



BIG RIVER INDUSTRIES LIMITED

ACN 609 901 377

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Big River Industries Limited ACN 609 901 377 (**Company**) will be held at the offices of Thomson Geer, Level 14, 60 Martin Place, Sydney NSW 2000 on 18 February 2021 at 1.00 pm (Sydney time) (**Meeting**).

The Explanatory Notes to this Notice of Meeting provide additional information on the matters to be considered at the Meeting. The Proxy Form and Explanatory Notes form part of this Notice of Meeting.

COVID-19 and Participation at the Meeting

In light of the continuing uncertainty around COVID-19, the Company may be required to change its Meeting arrangements at short notice including (but not limited to) arrangements relating to timing, venue and meeting logistics, having regard to Commonwealth and State Government laws and physical distancing requirements in place and as updated from time-to-time.

Shareholders should regularly check the Company's website at <http://bigriverindustries.com.au/investors/> for any announcements and updates in respect of the Meeting arrangements. Announcements will also be available on the ASX announcement platform (ASX ticker code: BRI).

The Company encourages all shareholders to exercise their rights to vote and otherwise participate in the business of the Meeting, but notes that **physical attendance at the Meeting is not necessary for the purpose of exercising these rights**. The Company strongly encourages shareholders to participate in the Meeting by:

- voting by proxy in advance of the Meeting by completing the Proxy Form and returning it to the Company as set out in the Notice of Meeting;
- completing the question form enclosed and submitting it with the Company's share registry along with the Proxy Form, in advance of the Meeting;
- emailing the Company directly with any questions or comments by email to: investor.relations@bigrivergroup.com.au; and
- accessing any address and presentation provided by the Chairman's and Managing Director and Chief Executive Officer which will be lodged with the ASX before the commencement of the Meeting.

Shareholders planning to attend the Meeting in person will be required to comply with Thomson Geer's protocols and adhere to strict enhanced hygiene and physical distancing requirements in order to gain access to the Meeting. This includes, but may not be limited to, temperature testing and registration.

Refreshments will not be served.

Please bring along a copy of your Proxy Form to facilitate a smooth registration.

BUSINESS OF THE MEETING

Resolution 1: Approval for Consideration Shares Issue

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

*"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue by the Company of 2,962,963 fully paid ordinary shares in the Company (**Shares**) to Timberwood Panels Pty Ltd ACN 161 640 302 (**Seller**) on the terms and conditions set out in the Explanatory Notes."*

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- a. any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) if Resolution 1 is passed; and
- b. any of their associates.

However, a person described above may cast a vote on Resolution 1 if either:

- the vote is cast by a person as proxy or attorney for another person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the vote is cast by the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- the vote is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1; and
 - the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2: Ratification of the 7.1 Placement

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue by the Company of 9,371,583 Shares on 15 December 2020 to sophisticated and professional investors on the terms and conditions set out in the Explanatory Notes."

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- a. any person who participated in the issue or is a counterparty to the agreement being approved; and
- b. any of their associates.

However, a person described above may cast a vote on Resolution 2 if either:

- the vote is cast by a person as proxy or attorney for another person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the vote is cast by the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- the vote is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 2; and
 - the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3: Ratification of the 7.1A Placement

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue by the Company of 1,228,417 Shares on 15 December 2020 to sophisticated and professional investors on the terms and conditions set out in the Explanatory Notes."

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a. any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) if Resolution 3 is passed; and.
- b. any of their associates.

However, a person described above may cast a vote on Resolution 3 if either:

- the vote is cast by a person as proxy or attorney for another person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the vote is cast by the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- the vote is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and
 - the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4: Approval for NAOS Issue

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue by the Company of a total of 4,518,519 Shares to Naos Emerging Opportunities Company Limited ABN 58 161 106 510 and Naos Small Cap Opportunities Company Limited ABN 47 107 617 381 (NAOS) on the terms and conditions set out in the Explanatory Notes."

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a. the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- b. any of their associates.

However, a person described above may cast a vote on Resolution 4 if either:

- the vote is cast by a person as proxy or attorney for another person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the vote is cast by the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- the vote is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and
 - the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

ENTITLEMENT TO ATTEND AND VOTE

The Directors have determined that pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), persons who are registered holders of shares of the Company as at 7 pm (Sydney time) on Tuesday 16 February 2021 will be entitled to attend and vote at the Meeting as a shareholder (**Entitlement Time**).

