

## Adherium Limited ABN 24 605 352 510 Notice of Extraordinary General Meeting

Notice is given that the Extraordinary General Meeting (**EGM** or **the Meeting**) of Shareholders of Adherium Limited (**Adherium** or **the Company**) will be held as follows:

Date: **Friday, 21 June 2024**

Time: **9:30am (AEST)**

Venue: **Offices of K&L Gates  
Level 25, Rialto South Tower,  
525 Collins Street  
Melbourne, VIC 3000**

**Distribution of Notice of Meeting:** In accordance with section 110D(1) of the Corporations Act 2001 the Company will not be sending through hard copies of this Notice of Meeting to shareholders unless a shareholder has requested a hard copy of this Notice or made an election for the purposes of Section 110E of the Corporations Act to receive documents from the Company in physical form. This Notice can be viewed and downloaded from the ASX website or the Company's website at [www.adherium.com](http://www.adherium.com)

**Voting:** Shareholders will be able to participate in the Meeting of the Company by attending in person at the venue, to ask questions and to vote either by lodging a valid proxy (paper form), voting in person at the Meeting or voting on-line prior to the Meeting.

**All Resolutions by Poll:** All votes will be taken on a poll via proxy or online voting.

### Voting Methods

To vote by proxy, please complete and sign the Proxy Form enclosed and either:

- send the Proxy Form by post to Computershare, GPO Box 242, Melbourne, Victoria 3001; or
- send the Proxy Form by facsimile to Computershare on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

OR

For online voting, visit [www.investorvote.com.au](http://www.investorvote.com.au) and enter the 6 digit control number 133803 and your Adherium SRN or HIN;

For Intermediary Online voting by Custodians, please submit your votes electronically via [www.intermediaryonline.com](http://www.intermediaryonline.com);

For all of the above voting you must ensure your vote is received not later than 9.30am on 19 June 2024.

**Questions** – Shareholders are encouraged to submit questions ahead of the Meeting so that they are received by email to [CompanySec@adherium.com](mailto:CompanySec@adherium.com) no later than 5:00pm AEST on 19 June 2024.

***This Notice of Extraordinary General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how to vote on any of the Resolutions, you should seek advice from your accountant, solicitor or other professional adviser without delay.***

***The formal resolutions proposed to be considered at the Meeting follow.***

## Resolutions

### 1. Resolution 1 – Approval for subscription for Shares by Lou Panaccio

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the subscription by Lou Panaccio (or his nominee) for 5,000,000 Shares in the Company at \$0.02 per Share and 5,000,000 Options by way of a private placement, on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Voting Exclusion Statement**

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

- (a) a person who is to receive the securities 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 entity).
- (b) any associates of those persons.

However, the Company need not disregard a vote cast on Resolution 1 if it is cast by or on behalf of:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

The chairman of the Meeting for this Resolution will vote all undirected proxies in favour of this Resolution 1.

### 2. Resolution 2 – Approval for subscription for Shares by George Baran

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the subscription by George Baran (or his nominee) for 7,500,000 Shares in the Company at \$0.02 per Share and 7,500,000 Options by way of a private placement, on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Voting Exclusion Statement**

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

- (a) a person who is to receive the securities 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 entity).
- (b) any associates of those persons.

However, the Company need not disregard a vote cast on Resolution 2 if it is cast by or on behalf of:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

The chairman of the Meeting for this Resolution will vote all undirected proxies in favour of this Resolution 2.

### 3. Resolution 3 – Approval for subscription for Shares by Trudell Medical Limited

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the subscription by Trudell Medical Limited (or its nominee) for 11,000,000 Shares in the Company at \$0.02 per Share and 11,000,000 Options by way of a private placement, on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement**

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

- (a) a person who is to receive the securities 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 entity);
- (b) any associates of those persons.

However, the Company need not disregard a vote cast on Resolution 3 if it is cast by or on behalf of:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

The chairman of the Meeting for this Resolution will vote all undirected proxies in favour of this Resolution 3.

**4. Resolution 4 – Approval for subscription for Shares by Paul Mastoridis**

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the subscription by Paul Mastoridis (or his nominee) for 5,000,000 Shares in the Company at \$0.02 per Share and 5,000,000 Options by way of a private placement, on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement**

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

- (a) a person who is to participate in or 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 entity);
- (b) any associates of those persons.

However, the Company need not disregard a vote cast on Resolution 4 if it is cast by or on behalf of:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

The chairman of the Meeting for this Resolution will vote all undirected proxies in favour of this Resolution 4.

**5. Resolution 5 – Approval for issue of the Underwriter Options to MST Financial Services Pty Ltd**

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 7,585,800 Underwriter Options to MST Financial Services Pty Ltd pursuant to the terms of the Underwriting Agreement, on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement**

ASX Listing Rules - The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who is to participate in, or 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 entity).
- (b) any associates of those persons.

However, the Company need not disregard a vote cast on Resolution 5 if it is cast by or on behalf of:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

The chairman of the Meeting for this Resolution will vote all undirected proxies in favour of this Resolution 5.

**6. Resolution 6 - Ratification of prior issue of 50,000,000 Shares**

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

*“That, in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve for the purposes of ASX Listing Rule 7.1 the previous issue to sophisticated and professional investors of an aggregate of 50,000,000 Shares in the Company at \$0.02 per Share as further detailed in the attached Explanatory Memorandum.”*

**Voting Exclusion Statement**

ASX Listing Rules - The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) any associates of those persons.

However, the Company need not disregard a vote cast on Resolution 6 if it is cast by or on behalf of:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

The chairman of the Meeting for this Resolution will vote all undirected proxies in favour of this Resolution 6.

**7. Resolution 7 – Approval for issue of 50,000,000 Placement Options**

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 50,000,000 Placement Options to sophisticated and professional investors, on the terms and conditions set out in the Explanatory Memorandum.”*



**Voting Exclusion Statement**

ASX Listing Rules - The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a person who is to participate in, or 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 entity).
- (b) any associates of those persons.

However, the Company need not disregard a vote cast on Resolution 7 if it is cast by or on behalf of:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

The chairman of the Meeting for this Resolution will vote all undirected proxies in favour of this Resolution 7.

**Other business**

To consider any other business that may lawfully be brought forward in accordance with the Constitution of the Company or the law.

**Other information**

An Explanatory Memorandum accompanies and forms part of this Notice of Extraordinary General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

**Voting by proxy**

Any Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder.

