursuant to the terms outlined in Schedule 2.
VWAP	Volume weighted average price.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 1 – Terms of Director Options and Max Capital Options

1. Entitlement

Each Option entitles the holder (**Option Holder**) to subscribe for 1 Share.

2. No payment on grant

The Option Holder is not required to pay any amount on the grant of an Option.

3. Exercise price

The assumed exercise price for each Option is \$0.0189, this assumed price is 135% of the VWAP of Shares traded on ASX over the 5 business days immediately prior to 25 September 2019 being the latest available date at the time of preparation of the Notice of Meeting.

4. Expiry date

Each Option not exercised by 5.00pm (WST) on the date 3 years after the date of grant of the Options (**Expiry Date**) will automatically lapse and terminate.

5. Certificate or holding statement

The Company must give the Option Holder a certificate or holding statement stating:

- (a) the number of Options granted to the Option Holder;
- (b) the Exercise Price of the Options; and
- (c) the date of grant of the Options.

6. Restrictions on dealing and transfer

- (a) An Option Holder must not sell, transfer, mortgage, pledge, charge, grant a security interest over or otherwise dispose of (**Dispose**) any Director Options, or agree to do any of the same, without the prior consent of the Board, except where such Disposal occurs by force of law.
- (b) The transfer of any Option is subject to any restrictions on transfer under the Corporations Act or the Listing Rules.

7. Quotation of Options

The Company will not apply for quotation of any Options.

8. New issues

The Option Holder is not entitled to participate in any new issue to the Shareholders of securities in the Company unless they have exercised their Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

9. Bonus issues

If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number

of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for determining entitlements to the issue.

10. Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option will be reduced in accordance with Listing Rule 6.22.2.

11. Reorganisation

- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (b) Any calculations or adjustments which are required to be made will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (c) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Option.

12. Exercise

- (a) To exercise Options, the Option Holder must give the Company or its securities registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Options being exercised and Shares to be issued;
 - (ii) payment of the Exercise Price for the Options the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) the Certificate, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed.
- (b) The Option Holder may only exercise Options in multiples of 500 Options unless the Option Holder holds less than 500 Options.
- (c) A notice of exercise in relation to any Options only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice, in cleared funds.
- (d) Options will be deemed to have been exercised on the date the exercise notice is lodged with the Board.

13. Re-issue of certificate or holding statement

If the Option Holder exercises less than the total number of Options registered in the Option Holder's name:

- (a) the Option Holder must surrender their Option certificate (if any); and
- (b) the Company must cancel the Option certificate (if any) and issue the Option Holder a new Option certificate or holding statement stating the remaining number of Options held by the Option Holder.

14. Issue of Shares

Within 10 days after receiving an application for exercise of Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.

15. Equal ranking

Subject to the Company's Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary Shares of the Company at the date of issue.

16. Quotation of Shares

The Company will apply to ASX for official quotation of the Shares issued on exercise of Options.

17. Governing law

These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Schedule 2 – Terms of CEO Options

Subject to Shareholder approval, pursuant to the Consultancy Agreement, the Company has agreed to grant to Peter Griffiths or his nominee CEO Options on the following terms and conditions (**CEO Option Terms**):

1. Each CEO Option entitles the Option Holder to subscribe for one Share in the Company. The grant of the CEO Options is subject to the approval of Shareholders in general meeting, and the CEO Options will be granted on a date following Shareholder approval.
2. Expiry date of the CEO Options (Expiry Date) is the earlier of:
 - (a) 5:00pm (WST) the 5th anniversary of date on which the CEO options are first granted to the Option Holder (**Grant Date**); and
 - (b) date of termination of any employment or services agreement entered into by the Company and/or its Related Body Corporate (**Relevant Agreement**) by reason of “Bad Leaving”.
3. The Option Holder is not required to pay any amount on the grant of a CEO Option.
4. The CEO Options are proposed to be granted in two tranches:
 - (a) 6,500,000 CEO Options (**Tranche 1 Options**); and
 - (b) 5,429,754 (**Tranche 2 Options**).
5. The Exercise Price of each Tranche 1 Option is \$0.0589.
6. The Exercise Price of each Tranche 2 Option is \$0.0199.
7. Each Vested Option may be exercised at any time before the Expiry Date.
8. An Option that is not exercised by the Expiry Date will automatically expire.
9. Subject to the CEO Option Terms, the CEO Options will automatically vest on the following basis:
 - (a) one third of the Tranche 1 Options and one third of the Tranche 2 Options will vest on the Grant Date;
 - (b) one third of the Tranche 1 Options and one third of the Tranche 2 Options will vest on 1 December 2019; and
 - (c) one third of the Tranche 1 Options and one third of the Tranche 2 Options will vest on 1 December 2020.
10. Unvested CEO Options shall automatically vest if a Change of Control Event occurs.
11. The Board may, in its absolute discretion, determine that any unvested CEO Options shall vest:
 - (a) during or, in the Board’s absolute discretion, immediately prior to a Takeover Period;
 - (b) if the Company is listed on the official list of ASX, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX;
 - (c) in the event of the death or Permanent Disablement of the Officeholder; or
 - (d) in the event of the Officeholder’s position of employment or office with any member of the Company Group becoming redundant,

in which event the CEO Options may be exercised.