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to attend or vote at the Meeting.

It is intended that voting on each Resolution at the Meeting will be conducted by a poll, rather than on a show of hands. On a poll, each shareholder has one vote for each fully paid ordinary share held as at the Entitlement Date. If a share is held jointly and more than one shareholder votes in respect of that share, only the vote of the shareholder whose name appears first in the register of shareholders counts.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements of section 250D of the Act. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

Shareholder Questions

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto www.linkmarketservices.com.au, select Voting then click 'Ask a Question', or alternatively submit the enclosed Meeting Question Form.

Shareholders may also submit questions and comments by emailing the Company directly to: investor.relations@bigrivergroup.com.au.

To allow time to collate questions and prepare answers, please submit any questions by 5 pm (Sydney time) on 9 February, 2021. Questions will be collated and, during the Meeting, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the Meeting to address all individual questions or all topics raised. Please note that individual responses will not be sent to shareholders.

Enclosures

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the Meeting by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Big River's share registry's website at www.linkmarketservices.com.au to ensure the timely and cost effective receipt of your proxy;
- an EGM Question Form to be completed if you would like a specific question to be addressed by the Chairman at the Meeting; and
- a reply paid envelope for you to return either the proxy form and Meeting Question Form.

BY ORDER OF THE BOARD

Steve Parks
Company Secretary
15 January 2021

Explanatory Notes

1. Resolution 1: Approval for Consideration Shares Issue

1.1. Background

As announced on 7 December 2020, the Company and its subsidiary, Big River Group Pty Ltd ACN 000 009 754, (**Buyer**) entered into a Business Purchase Deed with Timberwood Panels Pty Ltd ACN 161 640 302 (**Seller**) and others (**Agreement**). Under the Agreement, the Buyer has agreed to acquire the business and assets of the Timberwood group (**Acquisition**) for an enterprise value of \$24.0 million.

The Timberwood group is a speciality manufacturer and distributor of a range of panel products, with a strong diverse customer network and both local and overseas suppliers. It has operations across three sites in Victoria and the ACT, as well as over 1,500 customers across all states and territories.

The consideration payable for the Acquisition comprises an upfront cash payment of \$18.5 million and a \$1.5 million working capital contribution, the issue of 2,962,963 Shares at a deemed price of \$1.35 per Share (**Consideration Shares**) (**Consideration Shares Issue**), up to \$6 million in earn out cash payments and customary post-completion working capital adjustments.

The Consideration Shares Issue is subject to shareholder approval as provided for in Resolution 1.

As announced on 7 December 2020 and 9 December 2020, the cash consideration payable for the Acquisition will be funded by:

- a placement to sophisticated and professional investors which completed on 15 December 2020, under which the Company issued 10,600,000 Shares at \$1.35 per Share and raised \$14.3 million (**Placement**);
- a placement to Naos Emerging Opportunities Company Limited ABN 58 161 106 510 and Naos Small Cap Opportunities Company Limited ACN 47 107 617 381 (**NAOS**), under which the Company is proposing to issue 4,518,519 Shares at \$1.35 per Share to raise \$6.1 million (**NAOS Issue**), subject to shareholder approval; and
- by drawing down on existing debt facilities.

The NAOS Issue is subject to shareholder approval as provided for in Resolution 4.

1.2. Listing Rule Requirements – ASX Listing Rule 7.1

The Consideration Shares are 'equity securities' under the ASX Listing Rules. ASX Listing Rule 7.1 restricts the number of equity securities that a listed company can issue or agree to issue in any 12 month period without shareholder approval to 15% of the number of ordinary securities on issue at the start of the period, subject to certain adjustments and permitted exceptions.

ASX Listing Rule 7.2 (exception 17) states that an agreement to issue equity securities will not use up a listed company's 15% placement capacity if it is conditional on shareholders approving the issue before the issue is made. As the Agreement (which constitutes an agreement for the issue of equity securities) contained such a condition, the agreement to issue the Consideration Shares did not use up the Company's placement capacity. Exception 17 applies on the basis that approval to issue the Consideration Shares is obtained under ASX Listing Rule 7.1. Accordingly, Resolution 1 seeks such Shareholder approval to the Consideration Shares Issue.

