

---

---

**EDEN INNOVATIONS LTD  
ACN 109 200 900**

---

---

**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**EXPLANATORY STATEMENT**

**AND**

**PROXY FORM**

**TO BE HELD ON**

**30 NOVEMBER 2020  
COMMENCING AT 9.30AM**

**AT**

**LIBERTY TRAINING & CONFERENCE CENTRE  
GROUND FLOOR  
197 ST GEORGES TERRACE  
PERTH, WA**

For personal use only

**EDEN INNOVATIONS LTD**  
(ACN 109 200 900)

**NOTICE OF MEETING**

Notice is hereby given that an Annual General Meeting of shareholders of Eden Innovations Ltd (the **Company**) will be held at the Liberty Training & Conference Centre, Ground Floor, 197 St Georges terrace, Perth, WA on Monday the 30<sup>th</sup> of November 2020 at 9.30am.

**AGENDA**

**1. Annual Reports**

To table the Annual Financial Report for the financial year ended 30 June 2020 and the Director's Report and Auditor's Report for that financial year.

**2. Resolution 1 – Adoption of Remuneration Report**

To consider, and if thought fit pass, with or without amendment, the following Resolution as a **non-binding resolution**:

*"That for the purposes of section 250R(2) of the Act and for all other purposes, the Company be authorised to adopt the Remuneration Report contained in the Annual Financial Report"*

**Short Explanation:** In accordance with section 249L(2) of the Act, a resolution that the Remuneration Report be adopted must be put to the vote. The effect of section 250R(3) of the Act is that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**3. Resolution 2 – Election of Director**

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

*"That Mr Douglas Solomon being a Director of the Company who retires by rotation pursuant to the Company's Constitution, and being eligible offers himself for re-election is hereby re-elected as a Director of the Company."*

**4. Resolution 3 – Ratification and Approval of Issue of Options – December 2019**

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

*"That, for the purpose of ASX Listing Rules 7.1 and 7.4, and for all other purposes, shareholders ratify and approve the issue, free of charge, on 20 December 2019, of 1,000,000 options under the Company's employee share option plan (ESOP) to Mr Don Grantham Jr., an employee of the Company, each to acquire one Share at an exercise price of \$0.065 at any time before 19 December 2022 and otherwise on the terms and conditions set out in the attached explanatory statement."*

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Don Grantham Jr., or any associates of Mr Don Grantham Jr.. However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in 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 the resolution; and
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

**5. Resolution 4 – Ratification and Approval of Issue of Shares – July 2020 SPP**

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

*"That, for the purpose of ASX Listing Rules 7.1 and 7.4 and for all other purposes, shareholders ratify and approve the issue on 28 July 2020, to a number of shareholders, of 151,603,497 Shares, pursuant to a Share Purchase Plan, at a price of \$0.28 per Share, which Shares rank pari passu with all other Shares currently on issue by the Company, raising \$4,244,897 (before the expenses of the issue)"*

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any of the shareholders who participated in the share purchase plan the subject of this Resolution, or any associates of those persons. However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

For personal use only

- 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 the resolution; and
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

#### **6. Resolution 5 - Approval of Issue of Shares and Options – Long State Investment Limited**

To consider, and if thought fit pass, with or without amendment, 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:*

- (a) *\$300,000 worth of Options in the Company, free of charge, each to acquire one Share at an exercise price which is equal to 150% of the 5 day VWAP immediately prior to the date of this meeting and exercisable at any time on or before 3 years after their date of issue;*
- (b) *\$25,000 worth of Shares at an issue price which is equal to the 5 day VWAP immediately prior to the date of this meeting;*
- (c) *21,250,000 Shares, free of charge, to be held in escrow until the conditions for release, as set out in the Equity Placement Facility Agreement, a summary of which appears in the accompanying Explanatory Statement, are satisfied; and*
- (d) *up to 18,157,895 Shares at an issue price to be determined in accordance with the Equity Placement Facility Agreement upon the issue by the Company (at its discretion) of the first placement notice under the Equity Placement Facility Agreement,*

*to Long State Investment Limited, in each case pursuant to and in accordance with the terms and conditions set out in the Equity Placement Facility Agreement, further details of which are set out in the accompanying Explanatory Statement”*

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Long State Investment Limited, and any associates of it. However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in 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 the resolution; and
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

#### **7. Resolution 6: Issue of Shares to Noble Energy Pty Ltd A.C.N. 115 057 586 to convert debt into equity**

*“That, for the purpose of ASX Listing Rule 10.11, and for all other purposes, shareholders approve the issue to the Company’s major shareholder, Noble Energy Pty Ltd A.C.N. 115 057 586 (“Noble”), of 7,142,857 ordinary fully paid shares in the Company (each “a Share”), which new Shares shall rank pari pasu with all other Shares currently on issue by the Company (ASX Code: EDE), to enable the Company to convert the amount owing by the Company to Noble as at the date of this Agreement, being \$200,000, into Shares.”*

**Note:** The Company will disregard any votes cast in favour of this Resolution 6 by Noble Energy Pty Ltd A.C.N. 115 057 586 and any other person who would obtain a benefit if this Resolution 6 is passed and their associates. However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in 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 the resolution; and
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

#### **8. General**

To transact any business which may be brought before the meeting in accordance with the Constitution of the Company, the Act, or otherwise.