12. In the event of any Good Leaving:
 - (a) that number of unvested Tranche 1 Options held by the Option Holder immediately prior to the Good Leaving not exceeding one third of the total number of Tranche 1 Options granted will automatically vest;
 - (b) that number of unvested Tranche 2 Options held by the Option Holder immediately prior to the Good Leaving not exceeding one third of the total number of Tranche 2 Options granted will automatically vest;
 - (c) the Option Holder shall retain any vested CEO Options, which may be exercised; and
 - (d) the remaining unvested CEO Options shall expire on the date of termination of the Relevant Agreement.
13. In the event of any Bad Leaving, all unvested CEO Options shall automatically lapse and may not be exercised.
14. CEO Options may not be Disposed except by way of a Permitted Transfer.
15. Subject to the Corporations Act or the Listing Rules, the Option Holder may transfer some or all of the CEO Options at any time before the Expiry Date by way of a Permitted Transfer by:
 - (a) a proper ASX Settlement Pty Ltd transfer or any other method permitted by the Corporations Act; or
 - (b) a prescribed instrument of transfer.
16. An instrument of transfer for a Permitted Transfer of a CEO Option must be:
 - (a) in writing;
 - (b) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (c) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (d) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the CEO Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that CEO Option, the right of the transferor to transfer that CEO Option and the proper execution of the instrument of transfer.
17. If and for the period that the Company is admitted to the official list of ASX:
 - (a) **quotation of Options:** the Company will not apply to have the CEO Options quoted on ASX or any other stock exchange; and
 - (b) **quotation of Shares:** the Company will apply to ASX for Official Quotation of the Shares issued on exercise of CEO Options.
18. New issues
 - (a) The Option Holder is not entitled to participate in any new issue of securities to the Company's shareholders of securities in the Company unless they have exercised their CEO Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.

- (b) The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.
19. **Bonus issues:** If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) (**Bonus Issue**) and a Share has not been issued in respect of the CEO Option before the record date for determining entitlements to the Bonus Issue, then the number of underlying Shares over which the CEO Option is exercisable will be increased by the number of Shares which the Holder would have received if the Holder had exercised the CEO Option before the record date for determining entitlements to the Bonus Issue.
20. **Pro rata issues:** If the Company makes a pro rata issue of Shares (except a Bonus Issue) to Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) (**Pro Rata Issue**) and a Share has not been issued in respect of the CEO Option before the record date for determining entitlements to the Pro Rata Issue, the Exercise Price of each CEO Option will be reduced in accordance with Listing Rule 6.22.2.
21. If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company (**Reorganisation**), then the rights of the Option Holder (including the number of CEO Options to which the Option Holder is entitled and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the Reorganisation.
22. Any calculations or adjustments which are required to be made will be made by the Company's directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
23. The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any CEO Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a CEO Option.
24. Each CEO Option entitles the Option Holder to subscribe for one Share on exercise of the CEO Option.
25. Subject to paragraph 26 of these terms, the Option Holder only exercises CEO Options that have vested on or after the Vesting Date applicable to the CEO Options.
26. Notwithstanding paragraph 25 of these terms, CEO Options may be exercised:
- (a) during or, in the board of director's absolute discretion, immediately prior to a Takeover Period;
 - (b) at any time after a Change of Control Event has occurred;
 - (c) if the Company is listed on the official list of ASX, in the board of director's absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the board of directors is likely to lead to the Company being removed from the official list of ASX; or
 - (d) in the board of director's absolute discretion, if the CEO Options are held by the Officeholder or an Affiliate of the Officeholder, in the event of the death or Permanent Disablement of the Officeholder.
27. To exercise CEO Options, the Option Holder must give the Company or its securities registry, at the same time:
- (a) a written exercise notice (in the form approved by the board of directors from time to time) specifying the number of CEO Options being exercised and Shares to be issued;
 - (b) payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and