If Resolution 1 is passed, the Consideration Shares Issue will be issued with Shareholder approval under ASX Listing Rule 7.1 and will therefore not use up the Company's 15% placement capacity.

If Resolution 1 is not passed, the Consideration Shares Issue will use up Company's 15% placement capacity. As the Company does not have sufficient remaining 15% placement capacity to accommodate the Consideration Shares Issue, the Company will be unable to complete the Consideration Shares Issue. In that circumstance, the Company will be unable to complete the Acquisition.

1.3. Listing Rule Requirements – ASX Listing Rule 7.3

The following information is required by ASX Listing Rule 7.3 for the purposes of Shareholder approval under ASX Listing Rule 7.1:

Persons to whom the securities will be issued	Timberwood Panels Pty Ltd ACN 161 640 302 (i.e. the Seller).
Number and class of securities to be issued	2,962,963 fully paid ordinary shares in the Company, ranking equally in all respects with existing fully paid ordinary shares in the Company on issue (i.e. the Consideration Shares).
Proposed issue date of the securities	The Consideration Shares are expected to be issued on completion of the Acquisition (Completion), which is expected to occur by 31 March 2021. No Consideration Shares will be issued more than 3 months after the date of this Meeting.
Purpose of the issue, including the intended use of funds	The Company is issuing the Consideration Shares as part consideration for the acquisition of the Timberwood group business and assets from the Seller. As such, it will not be raising any funds from the issue.
Price or other consideration that the Company will receive for the securities	The Company will receive the Timberwood group business and assets from the Seller in exchange for the issue of the Consideration Shares and payment of the purchase price for the Acquisition described above. The Consideration Shares will be issued at a deemed issue price of \$1.35 per Share, with an aggregate deemed value of \$4 million.
Material terms of the Agreement pursuant to which the securities will be issued	See section 1.4 of these Explanatory Notes below.
Voting exclusion	As specified under the "Voting exclusion" heading under Resolution 1 in this Notice.

1.4. Material terms of the Agreement – ASX Listing Rule 7.3

The material terms of the Agreement pursuant to which the Consideration Shares will be issued are summarised below:

Term	Information
Parties to the Agreement	<p>Seller – Timberwood Panels Pty Ltd ACN 161 640 302.</p> <p>Buyer – Big River Group Pty Ltd ACN 000 009 754.</p> <p>Other parties – Other members of the Timberwood group, individuals associated with the Seller (to guarantee the Seller's obligations) and the Company (to guarantee the Buyer's obligations).</p>
Nature of the Agreement	The Buyer will purchase the assets and trading business of the Timberwood group from the Seller. The assets include plant and equipment, stock, intellectual property, goodwill, contracts and other assets required to conduct the business.

Term	Information
Purchase price	<p>The purchase price for the Acquisition comprises the following components:</p> <ul style="list-style-type: none"> • a cash payment of \$18.5 million payable by the Buyer on Completion; plus • a working capital contribution of \$1.5 million payable by the Buyer; • the issue of the Consideration Shares issuable by the Company; plus • three (3) deferred cash payments of up to \$2 million each (i.e. \$6 million in total) payable by the Buyer, subject to the business achieving certain EBITDA growth targets in the financial years ending on 30 June 2022, 2023 and 2024 respectively.
Conditions precedent to Completion	<p>Completion is subject to the following conditions precedent being satisfied or otherwise waived by the Buyer on or before 30 June 2021:</p> <ul style="list-style-type: none"> • successful completion of the Placement (which has already occurred) and the NAOS Issue (which is subject to the passing of Resolution 4); • the Buyer finalising its due diligence on the business and the assets to its satisfaction; • shareholders of the Company providing approvals required under the Act, the related ASIC Regulatory Guides, and the requirements of the ASX Listing Rules to complete the Placement, the NAOS Issue, the Consideration Shares issue and the Acquisition (to the extent required); • three premises leases for the business (agreed in principle commercially) being formalised with the landlord parties who are members of the Timberwood group; • obtaining consents of certain contract counterparties; • no material change occurring to the business or assets being acquired between the date of the Agreement and Completion; • no material change occurring to the business of the Buyer or the Company, no downward change to the share price of the Company of greater than 10% of the "volume weighted average market price" (as defined in the ASX Listing Rules) between the date of the Placement and Completion and no material transactions being undertaken by the Buyer or the Company other than in the ordinary course of the business of the Buyer or the Company (as the case may be) between the date of the Agreement and Completion; and • other customary procedural conditions precedent.
Warranties	<p>The Seller has provided customary warranties in favour of the Buyer, including, without limitation, as to title, capacity, its financial position, the assets being sold and compliance with laws.</p>
Guarantees	<p>Individuals associated with the Seller have agreed to guarantee the Seller's obligations under the Agreement, including the Seller's obligations for breaches of warranties given by the Seller.</p> <p>The Company has agreed to guarantee the Buyer's obligations under the Agreement, including the Buyer's obligations to pay the purchase price for the Acquisition.</p>
Escrow	<p>All of the Consideration Shares will be voluntarily escrowed for a period of 24 months from their issue date.</p>