## PROXIES

In accordance with section 249L of the Act, shareholders are advised each shareholder has a right to appoint a proxy, the proxy need not be a shareholder of the Company and a shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with section 250BA of the Act the Company specifies the following for the purposes of receipt of proxy appointments:

Online: [www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)

By post or hand delivery to the Registered Office: Advanced Share Registry Limited, 110 Stirling Hwy, Nedlands WA 6009

By Post to: Advanced Share Registry Limited, PO Box 1156, Nedlands WA 6909

By facsimile to: +61 8 9262 3723

Each shareholder entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on each particular Resolution. A shareholder may specify the way in which the appointed proxy is to vote on a particular Resolution or may allow the appointed proxy to vote at its discretion. Where a shareholder appoints the Chairman as their proxy and does not expressly direct the Chairman to vote 'For' or 'Against' a resolution or to abstain from voting on a resolution, the Chairman intends to vote in favour of such resolution. Notwithstanding the Chairman's voting intention, a shareholder can (where they have appointed the Chairman as their proxy) expressly direct the Chairman to vote for or against such resolution, or to abstain from voting on such resolution, by marking the appropriate box on their proxy form. That is, a shareholder can direct the Chairman to vote as their proxy in a manner which is contrary to the Chairman's stated voting intentions. If a shareholder does not mark any of the 'For', 'Against' or 'Abstain' boxes on the proxy form for Resolution 1 (Adoption of Remuneration Report), that shareholder will thereby be taken to have directed the Chairman to vote in accordance with the Chairman's stated voting intention (that is, to vote in favour of such resolution).

The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

The Chairman will call a poll for all resolutions.

A corporation may elect to appoint a representative in accordance with the Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* the Company determines that shareholders holding ordinary shares at 5.00pm WST on 28 November 2020 will be entitled to attend and vote at the Annual General Meeting.

Except where the contrary intention appears, all defined terms used in this Notice of Meeting have the meanings set out in the glossary of the Explanatory Statement accompanying this Notice.

Gregory Solomon  
Executive Chairman

Dated this 28<sup>th</sup> day of October 2020

For personal use only

**EDEN INNOVATIONS LTD**  
(ACN 109 200 900)

**EXPLANATORY STATEMENT FOR SHAREHOLDERS**

This Explanatory Statement is intended to provide shareholders of the Company with sufficient information to assess the merits of each Resolution contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions. The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

**1 – RECEIVE AND CONSIDER THE ANNUAL REPORTS**

The first agenda item is to receive and consider the Annual Financial Report, Director's Report and Auditor's Report for the Company for the financial year ended 30 June 2020. No Resolution is required in respect of this agenda item. However, it provides shareholders with the opportunity to ask questions of the Company's Directors and auditors in relation to the Company's results and operations for the financial year.

**2 – REMUNERATION REPORT**

The Annual Financial Report for the financial year ended 30 June 2020 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 249L(2) of the Act, a resolution that a Remuneration Report be adopted must be put to the vote. However, pursuant to section 250R(3) of the Act, the vote on the Resolution is advisory only and will not require the Directors or the Company to alter any arrangements detailed in the Remuneration Report, should the Resolution not be passed.

**3 – RE-ELECTION OF DIRECTOR**

In accordance with the Company's Constitution, Mr Douglas H Solomon retires by rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Douglas H Solomon has been a Board member since May 2004. He is a barrister and solicitor with more than 35 years' experience in the areas of mining, corporate, commercial and property law. Mr Douglas H Solomon is a partner in the law firm, Solomon Brothers. He is also a non-executive director of Tasman Resources Ltd and Conico Ltd.

The Board recommends that shareholders vote in favour of this Resolution.

**4 – RATIFICATION AND APPROVAL OF ISSUE OF OPTIONS – DECEMBER 2019**

Resolution 3 seeks shareholder approval and ratification, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, of the issue, on 20 December 2019, to Mr Don Grantham Jr. (CEO – Eden US), free of charge, of 1,000,000 options under the Company's ESOP, each to acquire one Share at an exercise price of \$0.065 at any time on or before 19 December 2022 (**6.5 cent ESOP Options**).