The proxy does not need to be a Shareholder of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be:

- (a) lodged at the Company's share registry, Computershare Investor Services Pty Limited; or
- (b) faxed to the fax number specified below.

**not later than 9:30am (AEST) on 19 June 2024.**

Address (hand deliveries): Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnson Street,  
Abbotsford, Victoria, 3067

Address (postal deliveries): C/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne  
VIC 3001, Australia

Fax number for lodgement: (within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

The Proxy Form has been enclosed. Please read all instructions carefully before completing the Proxy Form.

**Bodies Corporate**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a Resolution. The representative should bring

to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

**Online Voting**

You can lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au)

**Custodian Voting**

Custodians who are subscribers of Intermediary Online, please submit your votes electronically via [www.intermediaryonline.com](http://www.intermediaryonline.com)

**Entitlement to vote**

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all shares will be taken to be held by the persons who held them as registered Shareholders at 7:00pm (AEST) on 19 June 2024. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

**All Enquiries**

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

**Voting Intentions**

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all Resolutions on the agenda. In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all Resolutions on the agenda.

By order of the Board

**Emily Austin**  
**Company Secretary**  
**23 May 2024**

This Explanatory Memorandum sets out further information regarding the proposed Resolutions to be considered by Shareholders of Adherium Limited (**Adherium** or **the Company**) at the Extraordinary General Meeting to be held commencing at 9:30am (AEST) on Friday, 21 June 2024.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the Resolutions.

## A. Background to Resolutions

As announced on 26 April 2024, the Company received Commitments for capital raising by way of \$1.57 million Share and Option placement to sophisticated and professional investors and some executive officers of the Company for a total issue of 78,500,000 Shares and 78,500,000 Options ("**Placement**") and is undertaking a fully underwritten non-renounceable entitlements offer to eligible shareholders on the basis of one (1) new share for every share held at an issue price of \$0.02 (2.0 cents) per New Share, plus 1 Option for every New Share issued under the Offer, to raise up to \$6.8 million ("**Entitlement Offer**") before costs. The Options have an exercise price of 3 cents per Share and expire on 30 June 2025.

The **Placement** is in 2 tranches, being:

- a) a placement to sophisticated and professional investors to raise up to approximately \$1.0 million (before costs) via the issue of up to approximately 50 million new fully paid ordinary shares in the Company (**New Shares**) at \$0.02 per New Share (**Offer Price**) together with 1 New Option for every New Share subscribed under the Placement (**Investor Placement**). The Investor Placement is not subject to Shareholder approval and was completed and the Shares and Options issued on 3 May 2024; and
- b) subject to shareholder approval, placements of a total of 28,500,000 Shares (at the same issue price of \$0.02 (2.0 cents) per New Share) and a total of 28,500,000 Options to the following:
  - (i) The Chair, Mr Lou Panaccio to subscribe \$100,000 for 5,000,000 Shares and 5,000,000 Options (**Resolution 1**);
  - (ii) Non-executive director Mr George Baran to subscribe \$150,000 for 7,500,000 Shares and 7,500,000 Options (**Resolution 2**);
  - (iii) Trudell Medical Limited, an entity associated with Mr Baran, to subscribe for \$220,000 for 11,000,000 Shares and 11,000,000 Options (**Resolution 3**); and
  - (iv) Mr Paul Mastoridis, the Company's Chief Executive Officer, to subscribe \$100,000 for 5,000,000 Shares and 5,000,000 Shares (**Resolution 4**).

In committing to subscribe for Shares in the Company on the same terms as tranche 1 of the Placement and the Entitlement Offer, your Directors wanted to demonstrate their support for the Company and the fund raising.

It is also a requirement of the underwriting of the Placement and Entitlement Offer by MST Financial Services Pty Ltd (**MST**) that, subject to shareholder approval, the Company issue to MST (or its nominee) unlisted options equal in number to 1% of the issued capital of the Company as calculated on completion of the Entitlement Offer, at an issue price of \$0.00001 per Underwriter Option, an exercise price of \$0.04 and an expiry date of three years from the date of issue (**Underwriter Options**). This 1% allocation has been calculated by the Company to be equal to 7,585,800 Underwriter Options. This shareholder approval is being sought in **Resolution 5**.

In **Resolution 6** the Company is also seeking shareholder approval to ratify the issue on 3 May 2024 of the 50 million New Placement Shares.

In **Resolution 7** the Company is seeking shareholder approval to approve the issue of the 50 million Placement Options which are free attaching to the Placement Shares.

## B. Resolutions

### 1. Resolution 1 – Approval for subscription for Shares by Lou Panaccio

#### 1.1 Background

As a show of his confidence in the Company Mr Lou Panaccio, the Company's Chairman, has agreed to subscribe, subject to shareholder approval, for 5,000,000 Shares (and 5,000,000 Options) at the same price and on the same terms as the sophisticated and professional investors pursuant to the Investor Placement, as described above.

The Options proposed to be issued to Mr Panaccio shall have the same terms and conditions (**Option Terms**) as the Options issued pursuant to the Investor Placement, a copy of which appears in Schedule 1.

#### 1.2 Regulatory requirements for subscription

Each Director of the Company is a “related party” of the Company under the ASX Listing Rules, where no exemption to shareholder approval is applicable, hence shareholder approval is being sought under ASX Listing Rule 10.11, which provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party.

Pursuant to the Corporations Act 2001 (Cth), the provision of any financial benefit to a related party requires shareholder approval in accordance with the procedure set out in Part 2E.1 of that Act, unless one of a number of exceptions applies. Part 2E.1 applies to the issuance of securities to a related party by the Company to a related party. A “related party” (as defined in the Act) includes the Directors of the Company and their controlled entities.

With respect to Resolution 1, the Board is of the view that the Shares and Options proposed to be issued to Mr Panaccio would be issued upon terms that would meet the “arm's length terms” criteria of Section 210 of the *Corporations Act* (and would therefore be exempt from the need to seek shareholder approval pursuant to the *Corporations Act*). In particular, the Share subscription price and the Option Terms applicable to Mr Panaccio:

- a) were determined at the same time as, and are the same as, the Shares and Options issued to the non-related party, independent sophisticated and professional investors pursuant to the Investor Placement, and
- b) are the same as the Share subscription price and the Option Terms payable by all the Company's shareholders who subscribe under the Entitlement Offer.

Mr Panaccio (being a director of the Company) is a “related party” of the Company under the ASX Listing Rules, hence shareholder approval is being sought under ASX Listing Rule 10.11.

#### ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information -

- (i) The name of the person and the category under ASX Listing Rules 10.11.1 - 10.11.5 applicable:  
*Mr Lou Panaccio, Chairman and director of the Company, therefore Listing Rule 10.11.1 applies.*
- (ii) The number and class of securities to be issued:  
*5,000,000 Shares and 5,000,000 Options to purchase Shares.*
- (iii) If the securities are not fully paid shares, a summary of the material terms of the securities

*The material terms of the Options are described in the Terms and Conditions, a copy of which is attached to this Explanatory Memorandum as Schedule 1.*

- (iv) The date the Shares and Options are to be issued:  
*Within 1 month after the date of this Meeting.*
- (v) The price or consideration the Company will receive:  
*The Company will receive \$100,000 in subscription funds for the Shares, but no additional consideration from the issue of the Options. However, if all the Options proposed to be issued to Mr Panaccio are exercised, a total of \$150,000 will be received, being \$0.03 per Option exercised for 5,000,000 Options.*
- (vi) The purpose of the issue, including intended use of funds:  
*The purpose of the issue is to further boost the funding of the Company beyond what would be raised under the Entitlement Offer. Funds from the Shares subscribed are to be applied towards:*
- *Product Development and capital expenditure*
  - *Sales, marketing and business development*
  - *Australian and Overseas personnel resourcing*
  - *Customer onboarding and scale up*
  - *General Administration*
  - *Costs of the Entitlement Offer and Placement*
- (vii) If the issue is to a director and is intended to incentivise the person as a director, details of their remuneration package are to be provided:  
*The issue of the Shares and Options is to be upon subscription of \$100,000 by Mr Panaccio or his nominee and is not intended to remunerate or incentivise Mr Panaccio.*
- (viii) If the securities are being issued under an agreement, a summary of the material terms of the agreement.  
*The securities were not issued under an agreement with the Company.*

Approval of this issue of securities pursuant to Listing Rule 10.11 means that pursuant to Listing Rule 7.2 (Exception 14), member approval is not required under Listing Rule 7.1 to the issue of the 5,000,000 Shares and 5,000,000 Options to Lou Panaccio.

### **1.3 Consequences if Resolution 1 is and is not approved (re ASX Listing Rule 14.1A)**

If Resolution 1 is passed, the Company will issue the securities to Mr Panaccio and also the Company will preserve the Company's available capacity (by 10,000,000 securities) to issue securities in the future pursuant to Listing Rule 7.1 without having to seek shareholder approval.

If this Resolution 1 is not approved the Company will not issue the 5,000,000 Shares and 5,000,000 Options to Mr Panaccio and will not receive the \$100,000 proposed to be subscribed by Mr Panaccio.

### **1.4 Board Recommendation**

The Board of Directors (with Mr Lou Panaccio abstaining) unanimously recommends that shareholders vote in favour of Resolution 1. Mr Lou Panaccio abstains from making a recommendation due to his personal interest in the outcome of the Resolution 1. The Chair (who will not be Mr Lou Panaccio for this Resolution 1) intends to vote all undirected proxies in favour of Resolution 1. If shareholders approve this resolution, the Company will issue the securities to Mr Panaccio which will provide further capital to pursue its commercialisation objectives, comprising

\$100,000 in subscription funds for the Shares, together with a further \$150,000 if all the Options proposed to be issued to Mr Panaccio are exercised.

## 2. Resolution 2 – Approval for subscription for Shares by George Baran

### 2.1 Background

As a show of his confidence in the Company Mr George Baran, a non-executive director of the Company, has agreed to subscribe, subject to shareholder approval, for 7,500,000 Shares (and 7,500,000 Options) at the same price and on the same terms as the sophisticated and professional investors pursuant to the Investor Placement, as described above.

The Options proposed to be issued to Mr Baran shall have the same Option Terms as the Options issued pursuant to the Investor Placement, a copy of which appears in Schedule 1.

### 2.2 Regulatory requirements for subscription

Each Director of the Company is a “related party” of the Company under the ASX Listing Rules, where no exemption to shareholder approval is applicable, hence shareholder approval is being sought under ASX Listing Rule 10.11, which provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party.

A description of Part 2E of the Corporations Act 2001 (Cth) appears in section 2.1 above.

With respect to Resolution 2, the Board is of the view that the Shares and Options proposed to be issued to Mr Baran would be issued upon terms that would meet the “arm's length terms” criteria of Section 210 of the *Corporations Act* (and would therefore be exempt from the need to seek shareholder approval pursuant to the *Corporations Act*). In particular, the Share subscription price and the Option Terms applicable to Mr Baran:

- a) were determined at the same time as, and are the same as, the Shares and Options issued to the non-related party, independent sophisticated and professional investors pursuant to the Investor Placement, and
- b) are the same as the Share subscription price and the Option Terms payable by all the Company's shareholders who subscribe under the Entitlement Offer.

Mr Baran (being a director of the Company) is a “related party” of the Company under the ASX Listing Rules, hence shareholder approval is being sought under ASX Listing Rule 10.11.

#### ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information -

- (i) The name of the person and the category under ASX Listing Rules 10.11.1 - 10.11.5 applicable:  
*Mr George Baran, a non-executive director of the Company, therefore Listing Rule 10.11.1 applies.*
- (ii) The number and class of securities to be issued:  
*7,500,000 Shares and 7,500,000 Options to purchase Shares.*
- (iii) If the securities are not fully paid shares, a summary of the material terms of the securities  
*The material terms of the Options are described in the Terms and Conditions, a copy of which is attached to this Explanatory Memorandum as Schedule 1.*
- (iv) The date the Shares and Options are to be issued:  
*Within 1 month after the date of this Meeting.*

- (v) The price or consideration the Company will receive:  
*The Company will receive \$150,000 in subscription funds for the Shares, but no additional consideration from the issue of the Options. However, if all the Options proposed to be issued to Mr Baran are exercised, a total of \$225,000 will be received, being \$0.03 per Option exercised for 7,500,000 Options.*
- (vi) The purpose of the issue, including intended use of funds:  
*The purpose of the issue is to further boost the funding of the Company beyond what would be raised under the Entitlement Offer. Funds from the Shares subscribed are to be applied towards:*
- *Product Development and capital expenditure*
  - *Sales, marketing and business development*
  - *Australian and Overseas personnel resourcing*
  - *Customer onboarding and scale up*
  - *General Administration*
  - *Costs of the Entitlement Offer and Placement*
- (vii) If the issue is to a director and is intended to incentivise the person as a director, details of their remuneration package are to be provided:  
*The issue of the Shares and Options is to be upon subscription of \$150,000 by Mr Baran or his nominee and is not intended to remunerate or incentivise Mr Baran.*
- (viii) If the securities are being issued under an agreement, a summary of the material terms of the agreement.  
*The securities were not issued under an agreement with the Company.*

Approval of this issue of securities pursuant to Listing Rule 10.11 means that pursuant to Listing Rule 7.2 (Exception 14), member approval is not required under Listing Rule 7.1 to the issue of the 7,500,000 Shares and 7,500,000 Options to George Baran.