- (c) any certificate for the CEO Options.
28. The Option Holder may only exercise CEO Options in multiples of 10,000 CEO Options unless the Option Holder exercises all CEO Options held by the Option Holder.
29. CEO Options will be deemed to have been exercised on the date the exercise notice is lodged with the Company or its securities registry.
30. The Company must give the Option Holder a certificate or holding statement stating:
- (a) the number of CEO Options issued to the Option Holder;
 - (b) the Exercise Price of the CEO Options; and
 - (c) the date of issue of the CEO Options.
31. If the Option Holder exercises less than the total number of CEO Options registered in the Option Holder's name:
- (a) the Option Holder must surrender their CEO Option certificate (if any); and
 - (b) the Company must cancel the CEO Option certificate (if any) and issue the Option Holder a certificate or holding statement stating the remaining number of CEO Options held by the Option Holder.
32. Within 10 Business Days after receiving an application for exercise of CEO Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.
33. Subject to the Company's constitution, all Shares issued on the exercise of CEO Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
34. These terms and conditions of CEO Options may be amended as necessary by the board of directors in order to comply with the Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the terms and conditions of CEO Options, provided that, subject to compliance with the Listing Rules, the economic and other rights of the Option Holder are not diminished or terminated following such amendment.
35. In the terms of CEO Options, the following expressions have the following meanings:
- (a) **Affiliate** means in relation to a person or entity, any one or more of the following:
 - (i) a company:
 - A. in which the person holds or controls 50% or more of the voting shares; or
 - B. of which the person controls the outcome of decisions in relation to that company's financial and operating policies;
 - (ii) a company:
 - A. which holds or controls 50% or more of the voting shares in the entity;
 - B. which controls the outcome of decisions about the entity's financial and operating policies; or
 - (iii) a trust of which the person controls the appointment of the trustee and is a beneficiary of the trust or otherwise has a beneficial entitlement to the trust property.
 - (b) **Bad Leaving** means the termination of any Relevant Agreement by reason of:

- (i) the retirement or resignation of the Officeholder from employment, engagement or any position of office with the Company or its Related Body Corporate, except for a retirement or resignation of the Officeholder due to the ill health or Permanent Disablement of the Officeholder; or
 - (ii) any breach of the Relevant Agreement by the Officeholder or his Affiliate,
 - (iii) provided that for the avoidance of doubt, the expiry of the Initial Term of the Relevant Agreement shall not constitute Bad Leaving.
- (c) **Change of Control Event** means a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability, in a general meeting, to replace all or a majority of the Board.
- (d) **Company Group** means the Company and its Related Bodies Corporate.
- (e) **Dispose** means to sell, transfer, mortgage, pledge, charge, grant a Security Interest over or otherwise dispose of an Option, and **Disposal** has a corresponding meaning.
- (f) **Good Leaving** means the termination of any Relevant Agreement other than by reason of a Bad Leaving.
- (g) **Officeholder** means Peter James Lawrence Griffiths.
- (h) **Permanent Disablement** means:
 - (i) the illness or incapacity of the Officeholder necessitating the permanent withdrawal of the Officeholder from the work force, as accepted to the satisfaction of the Board; or
 - (ii) any other circumstances which the Board considers should be treated as Permanent Disablement for the purposes of these terms.
- (i) **Permitted Transfer** the transfer of CEO Options to the Officeholder or an Affiliate of the Officeholder.
- (j) **Security Interest** a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.
- (k) **Takeover Period** means either:
 - (i) where a takeover bid been made to acquire Shares, the period of 6 months (or such other period as the Board, in its absolute discretion, determines and notifies in writing to the Option Holder) after the offer under the takeover bid has become or been declared unconditional; or
 - (ii) in relation to a scheme of arrangement, the period of 6 months (or such other period as the Board, in its absolute discretion, determines and notifies in writing to the Option Holder) after the scheme has become effective whereby more than 50% of the Shares carrying a right to vote in general meetings of the Company have vested in another person or in any combination of persons acting in concert.
- (l) **Vested Option** an Option which has vested.
- (m) **VWAP** means the volume weighted average sale prices of Shares sold on ASX during the specified period, excluding any transaction defined in the ASX Operating Rules as 'special', crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises.

Schedule 3 - Equity securities issued 12 months prior to Annual General Meeting

Date of issue	Equity Securities issued	Person	Issue price	Total cash consideration	Use of funds	Non-cash consideration and current value
4/12/2018	466,000 Shares issued to CEO pursuant to terms of Executive Employment Contract.	Mr Wolfgang Storf (issued in settlement of Short-Term incentive entitlement)	\$0.16 per Share. Discount to closing market price on date of issue: Nil	Nil	Not Applicable	Non-cash consideration: settlement of vested Share rights. Current value \$6,990.00 ¹
	142,857 Shares issued as remuneration to Director	Mr David Cantor (issued in settlement of service recognition to Company)	\$0.14 per Share. Discount to closing market price on date of issue: Nil	Nil	Not applicable	Non-cash consideration: settlement of service recognition to Company. Current value \$2,142.86 ¹
25/02/2019	26,122,966 Shares issued pursuant to pro-rata rights issue.	eligible shareholders	\$0.03 per Share. Discount to closing market price on date of issue: Nil	Amount raised: \$783,689 Amount spent: \$783,689	Funds dedicated to research, software development and working capital as described in Company prospectus dated 29/01/2019 at section 2.3.	Non-cash consideration: Not applicable Current value: \$391,844.50 ¹
	26,122,966 Options issued pursuant to pro-rata rights issue.	eligible shareholders	Nil, issued as part of rights issue – 1 free attaching option for every share subscribed.	Nil	Not applicable	Non-cash consideration: issued as free-attaching option to rights issue Current value: \$391,844.49 ²

1. current value determined on the market price of the Company's Shares as at 16 September 2019, being \$0.016 per Share.
2. In respect of unquoted Equity Securities, the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market-based performance conditions (i.e. conditions linked to the price of Shares).