Term	Information
Other terms and conditions	The Acquisition is otherwise on other terms commercially sound for transactions of this kind.

1.5. Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1. The Chairman intends to vote all undirected proxies in favour of Resolution 1. Anacacia Capital, the Company's largest shareholder, has committed to vote in favour of Resolution 1.

2. Resolution 2 and Resolution 3: Ratification of Placement Shares

2.1. Background

As noted in section 1.1 of these Explanatory Notes, the Acquisition will be partly funded by the Placement.

The Placement completed on 15 December 2020, at which time the Company issued 10,600,000 Shares at a price of \$1.35 per Share (**Placement Shares**) to sophisticated and professional investors. The Company raised \$14.3 million under the Placement.

2.2. Listing Rule Requirements – ASX Listing Rule 7.4

The Placement Shares are 'equity securities' under the ASX Listing Rules. ASX Listing Rule 7.1 restricts the number of equity securities that a listed company can issue or agree to issue in any 12 month period without shareholder approval to 15% of the number of ordinary securities on issue at the start of the period, subject to certain adjustments and permitted exceptions.

9,371,583 of the Placement Shares were issued using up the Company's 15% capacity under ASX Listing Rule 7.1 (**7.1 Placement**). As a result of the 7.1 Placement, the Company has no remaining capacity under ASX Listing Rule 7.1.

In addition, ASX Listing Rule 7.1A enables an eligible listed company to issue additional equity securities up to 10% of its issued share capital over a 12 month period after the annual general meeting at which shareholders approved the additional placement capacity. The 10% placement capacity under ASX Listing Rule 7.1A is in addition to the company's 15% placement capacity under ASX Listing Rule 7.1. The Company obtained the requisite shareholder approval under ASX Listing Rule 7.1A at its 2020 annual general meeting.

1,228,417 of the Placement Shares were issued using up the Company's additional 10% capacity under ASX Listing Rule 7.1A (**7.1A Placement**). As a result of the 7.1A Placement, the Company has remaining capacity to issue or agree to issue up to 5,019,305 Shares under ASX Listing Rule 7.1A.

ASX Listing Rule 7.4 provides that an entity may ratify an issue of securities made without approval under ASX Listing Rule 7.1 and/or 7.1A subsequently to the issue of those securities provided that the issue did not breach ASX Listing Rule 7.1 or 7.1A. If an issue of securities is ratified under ASX Listing Rule 7.4, the issue will be treated as having been made with approval for the purposes of ASX Listing Rule 7.1. The Company confirms that the issue of the Placement Shares did not breach ASX Listing Rule 7.1 or 7.1A.

Resolution 2 seeks approval to ratify the issue of 9,371,583 Placement Shares under the 7.1 Placement. Resolution 3 seeks approval to ratify the issue of 1,228,417 Placement Shares under the 7.1A Placement.

If Resolution 2 is passed, the Placement Shares issued under the 7.1 Placement will be deemed to have been issued with Shareholder approval under ASX Listing Rule 7.1 and will hence no longer reduce the Company's 15% placement capacity.