All of these 1,000,000 6.5 cent ESOP Options were issued on the following terms and conditions:

1. The options are subject to the rules of the Company's ESOP, a summary of which is set out in Schedule 1.
2. The options granted vest immediately.

A summary of the material terms of the 6.5 cent ESOP Options are set out in Schedule 1.

No other equity performance or incentive package is planned for Mr Don Grantham Jr. during the next three-year period of the Company's development.

No directors of the Company (or their related parties) received any of the 6.5 cent ESOP Options.

All of these 1,000,000 6.5 cent ESOP Options were issued by the Company under the 15% placement rule in ASX Listing Rule 7.1.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve it.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Accordingly, if this Resolution 3 is passed, the Company's 15% placement capacity will be reinstated to the extent of the equity securities the subject of this Resolution 3.

For personal use only

If resolution 3 is passed, the 6.5 cent ESOP Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following 20 December 2020 by 1,000,000 equity securities.

If resolution 4 is not passed, the 6.5 cent ESOP Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following 20 December 2020 by 1,000,000 equity securities.

The Company's total issued capital immediately prior to the issue of these 1,000,000 6.5 cent ESOP Options under the Company's ESOP on 20 December 2019 was as follows:

Class	Number
Shares	1,723,596,366
EDEOB Options	69,699,634
25 cent ESOP options	330,000
27 cent ESOP Options	24,729,422*
7 cent Options	6,000,000
8 cent Options	6,000,000
Performance Rights	24,891,012

\*Subsequently expired on 28 February 2020

The issue of these 1,000,000 6.5 cent ESOP Options represented 0.06% of the Company's then issued share capital (of 1,723,596,366 Shares), and represents 0.05% of the Company's issued share capital as at the date of this Notice (of 1,218,391,110 Shares).

The Company seeks shareholder approval and ratification to the issue of the 1,000,000 6.5 cent ESOP Options under the Company's ESOP pursuant to Listing Rules 7.1 and 7.4.

The following information is provided in accordance with Listing Rule 7.5:

- 1,000,000 6.5 cent ESOP Options were issued by the Company to Don Grantham Jr., CEO of Eden US on 20 December 2019.
- All of the 6.5 cent ESOP Options were issued free of charge; each 6.5 cent ESOP Option is exercisable at an exercise price of \$0.065 at any time on or before 19 December 2022.
- The 6.5 cent ESOP Options were issued under the Company's ESOP, and are unlisted. Any Shares which are issued consequent upon the exercise of any of these options will rank pari passu with the existing issued Shares of the Company and will be quoted on the ASX.
- The 6.5 cent ESOP Options were all issued to Don Grantham Jr., CEO of Eden US under the Company's ESOP. Don Grantham Jr. is not a related party of the Company.
- No funds were raised from the issue of the 6.5 cent ESOP Options: they were issued to encourage the Don Grantham Jr. to accept his new role and to remain in the employment of the Company. Any funds which are raised from the exercise of these 6.5 cent ESOP Options will be applied to the Company's ongoing working capital requirements.

As required by s.224 of the Act, the Company will disregard any votes cast on this Resolution 3 by Don Grantham Jr. (being the party to whom this Resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

## 5 – RATIFICATION AND APPROVAL OF ISSUE OF SHARES – JULY 2020 SPP

Resolution 4 seeks shareholder approval and ratification, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, of the issue on 28 July 2020, to SPP Participants, of 151,603,497 Shares at a price of \$0.28 per Share, which Shares rank pari passu with all other Shares currently on issue by the Company, raising \$4,244,897 (before the expenses of the issue)

All of these 151,603,497 Shares were issued by the Company under its 15% placement capacity under ASX Listing Rule 7.1 as the Company had previously completed a share purchase plan within the prior 12 months.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities at the commencement of that 12 month period without the approval of holders of its ordinary securities.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve it.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Accordingly, if this Resolution 4 is passed, the Company's 15% placement capacity will be reinstated to the extent of the equity securities the subject of this Resolution 4.

If resolution 4 is passed, the July 2020 SPP will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following 28 July 2020 by 151,603,497 equity securities.

If resolution 4 is not passed, the July 2020 SPP will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following 28 July 2020 by 151,603,497 equity securities.

The Company's total issued capital immediately prior to the issue of the 151,603,497 Shares to the SPP Participants on 28 July 2020 was as follows:

Class	Number
Shares	1,723,596,366
EDEOB Options	69,699,634
ESOP Options	1,330,000
Other unlisted Options	12,000,000
Performance Rights	26,391,012

The Company's total issued capital as at the date of this notice of meeting (inclusive of the 151,603,497 Shares the subject of this Resolution 4) is as follows:

Class	Number
Shares	1,877,410,509
EDEOB Options	69,695,884
ESOP Options	1,330,000
Other unlisted Options	12,000,000
Performance Rights	26,391,012

The issue of 151,603,497 Shares to the SPP Participants represented 8.80% of the Company's then issued share capital (of 1,723,596,366 Shares), and represents 8.08% of the Company's issued share capital as at the date of this Notice (of 1,877,410,509 Shares).