Schedule 4 – Terms of Convertible Notes

1. Defined terms

Affiliate means, in relation to a person or entity, any one or more of the following:

- (a) a spouse, child, sibling or other relative of the person;
- (b) a director, officer or shareholder of the entity;
- (c) a spouse, child, sibling or other relative of the person named in paragraph (b) of this definition;
- (d) a company:
 - (i) in which the person holds or controls 50% or more of the voting shares; or
 - (ii) of which the person controls the outcome of decisions in relation to that company's financial and operating policies;
- (e) a company:
 - (i) which holds or controls 50% or more of the voting shares in the entity; or
 - (ii) which controls the outcome of decisions about the entity's financial and operating policies;
- (f) a partner of the person or a partnership in which the person is a partner;
- (g) a spouse, child, sibling or other relative of the person named in paragraph 1(f) of this definition; or
- (h) a trust of which the person controls the appointment of the trustee and is a beneficiary of a trust or otherwise has a beneficial entitlement to any trust property.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Corporations Act 2001 (Cth).

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

Business means the business and assets of the Company and its subsidiaries.

Business Day means a day other than a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.

Constitution means the constitution of the Company.

Conversion Amount means the sum of:

- (a) the aggregate Face Value of the Convertible Notes to be converted; and
- (b) all accrued but unpaid Interest on those Convertible Notes as at the Conversion Date (if any).

Conversion Date means for the purposes of conversion pursuant to paragraph 4 of this Schedule the date on which the Company receives a Conversion Notice from the Noteholder.

Conversion Notice means a notice given by the Noteholder to the Company specifying the Convertible Notes to be converted to Shares.

Conversion Options means options to subscribe for Shares issued on the terms set out in Schedule 3 of the Issuance Agreement on conversion of the Convertible Notes.

Conversion Price means the lower of:

(a) \$0.02; and

(b) the amount equal to 90% of the VWAP as at the Conversion Date,

being the conversion price (issue price) per Share issued on conversion of a Convertible Note.

Conversion Securities means Conversion Shares and Conversion Options.

Conversion Shares means Shares issued on conversion of Convertible Notes.

Convertible Note means a convertible note issued on these General Terms.

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

Default Event means any of the following events:

(a) **failure to pay:** the Company fails to pay or repay within 10 Business Days of its due date any amount due by it;

(b) **non-remediable failure:** the Company fails to perform or observe any material undertaking, obligation or agreement expressed or implied and that failure is not, in the reasonable opinion of the Noteholder, remediable;

(c) **misrepresentation:** any warranty, representation or statement made by the Company in relation to Convertible Notes is or becomes false, misleading or incorrect in a material respect when made or regarded as made by the Company;

(d) **Insolvency Event:** an Insolvency Event occurs in respect of the Company;

(e) **arrangements:** the Company enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them otherwise than while solvent and with the prior written consent of the Noteholder;

(f) **winding up:** an application or order is made for the winding-up or dissolution of the Company, which application is not dismissed or withdrawn within 21 days or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of the Company otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Noteholder; or

(g) **illegality:** all or any part of the provisions of the Convertible Notes is or becomes illegal, void, voidable, unenforceable or otherwise of limited force or effect to the material detriment of the Noteholder.

Director means a director of the Company from time to time.

Face Value means the face value of a Convertible Note as stated in paragraph 2.3 of this Schedule.

General Terms means these General Terms of Convertible Notes.

Insolvency Event means, in relation to a person:

- (a) a controller (as defined in section 9 of the Corporations Act), administrator, liquidator, trustee or similar officer is appointed in respect of the person or any property of the person;
- (b) a liquidator or provisional liquidator is appointed in respect of the person; or
- (c) the person becomes, or admits in writing that it is, or is declared or deemed under any applicable law to be, insolvent or unable to pay its debts as and when they become due and payable.

Interest has the meaning given to the term in paragraph 3.1 of this Schedule.

Interest Rate means the rate of 8% per annum.

Investment Amount has the meaning given to that term in the Issuance Agreement.

Issuance Agreement means the Convertible Note Subscription Agreement between the Company and the first Noteholder pursuant to which a Convertible Note is issued by the Company.

Issue Date has the meaning given to that term in the Issuance Agreement.

Listing Rules means the listing rules of ASX.

Maturity Date means 31 December 2021.

Noteholder means the holder of a Convertible Note.

Outstanding Principal means, at any time, the aggregate of the Investment Amount which has not been repaid by the Company and which remains outstanding.

Permitted Transferee means an Affiliate of the Noteholder.

Quarter means a 3 month period ending on 31 March, 30 June, 30 September or 31 December, as the context requires.