### **2.3 Consequences if Resolution 2 is and is not approved (re ASX Listing Rule 14.1A)**

If Resolution 2 is passed, the Company will issue the securities to Mr Baran and also the Company will preserve the Company's available capacity (by 15,000,000 securities) to issue securities in the future pursuant to Listing Rule 7.1 without having to seek shareholder approval.

If this Resolution 2 is not approved the Company will not issue the 7,500,000 Shares and 7,500,000 Options to Mr Baran and will not receive the \$150,000 proposed to be subscribed by Mr Baran.

### **2.4 Board Recommendation**

The Board of Directors (with Mr George Baran abstaining) unanimously recommends that shareholders vote in favour of Resolution 2. Mr George Baran abstains from making a recommendation due to his personal interest in the outcome of the Resolution 2. If shareholders approve this resolution, the Company will issue the securities to Mr Baran which will provide further capital to pursue its commercialisation objectives, comprising \$150,000 in subscription funds for the Shares, together with a further \$225,000 if all the Options proposed to be issued to Mr Baran are exercised.

The Chair intends to vote all undirected proxies in favour of Resolution 2.

## **3. Resolution 3 – Approval for subscription for Shares by Trudell Medical Limited**

### **3.1 Background**

As a show of its confidence in the Company, a substantial shareholder of the Company associated with Mr George Baran (a director of the Company) Trudell Medical Limited, has agreed to subscribe, subject to shareholder approval, for 11,000,000 Shares (and 11,000,000 Options) at the same price and on the same terms as the sophisticated and professional investors pursuant to the Investor Placement, as described above.



The Options proposed to be issued to Trudell Medical Limited shall have the same Option Terms as the Options issued pursuant to the Investor Placement, a copy of which appears in Schedule 1.

### 3.2 Regulatory requirements for subscription

As Trudell Medical Limited is an associate of, and jointly controlled by, Mr George Baran (a director of the Company), Trudell Medical Limited is a "related party" of the Company under the ASX Listing Rules, where no exemption to shareholder approval is applicable, hence shareholder approval is being sought under ASX Listing Rule 10.11, which provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party.

A description of Part 2E of the Corporations Act 2001 (Cth) appears in section 2.1 above.

With respect to Resolution 3, the Board is of the view that the Shares and Options proposed to be issued to Trudell Medical Limited would be issued upon terms that would meet the "arm's length terms" criteria of Section 210 of the *Corporations Act* (and would therefore be exempt from the need to seek shareholder approval pursuant to the *Corporations Act*). In particular, the Share subscription price and the Option Terms applicable to Trudell Medical Limited:

- a) were determined at the same time as, and are the same as, the Shares and Options issued to the non-related party, independent sophisticated and professional investors pursuant to the Investor Placement, and
- b) are the same as the Share subscription price and the Option Terms payable by all the Company's shareholders who subscribe under the Entitlement Offer.

Trudell Medical Limited (being an associate of, and jointly controlled by, director of the Company) is a "related party" of the Company under the ASX Listing Rules, hence shareholder approval is being sought under ASX Listing Rule 10.11.

#### ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information -

- (i) The name of the person and the category under ASX Listing Rules 10.11.1 - 10.11.5 applicable:  
*Trudell Medical Limited, is an associate of, and controlled by, Mr George Baran, a director of the Company, therefore Listing Rule 10.11.1 applies.*
- (ii) The number and class of securities to be issued:  
*11,000,000 Shares and 11,000,000 Options to purchase Shares.*
- (iii) If the securities are not fully paid shares, a summary of the material terms of the securities  
*The material terms of the Options are described in the Terms and Conditions, a copy of which is attached to this Explanatory Memorandum as Schedule 1.*
- (iv) The date the Shares and Options are to be issued:  
*Within 1 month after the date of this Meeting.*
- (v) The price or consideration the Company will receive:  
*The Company will receive \$220,000 in subscription funds for the Shares, but no additional consideration from the issue of the Options. However, if all the Options proposed to be issued to Trudell Medical Limited are exercised, a total of \$330,000 will be received, being \$0.03 per Option exercised for 11,000,000 Options.*
- (vi) The purpose of the issue, including intended use of funds:

*The purpose of the issue is to further boost the funding of the Company beyond what would be raised under the Entitlement Offer. Funds from the Shares subscribed are to be applied towards:*

- *Product Development and capital expenditure*
  - *Sales, marketing and business development*
  - *Australian and Overseas personnel resourcing*
  - *Customer onboarding and scale up*
  - *General Administration*
  - *Costs of the Entitlement Offer and Placement*
- (vii) If the issue is to a director and is intended to incentivise the person as a director, details of their remuneration package are to be provided:  
*Not Applicable*
- (viii) If the securities are being issued under an agreement, a summary of the material terms of the agreement.  
*The securities were not issued under an agreement with the Company.*

Approval of this issue of securities pursuant to Listing Rule 10.11 means that pursuant to Listing Rule 7.2 (Exception 14), member approval is not required under Listing Rule 7.1 to the issue of the 11,000,000 Shares and 11,000,000 Options to Trudell Medical Limited.

### **3.3 Consequences if Resolution 3 is and is not approved (re ASX Listing Rule 14.1A)**

If Resolution 3 is passed, the Company will issue shares and options to Trudell Medical Limited, and also the Company will preserve its available capacity (by 22,000,000 securities) to issue securities in the future pursuant to Listing Rule 7.1 without having to seek shareholder approval.

If this Resolution 3 is not approved the Company will not issue the 11,000,000 Shares and 11,000,000 Options to Trudell Medical Limited and will not receive the \$220,000 proposed to be subscribed by Trudell Medical Limited.