If Resolution 2 is not passed, the Placement Shares issued under the 7.1 Placement will be included in calculating the Company's remaining 15% placement capacity, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of the Placement. As noted above, the 7.1 Placement used up the Company's 15% placement capacity so the Company will be unable to issue any further Shares under the 15% placement capacity until it refreshes.

If Resolution 3 is passed, the Placement Shares issued under the 7.1A Placement will be deemed to have been issued with Shareholder approval under ASX Listing Rule 7.1 and will hence no longer reduce the Company's additional 10% placement capacity.

If Resolution 3 is not passed, the Placement Shares issued under the 7.1A Placement will be included in calculating the Company's additional 10% placement capacity, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of the Placement.

2.3. Listing Rule Requirements – ASX Listing Rule 7.5

The following information is required by ASX Listing Rule 7.5 for the purposes of Shareholder ratification under ASX Listing Rule 7.4:

Number and class of securities issued	10,600,000 fully paid ordinary shares in the Company, ranking equally in all respects with existing fully paid ordinary shares in the Company on issue (i.e. the Placement Shares), of which: <ul style="list-style-type: none"> 9,371,583 Placement Shares were issued under the 7.1 Placement and are the subject of Resolution 2; and 1,228,417 Placement Shares were issued under the 7.1A Placement and are the subject of Resolution 3.
Date on which the securities were issued	15 December 2020.
The names of the persons to whom the Company issued the securities or the basis on which those persons were determined	The Placement Shares were issued to sophisticated and professional investors as determined by the Company in consultation with the lead manager to the Placement, Moelis Australia Advisory Pty Limited ACN 142 008 446. No person to whom the Placement Shares were issued was a related party of the Company.
Purpose of the issue, including the intended use of funds	The funds raised from the Placement will be used to part fund the Acquisition, to cover any transaction costs incurred by the Company in connection with the Acquisition and to meet the Company's general working capital requirements.
Price that the Company will received for the securities	The Company received \$1.35 per Placement Share, totalling \$14,310,000.00.
Voting exclusion	As specified under the "Voting exclusion" heading under Resolution 2 in this Notice.

2.4. Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2. The Chairman intends to vote all undirected proxies in favour of Resolution 2.

3. Resolution 4: Approval for NAOS Issue

3.1. Background

As noted in section 1.1 of these Explanatory Notes, the Acquisition will be partly funded by the NAOS Issue.

The NAOS Issue is a placement of a total of 4,518,519 Shares at a price of \$1.35 per Share (**NAOS Shares**) to Naos Emerging Opportunities Company Limited ACN 58 161 106 510 (**Naos Emerging**) and Naos Small Cap Opportunities Company Limited ACN 47 107 617 381 (**Naos Small Cap**) (**NAOS**). The Company is proposing to raise \$6.1 million under the NAOS Issue, subject to receipt of shareholder approval to such issue.

3.2. Listing Rule Requirements – ASX Listing Rule 10.11.2

The NAOS Shares are 'equity securities' under the ASX Listing Rules. ASX Listing Rule 10.11.2 provides that a listed company must not issue, or agree to issue, equity securities to a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (i.e. at least 30%) holder in the company, without the approval of shareholders.

At the time that NAOS committed to acquire the NAOS Shares, it held a 30.04% shareholding in the Company. NAOS's shareholder has since been diluted to 25.68% as a result of the Placement. As NAOS's shareholding in the 6 months prior to the proposed issue date for the NAOS Shares was at least 30%, the Company must seek Shareholder approval for the NAOS Issue under ASX Listing Rule 10.11.2.

ASX Listing Rule 10.12 (exception 11) states that an agreement to issue securities will not breach ASX Listing Rule 10.11 if it is conditional on shareholders approving the issue before the issue is made. NAOS entered into a commitment letter in favour of the Company committing to subscribe for the NAOS Shares (which constitutes an agreement for the issue of equity securities), which contained such a condition. Accordingly, Resolution 4 seeks Shareholder approval of the NAOS Issue.

If Resolution 4 is passed, the Company will be able to proceed with the NAOS Issue and will be able to use the funds raised from the NAOS Issue to partly fund the Acquisition and associated costs.

If Resolution 4 is not passed, the Company will not be able to proceed with the NAOS Issue and will need to fund the remainder of the Acquisition costs and associated costs using debt from the Company's existing interest-bearing debt facilities.