Redemption Amount means the sum of:

- (a) the amount equal to 120% of the Outstanding Principal;
- (b) accrued but unpaid Interest on those Convertible Notes as at the date of redemption (if any); and
- (c) all other amounts (if any) payable in respect of the Convertible Notes under this agreement.

Register means a register of holders of Convertible Notes established and maintained by the Company.

Shareholder means a holder of a Share.

Shares means fully paid ordinary shares in the capital of the Company and Share has a corresponding meaning.

Trading Day means a trading day (within the meaning of the Listing Rules) on which Shares are traded on ASX.

Transfer Form means an instrument in writing for the transfer of Convertible Notes in a form approved by the Directors.

VWAP means the volume weighted average price of Shares traded on ASX over the 5 Trading Days up to and including the Trading Day immediately before the Conversion Date.

2. Form of Convertible Notes

2.1 Form

- (a) Each Convertible Note is a redeemable, convertible, unsecured promissory note of the Company issued on these General Terms.
- (b) The Noteholder is entitled to the benefit of, and are bound by, the provisions of these General Terms.

2.2 Status

Each Convertible Note constitutes direct, unsecured obligations of the Company and ranks pari passu and rateably with all other Convertible Notes.

2.3 Face Value

Each Convertible Note is issued fully paid with a Face Value of \$1.00.

2.4 Currency

A Convertible Note is denominated in Australian dollars.

2.5 Certification

Certificates for Convertible Notes will be issued to the Noteholder and the Company will maintain a Register.

3. Interest

3.1 Accrual

Each Convertible Note bears interest on its Face Value at the Interest Rate (**Interest**).

3.2 Calculation

- (a) Interest is calculated from and including the Issue Date until the day immediately prior to the redemption or conversion (as applicable) of a Convertible Note.
- (b) Interest accrues from day to day and is calculated on the actual number of days elapsed on the basis of a 365 day year.

3.3 Payment

- (a) The Company will pay to the Noteholder all accrued Interest within 7 Business Days of the end of each Quarter.
- (b) Payment of Interest under paragraph 3.3(a) of this Schedule will be made by electronic funds transfer into an Australian bank account nominated by the Noteholder to the Company in writing, unless the Company agrees an alternative payment method with the Noteholder.

3.4 Withholding tax

- (a) Any payment of Interest on the Convertible Notes must be paid without deduction or withholding or on account of any taxes imposed by any jurisdiction unless such withholding or deduction is required by law.

- (b) In the event that any tax is imposed on any payment under the Convertible Notes by any jurisdiction, the Company may deduct the amount of tax and pay or remit that amount so deducted to the appropriate tax authorities in respect of the Convertible Notes, including any amounts of additional tax by way of penalty.

4. Conversion of Convertible Notes

4.1 Conversion

- (a) The Noteholder may elect to convert some or all of the Convertible Notes in minimum Face Value amounts of \$1,000 at any time prior to the Maturity Date by giving the Company a Conversion Notice.
- (b) If the Noteholder has not elected to convert all of the Convertible Notes under paragraph 4.1(a) of this Schedule, on the Maturity Date the Company must redeem the Convertible Notes in accordance with paragraph 5.1.
- (c) If the Noteholder exercises its conversion rights under paragraph 4.1(a) of this Schedule, the Company must:
 - (i) redeem the number of Convertible Notes specified in the Conversion Notice for the Conversion Amount; and
 - (ii) apply the Conversion Amount as subscription funds for the Conversion Securities which are to be issued to the Noteholder in accordance with paragraphs 4.2 and 4.3 of this Schedule.

4.2 Calculation of Conversion Securities

- (a) The number of Conversion Shares to be issued will be calculated in accordance with the following formula (**Conversion Formula**):

$$NS = CA / CP$$

where:

- NS** = the number of Shares to be issued to the Noteholder on conversion;
- CA** = the total Conversion Amount of the Convertible Notes being converted including any accrued but unpaid Interest of those Convertible Notes at the time of conversion; and
- CP** = the Conversion Price.

- (b) If application of the Conversion Formula would result in the issue of a fraction of a Conversion Share, that fraction must be rounded:
 - (i) to the nearest whole number; or
 - (ii) if the fraction is exactly one half, up to the nearest whole number.
- (c) The number of Conversion Options to be issued will be equal to the number of Conversion Shares issued.

4.3 Issue of Conversion Securities

The Company must:

- (a) issue the Conversion Securities to the Noteholder within 10 Business Days after the Conversion Date; and

- (b) give and deliver to the Noteholder (or cause to be delivered to the Noteholder) a holding statement(s) in respect of the Conversion Securities.

4.4 Ranking of Conversion Shares

Conversion Shares issued on conversion of Convertible Notes will rank in all respects equally with all other Shares on issue.

4.5 Terms of Conversion Options

Conversion Options issued on conversion of Convertible Notes will be issued on the terms set out in Schedule 5.