### **3.4 Board Recommendation**

The Board of Directors (with Mr George Baran abstaining) unanimously recommends that shareholders vote in favour of Resolution 3, as the issue of the securities to Trudell Medical will provide the Company with further capital to pursue its commercialisation objectives, comprising \$220,000 in subscription funds for the Shares, together with a further \$330,000 if all the Options proposed to be issued to Trudell Medical Limited are exercised.

The Chair intends to vote all undirected proxies in favour of Resolution 3.

## **4. Resolution 4 – Approval for subscription for Shares by Paul Mastoridis**

### **4.1 Background**

As a show of his confidence in the Company Mr Paul Mastoridis, the Company's Chief Executive Officer, has agreed to subscribe, subject to shareholder approval, for 5,000,000 Shares (and 5,000,000 Options) at the same price and on the same terms as the sophisticated and professional investors pursuant to the Investor Placement, as described above.

The Options proposed to be issued to Mr Mastoridis shall have the same Option Terms as the Options issued pursuant to the Investor Placement, a copy of which appears in Schedule 1.

### **4.2 Regulatory requirements for subscription**

ASX Listing Rule 7.1 sets out the regulatory requirements that must be satisfied in relation to the issue of securities under Resolution 4. ASX Listing Rule 7.1 prohibits the Company issuing shares in excess of 15% of the existing share capital in a 12 consecutive month period without prior shareholder approval. The proposed issue of Shares and Options to Mr Mastoridis exceeds what

remains of the Company's 15% capacity (under ASX Listing Rules 7.1) after the issue of the Shares and options under the Placement.

Mr Mastoridis is not a related party of the Company. The Company is now seeking Shareholder approval for the purposes of Listing Rule 7.1, for the issue of the new Shares and Options the subject of Resolution 4 to Mr Mastoridis.

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which Shareholders are requested to consider approving an issue of shares pursuant to ASX Listing Rule 7.1 must include certain specified information in relation to the securities to be issued, as follows.

- (i) The names of the persons to whom the Company will issue the securities (or the basis on which the persons were identified or selected):  
*Mr Paul Mastoridis, Chief Executive Officer of the Company.*
- (ii) Number and class of securities to be issued:  
*5,000,000 Shares (credited as fully paid) and 5,000,000 Options.*
- (iii) If the securities are not fully paid ordinary securities, a summary of the material terms of the securities:  
*The Shares to be issued will be fully paid ordinary shares in the Company ranking equally with all existing ordinary shares. The Options will be issued subject to the Option Terms, a copy of which is included in Schedule 1.*
- (iv) Date which the securities are to be issued:  
*Within 3 months after the date of Shareholder approval.*
- (v) The issue price or other consideration the Company will receive for the issue of the securities:  
*The issue price of the Shares will be \$0.02 per Share. The Options will be issued for no additional consideration, but if exercised before 30 June 2025 will have an exercise price per Option of \$0.03 and result in a further subscription to the Company of \$150,000.*
- (vi) The purpose of the issue, including the intended use of the funds raised by the issue:  
*The purpose of the issue is to further boost the funding of the Company beyond what would be raised under the Entitlement Offer. Funds from the Shares subscribed are to be applied towards:*
  - *Product Development and capital expenditure*
  - *Sales, marketing and business development*
  - *Australian and Overseas personnel resourcing*
  - *Customer onboarding and scale up*
  - *General Administration*
  - *Costs of the Entitlement Offer and Placement*
- (A) The summary of the material terms of an agreement under which the securities were issued:  
*The securities were not issued under an agreement with the Company.*
- (vii) If the securities are being issued under or to fund a reverse takeover, information about the reverse takeover:  
*The Shares and Options the subject of Resolution 4 are not being issued under or to fund a reverse takeover.*

#### **4.3 Consequences if Resolution 4 is and is not approved (re ASX Listing Rule 14.1A)**

If Resolution 4 is passed, the Company will issue the securities to Mr Mastoridis and also the Company will preserve its available capacity (by 10,000,000 securities) to issue securities in the future pursuant to Listing Rule 7.1 without having to seek shareholder approval.

Where Resolution 4 is not passed by the requisite majority of shareholders, the securities to Mr Mastoridis may still be issued, subject to the Company having available capacity under Listing Rule 7.1. If the Company does not have sufficient placement capacity under Listing Rule 7.1, the

Company will not be able to issue the Shares and Options to Mr Mastoridis and will not receive the \$100,000 to be subscribed by Mr Mastoridis.

#### 4.4 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution, as the issue of the securities to Mr Mastoridis will provide the Company with further capital to pursue its commercialisation objectives, comprising \$100,000 in subscription funds for the Shares, together with a further \$150,000 if all the Options proposed to be issued to Mr Mastoridis are exercised. The approval of this Resolution will also preserve the Company's available capacity (by 10,000,000 securities) to issue securities in the future pursuant to Listing Rule 7.1 without having to seek shareholder approval.

### 5. Resolution 5 – Approval for issue of the Underwriter Options to MST Financial Services Pty Ltd

#### 5.1 Background

As part of the remuneration to be paid to MST Financial Services Pty Ltd (**MST**), the underwriter of the Placement and Entitlement Offer, the Company agreed under the terms of the Underwriting Agreement and subject to Shareholder approval, to issue MST unlisted options to purchase Shares equal in number to 1% of the issued capital of the Company as calculated on completion of the Entitlement Offer, at an issue price of \$0.00001 per Underwriter Option, an exercise price of \$0.04 and an expiry date of three years from the date of issue (**Underwriter Options**). This 1% allocation has been calculated by the Company to be equal to 7,585,800 Underwriter Options.

The Company has determined that the cost of the Underwriter Options would be recognised in net issued capital and valued at \$0.0166 each (using a Black & Scholes valuation model with a volatility of 100%, a risk free rate of 3.654% and a market price of Shares as quoted on the ASX on 23 April 2024 of \$0.029).

#### 5.2 Regulatory requirements for subscription

ASX Listing Rule 7.1 sets out the regulatory requirements that must be satisfied in relation to the issue of securities under Resolution 5. ASX Listing Rule 7.1 prohibits the Company issuing shares in excess of 15% of the existing share capital in a 12 consecutive month period without prior shareholder approval. The proposed issue of Underwriter Options to MST exceeds what remains of the Company's 15% capacity (under ASX Listing Rules 7.1) after the issue of the Shares and Options under the Placement.

The Company is now seeking Shareholder approval for the purposes of Listing Rule 7.1, for the issue of the 7,585,800 Underwriter Options to MST.