3.3. Listing Rule Requirements – ASX Listing Rule 10.13

The following information is required by ASX Listing Rule 10.13 for the purposes of Shareholder approval under ASX Listing Rule 10.11.2:

Persons to whom the Company will issue the securities	Naos Emerging Opportunities Company Limited ACN 161 106 510 (NAOS Emerging) and Naos Small Cap Opportunities Company Limited ACN 107 617 381 (NAOS Small Cap ,) (that is NAOS).
Category in rules 10.11.1-10.11.5 to which the person(s) fall under	NAOS falls within the ambit of ASX Listing Rule 10.11.2 as it held a 30.04% shareholding in the Company in the 6 months before the proposed NAOS Issue date.
Number and class of securities issued	4,518,519 fully paid ordinary shares in the Company, ranking equally in all respects with existing fully paid ordinary shares in the Company on issue (i.e. the NAOS Shares) and divided amongst NAOS as follows: <ul style="list-style-type: none">• Naos Emerging – 518,519 NAOS Shares; and• Naos Small Cap – 4,000,000 NAOS Shares.

Proposed issue date of the securities	The NAOS Shares will be issued no later than 16 March 2021, and in any event no later than 1 month after the date of this Meeting.
Purpose of the issue, including the intended use of funds	The funds raised from the NAOS Issue will be used to partly fund the Acquisition, to cover any transaction costs incurred by the Company in connection with the Acquisition and to meet the Company's general working capital requirements.
Price that the Company will receive for the securities	The Company will receive \$1.35 per NAOS Share, totalling \$6,100,000.65.
Material terms of the commitment letter pursuant to which the securities will be issued	There are no other material terms.
Voting exclusion	As specified under the "Voting exclusion" heading under Resolution 4 in this Notice.

3.4. No approval required under ASX Listing Rule 7.1

The NAOS Shares are 'equity securities' under the ASX Listing Rules. ASX Listing Rule 7.1 restricts the number of equity securities that a listed company can issue in any 12 month period without shareholder approval to 15% of the number of ordinary securities on issue at the start of the period, subject to certain adjustments and permitted exceptions. Three of the exceptions are in ASX Listing Rule 7.2 (exception 14), which excludes from the restrictions in ASX Listing Rule 7.1 an issue of securities made with the approval under ASX Listing Rule 10.11, and ASX Listing Rule 7.1 (exception 16), which excludes from the restrictions in ASX Listing Rule 7.1 an issue of securities under an agreement to issue which complies with the ASX Listing Rules. As such, neither the agreement to issue the NAOS Shares, nor the issue of the NAOS Shares, will use up the Company's 15% placement capacity.

3.5. No contravention of Chapter 6 of the Act

Under the NAOS Issue, when the NAOS Shares are issued to NAOS, NAOS will acquire a relevant interest in voting shares in the Company for the purposes of Chapter 6 of the Act. Section 606 of the Act prohibits the acquisition of a relevant interest in the issued voting shares of a listed company if, immediately after the acquisition, any person's voting power would increase within the 20%-90% bracket, unless an exception applies. One of the exceptions is in item 9 of section 611 of the Act, which provides that, if a person has maintained voting power of at least 19% for six months, acquisitions increasing their voting power to a point no more than 3% higher than it was six months prior to the acquisition will be exempt from the prohibitions contained in section 606.

NAOS held a 29.91% shareholding in the Company on 16th September 2020, being the date that is 6 months prior to the proposed NAOS Issue date. Given that NAOS is expected to hold a 30.01% shareholding upon completion of the NAOS Issue, the issue of the NAOS Shares will fall within this exception and not require shareholder approval under Chapter 6 of the Act.

3.6. Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4. The Chairman intends to vote all undirected proxies in favour of Resolution 4. Anacacia Capital, the Company's largest shareholder, has committed to vote in favour of Resolution 4.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Big River Industries Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X999999999999

PROXY FORM

I/We being a member(s) of Big River Industries Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **1:00pm on Thursday, 18 February 2021 at the offices of Thomson Geer, Level 14, 60 Martin Place, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.


The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Approval for Consideration Shares Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of the 7.1 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of the 7.1A Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for NAOS Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND 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, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **1:00pm on Tuesday, 16 February 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Big River Industries Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