4.6 Effect of conversion

Upon the issue of Conversion Securities:

- (a) the Convertible Notes which have been converted will be deemed to have been redeemed;
- (b) the Company will issue to the Noteholder, and must register the Noteholder as the holder of, the Conversion Securities;
- (c) the Noteholder will be deemed to have consented to be registered as the holder of the Conversion Securities;
- (d) the Noteholder agrees to be bound by and to comply with the Constitution; and
- (e) all other rights conferred or restrictions imposed under these General Terms on the Convertible Notes which have been converted will no longer have effect.

4.7 Quotation of Conversion Shares

On or as soon as practicable after issue of any Conversion Shares, the Company must:

- (a) procure the quotation of the Conversion Shares on ASX in accordance with the Listing Rules; and
- (b) either:
 - (i) if it satisfies the conditions set out in section 708A(5) of the Corporations Act, issue a notice that complies with the requirements under section 708A(6) of the Corporations Act in respect of those Conversion Shares by no later than the next Business Day after the issue of those Conversion Shares; or
 - (ii) in the event that it does not satisfy the conditions set out in section 708A(5) of the Corporations Act, issue a prospectus no later than 20 Business Days after the issue of those Conversion Shares so as to enable them to become freely tradeable on ASX.

5. Redemption of Convertible Notes

5.1 Redemption on Maturity Date

All outstanding Convertible Notes will be redeemed by the Company on the Maturity Date by the Company paying the Redemption Amount to the Noteholder on the Maturity Date.

5.2 Redemption on Default Event

- (a) The Noteholder may at any time following the occurrence of a Default Event, require the Company to redeem all outstanding Convertible Notes held by the Noteholder by giving notice of the same to the Company.
- (b) The Company must pay the Redemption Amount within 10 Business Days after a receipt of a redemption notice from the Noteholder given under paragraph 5.2(a) of this Schedule.

5.3 Payment of Redemption Amount

Upon redemption of outstanding Convertible Notes, the Company must pay the Redemption Amount to the Noteholder by cheque or electronic funds transfer into the account referred to in paragraph 3.3(b) of this Schedule.

5.4 Effect of redemption

Upon redemption, all redeemed Convertible Notes are cancelled and are not reissued.

6. Registration of transfers

6.1 Permitted transfer

The Noteholder may only transfer all or any of the Convertible Notes that the Noteholder holds to:

- (a) a Permitted Transferee; or
- (b) such other person with prior express written consent of the Board in its absolute discretion, by a Transfer Form.

6.2 Transfer Form

A Transfer Form must be:

- (a) lodged at the Company's registered office together with payment of any duty, taxes or other governmental charges payable in relation to the same; and
- (b) accompanied by such evidence as the Company may require to prove the title and identity of the transferor and the transferee, the right of entitlement of the transferee to receive a transfer of the relevant Convertible Note, the due execution of the Transfer Form and the due compliance and observance with all applicable laws and regulations.

6.3 Recording transfers

The Company will promptly, upon being satisfied with a Transfer Form and the information lodged with it, accept the application contained in the Transfer Form by making an inscription in the Register recording the transfer of the relevant Convertible Note(s).

6.4 Registration

- (a) On the inscription being made in the Register, the Company will recognise the transferee as the registered owner of the relevant Convertible Note(s) and as being entitled to the repayment of the Outstanding Principal and the payment of all accrued but unpaid Interest, and to all other rights vested in Noteholder under these General Terms.
- (b) The transferor will for all purposes be and be deemed to be the registered owner of the relevant Convertible Note(s) until an inscription is made in the Register recording the

transfer, the name and address of the transferee and the other matters required to be entered into the Register by the Company from time to time.

6.5 Administration

- (a) The Company will procure that all Transfer Forms which are registered will be retained by the Company for a period of 7 years after receipt but any Transfer Form which the Company declines to register will (except in the case of fraud or suspected fraud) be returned on demand to the person depositing the same.
- (b) The Company will not register the transfer of a Convertible Note on or after the Maturity Date.

6.6 Directions

- (a) Subject to these General Terms and any conditions proposed by the Company at the time the Convertible Notes are issued and any notations on the Register, the Company will comply with any payment or distribution direction made by a transferee:
 - (i) in an application for transfer of Convertible Notes on and from the time of registration of that transfer; and
 - (ii) at any subsequent time in such form as the Company will from time to time determine.
- (b) A direction from any one or more joint holders of a Convertible Note will bind all the joint holders.
- (c) If more than one direction is received from joint holders of a Convertible Note, the direction of the senior holder is to be accepted to the exclusion of the other directions and, for this purpose, seniority is determined by the order in which the names appear in the Register in respect of any joint holding.

6.7 Transmission

A person becoming entitled to Convertible Notes as a consequence of the death or bankruptcy of the Noteholder or of a vesting order or a person administering the estate of the Noteholder may, upon producing such evidence as to that entitlement or status as the Company considers sufficient, transfer the Convertible Notes of that Noteholder or, if so entitled, become registered as the holder of the Convertible Notes.