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which Shareholders are requested to consider approving an issue of shares pursuant to ASX Listing Rule 7.1 must include certain specified information in relation to the securities to be issued, as follows.

- (i) The names of the persons to whom the Company will issue the securities (or the basis on which the persons were identified or selected):  
*MST Financial Services Pty Ltd or its nominees.*
- (ii) Number and class of securities to be issued:  
*7,585,800 Underwriter Options.*
- (iii) If the securities are not fully paid ordinary securities, a summary of the material terms of the securities:  
*The Underwriter Options will be issued subject to the same terms as Option Terms (a copy of which is included in Schedule 1) other than the Underwriter Options have:*
  - *an issue price of \$0.00001 per Underwriter Option payable by MST;*
  - *an exercise price of \$0.04 per Underwriter Option, and*
  - *an expiry date of three years from the date of issue.*

- (iv) Date which the securities are to be issued:  
*Within 3 months after the date of Shareholder approval.*
- (v) The issue price or other consideration the Company will receive for the issue of the securities:  
*The issue price of each Underwriter Option is \$0.00001, being \$75.86 in total for all Underwriter Options. If all Underwriter Options are exercised before their expiry date (being 3 years from their issue date), with an exercise price of \$0.04 each, this will result in a further subscription to the Company of \$303,432.*
- (vi) The purpose of the issue, including the intended use of the funds raised by the issue:  
*The purpose of the issue is to satisfy the conditions under which MST will underwrite the Placement and Entitlement Offer. There will be negligible funds received from the issue of the Underwriter Options (\$75.86 in total), but they will be applied towards the costs of the Entitlement Offer.*
- (vii) The summary of the material terms of an agreement under which the securities were issued:  
*A summary of the material terms of the Underwriting Agreement appears as Schedule 2 to this Notice.*
- (viii) If the securities are being issued under or to fund a reverse takeover, information about the reverse takeover:  
*The Underwriter Options are not being issued under or to fund a reverse takeover.*

### 5.3 Consequences if Resolution 5 is and is not approved (re ASX Listing Rule 14.1A)

If Resolution 5 is passed, the Company will issue the Underwriter Options and also the Company will preserve its available capacity (by 7,585,800 securities) to issue securities in the future pursuant to Listing Rule 7.1 without having to seek shareholder approval.

Where Resolution 5 is not approved, the Company will not be able to issue the Underwriter Options unless otherwise approved within 12 months of the date of issue or it has placement capacity pursuant to Listing Rule 7.1 to issue the Underwriter Options.

### 5.4 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution 5, so as to preserve the Company's available capacity (with respect to 7,585,800 securities) to issue securities in the future pursuant to Listing Rule 7.1 without having to seek shareholder approval.

## 6. Resolution 6 – Ratification of prior issue of 50,000,000 Shares

### 6.1 Background

As announced on 26 April 2024, the Company received commitments from sophisticated and professional investors for a placement of 50,000,000 Shares (**Placement Shares**) at \$0.02 each to raise \$1,000,000, which funding was received on 3 May 2024 (**Placement**), and which Shares are to be issued with 50,000,000 accompanying Options, subject to approval of Resolution 7. The Company issued the Placement Shares under its available capacity under Listing Rule 7.1 on 3 May 2024.

### 6.2 ASX Regulatory Requirements

Under Listing Rule 7.1, a company may issue up to 15% of its ordinary share capital in any 12-month rolling period without shareholder approval. Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior share issue (that was made that without being in breach of Listing Rule 7.1), and thereby refresh its ability in the future to issue further shares (equivalent in number to the share issue being ratified by this resolution) without obtaining prior shareholder approval.

The issue of the Placement Shares was within the 15% limitation imposed by ASX Listing Rules 7.1, however the Company is now seeking shareholder ratification and approval for the issue of these Placement Shares.

### 6.3 ASX Listing Rule 7.5

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to ratify an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

- (a) The names of the allottees:

*The Shares were allotted to wholesale or sophisticated investors introduced to the Company by its Lead Manager of the Placement, MST Financial Pty Ltd.*

- (b) The following Shareholders participated in Tranche 1 of the Placement and are considered to be Material Investors:-

(i) Regal Funds Management Asia Pte Limited (a substantial holder in the Company) – issued in aggregate 17,500,000 Placement Shares pursuant to ASX Listing Rule 7.1; and

(ii) Eshuys Super Pty Ltd <Resource Surveys Superfund> (an advisor of the Company) – issued in aggregate 5,000,000 Placement Shares pursuant to ASX Listing Rule 7.1;

- (c) The number of securities the entity issued:

*A total of 50,000,000 Shares in the capital of the Company, of which were issued under its Listing Rule 7.1 capacity. The Shares issued are fully paid ordinary shares in the Company ranking equally with all existing ordinary shares.*

- (d) The date the securities were issued:

*3 May 2024.*

- (e) The issue price of the securities:

*\$0.02 per Share, resulting in the receipt by the Company of total subscription funds of \$1,000,000.*

- (f) The purpose and intended use of the funds raised:

*The purpose of the issue is to further boost the funding of the Company beyond what would be raised under the Entitlement Offer. Funds from the Shares subscribed are to be applied towards:*

- *Product Development and capital expenditure*
- *Sales, marketing and business development*
- *Australian and Overseas personnel resourcing*
- *Customer onboarding and scale up*
- *General Administration*
- *Costs of the Entitlement Offer and Placement*

- (g) If the securities were issued under an agreement, a summary of the material terms of the agreement

*Not applicable.*

### 6.4 Consequences if Resolution 6 is and is not approved (re ASX Listing Rule 14.1A)

If Resolution 6 is passed, the Placement Shares will be excluded in calculating the Company's 15% Placement Capacity in Listing Rule 7.1, effectively increasing the number of Equity Securities (by 50,000,000 securities) it can issue without Shareholder approval over the 12 month period following the issue date.

Where Resolution 6 is not passed by the requisite majority of shareholders, the issue of the shares which are the subject of Resolution 6 will still be valid - however until 3 May 2025 (unless otherwise approved) those shares will reduce the Company's capacity under Listing Rule 7.1 which would otherwise be available if shareholders had passed Resolution 6.

## 6.5 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution 6, so as to preserve the Company's available capacity (by 50,000,000 securities) to issue securities in the future pursuant to Listing Rule 7.1 without having to seek shareholder approval.

## 7. Resolution 7 – Approval to issue 50,000,000 Options

### 7.1 Background

As announced on 26 April 2024, the Company received commitments from sophisticated and professional investors for the issue of Placement Shares, and which Shares are to be issued with 50,000,000 accompanying Options for nil consideration (**Placement Options**). The Company seeks shareholder approval to issue the Placement Options under Listing Rule 7.1.

### 7.2 ASX Regulatory Requirements

ASX Listing Rule 7.1 sets out the regulatory requirements that must be satisfied in relation to the issue of securities under Resolution 7. ASX Listing Rule 7.1 prohibits the Company issuing securities in excess of 15% of the existing share capital in a 12 consecutive month period without prior shareholder approval. The proposed issue of the Placement Options exceeds what remains of the Company's 15% capacity (under ASX Listing Rules 7.1) after the issue of the Placement Shares.

The Company is now seeking Shareholder approval for the purposes of Listing Rule 7.1, for the issue of the 50,000,000 Placement Options, which are free attaching on a one-for-one basis to participants in the Placement.

### 7.3 ASX Listing Rule 7.3

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which Shareholders are requested to consider approving an issue of shares pursuant to ASX Listing Rule 7.1 must include certain specified information in relation to the securities to be issued, as follows.

- (a) The names of the allottees:

*The Placement Options are to be allotted to wholesale or sophisticated investors in the Placement, who were introduced to the Company by its Lead Manager of the Placement, MST Financial Pty Ltd.*

- (b) The following Shareholders participated in Tranche 1 of the Placement and are considered to be Material Investors:-

(i) Regal Funds Management Asia Pte Limited (a substantial holder in the Company) – to be issued 17,500,000 Placement Options; and

(ii) Eshuys Super Pty Ltd <Resource Surveys Superfund> (an advisor of the Company) – to be issued 5,000,000 Placement Options;

- (c) Number and class of securities to be issued:

*50,000,000 Options which are free attaching one a one-for-one basis to Placement Shares. The Options will be issued subject to the Option Terms, a copy of which is included in Schedule 1*

- (d) Date which the securities are to be issued:

*Within 3 months after the date of Shareholder approval.*

- (e) The issue price of the securities:

*The Options will be issued for no additional consideration, but if exercised before 30 June 2025 will have an exercise price per Option of \$0.03 and result in a further subscription to the Company of \$1,500,000.*



- (f) The purpose and intended use of the funds raised:

*The purpose of the issue of the Placement Shares (of which Placement Options are attaching) is to further boost the funding of the Company beyond what would be raised under the Entitlement Offer. Funds from the Shares subscribed are to be applied towards:*

- *Product Development and capital expenditure*
- *Sales, marketing and business development*
- *Australian and Overseas personnel resourcing*
- *Customer onboarding and scale up*
- *General Administration*
- *Costs of the Entitlement Offer and Placement*

- (g) If the securities were issued under an agreement, a summary of the material terms of the agreement

*Not applicable.*

- (h) If the securities are being issued under or to fund a reverse takeover, information about the reverse takeover:

*The Placement Options are not being issued under or to fund a reverse takeover.*

#### **7.4 Consequences if Resolution 7 is and is not approved (re ASX Listing Rule 14.1A)**

If Resolution 7 is passed, the issue of options will be excluded in calculating the Company's 15% Placement Capacity in Listing Rule 7.1, effectively increasing the number of Equity Securities (by 50,000,000 securities) it can issue without Shareholder approval over the 12 month period following the issue date.

Where Resolution 7 is not passed by the requisite majority of shareholders, the Company will not be able to issue the 50,000,000 options which are the subject of Resolution 7 unless otherwise approved within 12 months of the date of issue or the Company otherwise has capacity under Listing Rule 7.1 which would otherwise be available if shareholders had passed Resolution 7.

#### **7.5 Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of this Resolution 7, so as to preserve the Company's available capacity (by 50,000,000 securities) to issue securities in the future pursuant to Listing Rule 7.1 without having to seek shareholder approval.

#### **8. Further information**

The Directors are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in the notice of extraordinary general meeting.

The Directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

## **Glossary**

In this Explanatory Memorandum, and the Notice of Meeting:

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by the ASX.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of the ASX as amended from time to time.

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

**Company** means Adherium Limited.

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

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

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

**Explanatory Memorandum** means this explanatory memorandum which forms part of the Notice of Meeting.

**Extraordinary General Meeting** or **EGM** or **Meeting** means the extraordinary general meeting of the Company to be held at 9:30am AEST on Friday, 21 June 2024 pursuant to the Notice of Meeting.

**Material Investor** means, in relation to the Company:

- (a) A related party;
- (b) A member of the key management personnel;
- (c) A substantial Shareholder;
- (d) An advisor; or
- (e) An associate of a person referred to in (a) – (d),

who will receive Shares in the Company that would constitute more than 1% of the Company's anticipated issued capital at the time of issue.

**Notice of Meeting** or **Notice** means this notice of the Extraordinary General Meeting.

**Option** means an option to purchase a Share issued on the Option Terms.

**Option Terms** means the terms and conditions under which the Options will be issued, as set out in Schedule 1.

**Proxy Form** means the proxy form accompanying this Notice of Meeting.

**Resolution** means the resolutions referred to in the Notice of Meeting.

**Shareholder** means a holder of a Share.

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

**Schedule 1****Option Terms and Conditions**

Each option (**Option**) entitles the holder (**Option Holder**) to subscribe for and be issued one fully paid ordinary share (**Share**) in **Adherium Limited** ABN 24 605 352 510 (**Company**) on the following terms:

1. Subject to clause 2 and any restrictions imposed by the ASX Limited (**ASX**), each Option is exercisable at any time after the date it is issued (**Issue Date**), until and including their expiry date, namely 5pm on 30 June 2025 (**Expiry Date**). Any Options not exercised by the Expiry Date will automatically lapse at 5pm on the Expiry Date.
2. The Options may be exercised for part or all of the Options held at a particular time by the Option Holder giving written notice in the form set out below (Notice of Exercise) to the Company at its registered office prior to the Expiry Date together with payment in full of the exercise price of \$0.03 per Option (Exercise Price), provided that each Notice of Exercise must be for the exercise of a minimum of 10,000 Options or if less, the Option Holder's remaining Options holding.
3. On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 4 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX (**ASX Listing Rules**):
  - (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
  - (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
  - (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.
4. The Option Holder agrees in respect of any Shares issued on exercise of an Option, the Option Holder will not deal with the entitlement to the relevant Shares or trade / dispose of the relevant Shares until the Company has lodged a cleansing notice in respect of the issue of the Shares (in accordance with section 708A of the Corporations Act) or otherwise able to "cleanse" the allotment of the Shares under section 708A of the Corporations Act.
5. Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.
6. The Options are transferable by an Option Holder on written notice to the Company, provided that the Options cannot be transferred or assigned within 12 months after the Issue Date except in accordance with the Corporations Act.
7. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
8. An Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Options without exercising the Options. However, the Company will use reasonable endeavours to see that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 Business Days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.
9. In the event of the liquidation of the Company, all unexercised Options will lapse upon the occurrence of that liquidation.
10. The Options do not provide any entitlement to dividends paid to ordinary shareholders.
11. The Options do not entitle the Option Holder to vote at any meeting of shareholders