6.8 No registration fee

Transfers will be inscribed in the Register without charge provided taxes or other governmental charges (if any) imposed in relation to the transfer have been paid.

6.9 Title

Title to a Convertible Note passes when details of the transfer are entered in the Register.

7. Issues of new securities

The Noteholder is not entitled to participate in any new issue of Shares or other securities to Shareholders unless some or all of the Convertible Notes held by that Noteholder have been converted into Shares on or before the date for determining entitlements to the issue, in which circumstance the Noteholder may then participate as a result of holding Shares.

8. Bonus issues of securities

If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) (**Bonus Issue**) and Conversion Securities have not been issued in respect of a Convertible Note before the record date for determining entitlements to the Bonus Issue, then the number of Conversion Securities into which a Convertible Note will convert will be increased by the number of Shares which the Noteholder would have received if the Convertible Note had converted and the Noteholder had been issued Conversion Securities before the record date for determining entitlements to the Bonus Issue.

9. Reconstruction of Company's capital

(a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company (**Reorganisation**), then the rights of the Noteholder (including the number of Conversion Securities into which a Convertible Note will convert) will be:

- (i) reconstructed in the same proportion and manner as any such reconstruction of the issued capital of the Company; and
- (ii) subject to the same provisions (if any) with respect to the rounding of entitlements as are sanctioned by the meeting of Shareholders which approves any such reconstruction of the capital of the Company,

but in all other respects the terms for the conversion of the Convertible Notes will remain unchanged.

(b) Any calculations or adjustments which are required to be made in relation to the Reorganisation will be made by the Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Noteholder.

10. Cancellation

Any Convertible Notes that are redeemed or converted will be automatically cancelled and will not be re-issued.

11. Rights of Noteholders

11.1 Information rights

- (a) Subject to law, the Company shall use its reasonable endeavours to ensure that, as far as reasonably practicable, the Noteholder will be provided with a copy of all notices of meetings of the Company and the Company's other documents (including annual reports and financial statements) given by the Company to its Shareholders, at the same time as shareholders or as soon as reasonably practicable after that time.
- (b) The Noteholder shall be entitled to meet with the Company's managing director or chief financial officer every 6 months to obtain a summary of the progress of the Company's business plan and to receive an update on the financial position of the Company at the relevant time.

11.2 No other rights

A Convertible Note does not confer any rights on the Noteholder:

- (a) except as required by the Constitution or the Corporations Act, the Noteholder will not have any right to vote at any meeting of members of the Company;

- (b) to subscribe for or participate in any new issue of securities by the Company; or
- (c) to otherwise participate in the profits or property of the Company, except as set out in these General Terms.

12. Restriction on conversion

12.1 Application

This paragraph 12 applies if and for so long as the Company is a public company for the purposes of the Corporations Act, in which case this paragraph is a term of each Convertible Note.

12.2 Restrictions on conversion

If the Company determines that on a conversion the Noteholder and its Associates would become entitled to more than 20% of the total Shares on issue following the conversion of Convertible Notes, the Company may elect to either:

- (a) redeem (in cash) that number of Convertible Notes such that the total number of Shares held by the Noteholder and its Associates does not exceed 20% of the total Shares on issue; or
- (b) defer the issue of Shares on the conversion to a date no later than 3 months after the Maturity Date or the date on which the Shareholders in a general meeting have approved the issue of Shares to the Noteholder in accordance with the requirements of item 7 section 611 of the Corporations Act, whichever occurs first (**Deferred Conversion Date**). If Shareholders do not approve the issue of Shares, the relevant Convertible Notes shall be redeemed (in cash) on or before the Deferred Conversion Date.

13. Secondary trading restrictions

- (a) The Noteholder will comply with the secondary trading restrictions under Chapter 6D of the Corporations Act in relation to the transfer of any Convertible Notes or any Conversion Securities.
- (b) The Company is not required to register a Transfer Form in relation to a Convertible Note if the Company considers, in good faith, that the transfer of the Convertible Note may contravene the secondary trading restrictions under Chapter 6D of the Corporations Act.

Schedule 5 – Terms of Conversion Options

1. **Terms and grant**

- (a) This document states the terms of options (**Conversion Options** or **Options**) to subscribe for fully paid ordinary shares (**Shares**) in the capital of Neurotech International Limited ACN 610 205 402 (**Company**) issued on either:
- (i) the conversion of convertible notes issued by the Company with a face value of \$1.00 each on the terms as described in the Company's Notice of Annual General Meeting dated 26 September 2019 (**Convertible Notes**);
 - (ii) the conversion of a loan advanced to the Company by a loan agreement entered into by the Company (**Loan**);
- (b) Conversion Options on the conversion of Convertible Notes shall be issued to the holder of the Convertible Notes in accordance with their terms.

2. **Entitlement**

Each Conversion Option entitles the holder (**Option Holder**) to subscribe for 1 (one) Share.

3. **Exercise price**

The exercise price of each Option (**Exercise Price**) is the amount equal to:

- (a) in the case of Options issued on conversion of Convertible Notes, 130% of the Conversion Price (as that term is defined in the terms of the Convertible Notes); and
- (b) in the case of Options issued on conversion of a Loan, 130% of the issue price of Shares issued on conversion of the Loan.

4. **Expiry date**

Each Conversion Option not exercised by 5.00pm (WST) on 31 January 2023 (**Expiry Date**) will automatically lapse and terminate.

5. **Certificate or holding statement**

The Company must give the Option Holder a certificate or holding statement stating:

- (a) the number of Options granted to the Option Holder;
- (b) the Exercise Price of the Options; and
- (c) the date of grant of the Options.

6. **Restrictions on dealing and transfer**

The Options may be transferred subject to any restrictions on transfer under the Corporations Act or the Listing Rules.

7. **Quotation of Conversion Options**

The Company will not apply for quotation of any Options on ASX or any other stock exchange.

8. **New issues**

An Option Holder is not entitled to participate in any new issue to the holders of securities in the Company unless they have exercised their Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

9. **Bonus issues**

If the Company makes a bonus issue of Shares or other securities to holders of Shares (**Shareholders**) (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Option Holder would have

received if the Option Holder had exercised the Option before the record date for determining entitlements to the issue.

10. **Pro rata issues**

If the Company makes a pro rata issue of Shares (except a bonus issue) to Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option will be reduced in accordance with Listing Rule 6.22.2.

11. **Reorganisation**

- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (b) Any calculations or adjustments which are required to be made will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (c) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Option.

12. **Exercise**

- (a) To exercise Options, the Option Holder must give the Company or its securities registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Options being exercised and Shares to be issued;
 - (ii) payment of the Exercise Price for the Options the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) the Certificate, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed.
- (b) The Option Holder may only exercise Options in multiples of 1,000 Options unless the Option Holder is exercising all of the Options held by the Option Holder or holds less than 1,000 Options.
- (c) A notice of exercise in relation to any Options only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice, in cleared funds.
- (d) Options will be deemed to have been exercised on the date the exercise notice is lodged with the Board.

13. **Re-issue of certificate or holding statement**

If the Option Holder exercises less than the total number of Options registered in the Option Holder's name:

- (a) the Option Holder must surrender their Conversion Option certificate (if any); and
- (b) the Company must cancel the Option certificate (if any) and issue the Option Holder a new Option certificate or holding statement stating the remaining number of Options held by the Option Holder.

14. **Issue of Shares**

Within 10 days after receiving an application for exercise of Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.

15. **Equal ranking**

Subject to the Company's Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary Shares of the Company at the date of issue.

16. **Quotation of Shares**

The Company will apply to ASX for official quotation of the Shares issued on exercise of Options.

17. **Governing law**

These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Schedule 6 – Proposed amendments to Company’s Constitution

The following Schedule states the proposed amendments to the Company’s Constitution, subject to the passing of Resolution 14 of this Notice as a special resolution.

1. Amend current clause 4.2(b):

4.2(b) Except as permitted by the Listing Rules or ASX, a Member must not dispose of restricted securities during the escrow period for those securities;

insert the following clause:

4.2(b) Except as permitted by the Listing Rules or ASX, a Member must not dispose of restricted securities, or agree or offer to dispose of, during the escrow period for those securities.

2. Insert the following new clause 4.8:

4.8 Restricted securities to be held on issuer sponsored sub-register

If a Member holds restricted securities in the same class as quoted securities, the Member will be taken to have agreed in writing with the Company that the restricted securities are to be kept on the Company’s issuer sponsored sub-register of the Register and are to have a holding lock applied for the duration of the escrow period applicable to those securities.

3. Delete current clause 5.12(h):

5.12(h) A Member who holds restricted securities is not entitled to any voting rights in respect of those restricted securities during:

- (a) a breach of the Listing Rules relating to those restricted securities; or*
- (b) a breach of a restriction agreement;*

insert the following new clause 5.12(h):

5.12(h) A Member who holds restricted securities who breaches a restriction deed or a provision of this Constitution restricting the disposal of those securities is not entitled to any voting rights in respect of those restricted securities for so long as the breach continues.

4. Delete the current clause 10.1(f)

10.1(f) A Member who holds restricted securities is not entitled to any Dividends in respect of those restricted securities during:

- (i) a breach of the Listing Rules relating to those restricted securities; or*
- (ii) a breach of a restriction agreement*

5. Insert new clause 10.10:

10.10 Restricted securities

- (a) A Member who holds restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.*
- (b) A Member who holds restricted securities who breaches a restriction deed or a provision of this Constitution restricting the disposal of those securities is not entitled to any Dividends or distribution of capital in respect of those restricted securities for so long as the breach continues.*