12. To the extent (if any) that any of these Option Terms and Conditions are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms And Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
13. These Option Terms and Conditions are governed by the laws of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

## Schedule 2

### Material terms of Underwriting Agreement

The Placement and the Entitlement Offer are underwritten by MST Financial Services Pty Ltd ACN 617 475 180 AFSL 500557 (**Underwriter**).

A summary of the material terms of the Underwriting Agreement is set out below.

#### Fees:

The Underwriter will be paid the following fees:

- (a) underwriting fee of 3%; and
- (b) issue management fee of 3%,

of the total gross amount raised in the Placement and Entitlement Offer.

The Company must also reimburse the Underwriter for all reasonable costs and expenses of and incidental to the Rights Issue (including professional and legal fees).

#### Underwriter Options

The Company has agreed subject to shareholder approval (if required), to issue to the Underwriter (or its nominee) Underwriter Options equal in number to 1% of the issued capital of the Company as calculated on completion of the Entitlement Offer, at an issue price of \$0.00001 per Underwriter Option, an exercise price of \$0.04 and an expiry date of three years from the date of issue; and otherwise on terms and conditions compliance with the ASX Listing Rules. This expiry date is different from the expiry date for the Placement Options and the other Options the subject of the notice of meeting.

Where shareholder approval is required for the issue of the Underwriter Options pursuant to ASX Listing Rule 7.1, then the Company will use its best endeavours to seek and obtain that shareholder approval at a general meeting to be held no later than 28 days following the issue date of the Shares under the Entitlement Offer, and the Underwriter Options must be issued within three Business Days of receipt of that shareholder approval.

#### Conditions Precedent and Termination Events

The Underwriter's obligation to underwrite the Entitlement Offer is subject to the satisfaction of certain conditions precedent documented in the Underwriting Agreement that are customary for a transaction of this nature. If one or more of those conditions are not satisfied by the relevant date or if certain events occur, then the Underwriter may terminate the Underwriting Agreement.

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- (a) the Underwriter forms the view (acting reasonably) that a statement contained in the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive (including by omission), or a matter required by the Corporations Act is omitted from the Prospectus or the issue of the Prospectus becomes misleading or deceptive or likely to mislead or deceive;
- (b) a person gives a notice to the Company under section 730 of the Corporations Act in relation to the Prospectus (other than the Underwriter);
- (c) any person (other than the Underwriter) whose consent to the issue of the Prospectus or any supplementary prospectus is required and who has previously consented to the issue of the Prospectus or any supplementary prospectus withdraws such consent;
- (d) the Company lodges a supplementary prospectus without the consent of the Underwriter or fails to lodge a supplementary prospectus in a form acceptable to the Underwriter or, in the Underwriter's reasonable opinion, becomes required to lodge a supplementary prospectus;

- (e) any material adverse change occurs in the assets, liabilities, the equity of any Company shareholders, financial position or performance, profits, losses or prospects of the Company from the position disclosed in the Entitlement Offer ASX announcement, this Prospectus or a duly completed Appendix 3B or as most recently disclosed to ASX by the Company before the date of the Underwriting Agreement;
- (f) the ASX/S&P 300 Index is at any time more than 10% below its level as at 5.00pm on the Business Day immediately preceding the date of the Underwriting Agreement;
- (g) the Company ceases to be admitted to the ASX or the Shares cease trading or are suspended from quotation on ASX other than in connection with the Entitlement Offer;
- (h) there is an application to a government agency (including, without limitation, the Takeovers Panel) for an order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy in connection with the Offers (or any part of it) or any agreement entered into in respect of the Offers (or any part of it) subject to limited exceptions; and
- (i) hostilities occur involving any one or more of Australia, New Zealand, Japan, Hong Kong, Russia, Israel, Syria, Iran, the United Kingdom, any member of the state of the European Union, the United States or China or any diplomatic, military, commercial or political establishment of any of these listed countries.

As is customary with these types of arrangements:

- (j) the Company has agreed to indemnify the Underwriter and its related bodies corporate, and each of its officers, directors employees, agents, advisers and representatives (**Indemnified Party**) against losses incurred in connection with the Entitlement Offer and 2024 Placement or the performance of the Underwriter's obligations under the Underwriting Agreement other than losses determined by a court to have resulted directly from the fraud, recklessness, wilful misconduct or gross negligence of the Indemnified Party; and
- (k) the Company has provided a full range of warranties and representations to the Underwriter, including about the Offer and its compliance with applicable laws.



Adherium Limited  
ABN 24 605 352 510

## Need assistance?



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



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

ADR

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

## Adherium Limited Extraordinary General Meeting

The Adherium Limited Extraordinary General Meeting will be held on Friday, 21 June 2024 at 9:30am (AEST). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



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

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 9:30am (AEST) on Wednesday, 19th June 2024.



### ATTENDING THE MEETING IN PERSON

The meeting will be held at:  
Offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.






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ABN 24 605 352 510



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## Need assistance?

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

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30am (AEST) on Wednesday, 19 June 2024.**

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



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

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

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



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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

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



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Adherium Limited hereby appoint

the Chairman of the Meeting OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Adherium Limited to be held at Offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000 on Friday, 21 June 2024 at 9:30am (AEST) and at any adjournment or postponement of that meeting.

## Step 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Approval for subscription for Shares by Lou Panaccio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval for subscription for Shares by George Baran	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval for subscription for Shares by Trudell Medical Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval for subscription for Shares by Paul Mastoridis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval for issue of the Underwriter Options to MST Financial Services Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of prior issue of 50,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval for issue of 50,000,000 Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

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

### Update your communication details (Optional)

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