The Company seeks Shareholder approval and ratification to the issue of the 151,603,497 Shares to the shareholders pursuant to Listing Rules 7.1 and 7.4.

#### Listing Rule 7.5

The following information is provided in accordance with, and as required by, Listing Rule 7.5

1. The 151,603,497 Shares were issued by the Company to the SPP Participants on 28 July 2020.
2. All of the Shares were issued at an issue price of \$0.028 per Share, raising \$4,244,897, less the expenses of the 2020 SPP.
3. The Shares were issued on the same terms as, and rank pari passu with, all of the existing issued Shares of the Company and are quoted on the ASX.
4. The Shares were issued to SPP Participants, none of whom received more than 1% of the shares in the Company and none of whom were related parties of the Company.
5. \$4,244,897 was raised from the issue of the Shares, which amount will be applied to fund the costs of the 2020 SPP and meet the ongoing working capital requirements of the Company (including payments of salaries & wages and payments to suppliers in the ordinary course of business).

#### Voting exclusion statement

As required by s.224 of the Act, the Company will disregard any votes cast on this Resolution 4 by all the SPP Participants (being the party to whom this Resolution would permit the financial benefit to be given) and their associates (who are all prohibited from voting).

### **6 - RESOLUTION 5 – APPROVAL OF ISSUE OF SHARES AND OPTIONS - LONG STATE INVESTMENT LIMITED**

Resolution 5 seeks shareholder approval, for the purpose of ASX Listing Rule 7.1 and for all other purposes, to authorise the Directors to issue to Long State, under and in accordance with the Equity Facility Placement Agreement:

- (a) \$300,000 worth of Options in the Company, free of charge, each to acquire one Share at an exercise price which is equal to 150% of the 5 day VWAP immediately prior to the date of this meeting and exercisable at any time on or before 3 years after their date of issue ("LS Options");
- (b) \$25,000 worth of Shares at an issue price which is equal to the 5 day VWAP immediately prior to the date of this meeting ("IF Shares");
- (c) 21,250,000 Shares, free of charge, to be held in escrow until the conditions for release, as set out in the Equity Placement Facility Agreement, a summary of which appears below, are satisfied ("Escrow Shares"); and

- (d) up to 18,157,895 Shares at an issue price to be determined in accordance with the Equity Placement Facility Agreement upon the issue by the Company (at its discretion) of the first placement notice under the Equity Placement Facility Agreement ("Placement Shares").

The LF Options and IF Shares will be issued forthwith upon shareholder approval being obtained. The Escrow Shares and the Placement Shares will only be issued should the Company wish to raise money under this funding facility ("Facility") and issues a Placement Notice.

This Equity Placement Facility Agreement will provide the Company with a fully flexible funding facility. Under the Facility, the Company will be able to access capital to fund its ongoing requirements for working capital, as and when required, with the timing of drawdowns and the minimum issue price of the Shares to be issued to Long State at the Company's discretion. As at the date of this Notice, neither the Company nor Long State has signed the Equity Placement Facility Agreement. The Equity Placement Facility Agreement will only become binding if both the Company and Long State execute it. This Resolution 5 will only be put to shareholders if the Equity Placement Facility Agreement has been signed by both the Company and Long State before the date of this meeting.

Under the Equity Placement Facility Agreement, the Company may, at its discretion, at any time and from time to time over the 24 month period commencing on the date of shareholder approval, issue Long State with a placement notice (which requires Long State to subscribe for Shares) for an aggregate placement amount of up to \$7,200,000. Each placement notice can be for a maximum amount of \$300,000 (increased to \$500,000 in respect of a placement with the prior consent of Long State). Long State has the ability to increase any placement amount notified by the Company by up to 15%. The Company is not obliged to use the Facility or to issue any placement notices under the Facility.

The material terms of the Equity Placement Facility Agreement are as follows.

The Equity Placement Facility Agreement (and all of the parties' rights and obligations under it) is subject to and conditional upon the Company's shareholders approving, at this meeting, the issue by the Company to Long State of the LS Options, the IF Shares, the Escrow Shares, and the Placement Shares (being the maximum number of Shares which will be issued to Long State under the first placement notice, assuming it is issued for the maximum amount of \$300,000, with Long State exercising its right to increase this amount by 15% and the issue price is \$0.019, being the lowest price at which Shares, absent Long State's agreement, can be issued under the Equity Placement Facility Agreement) (all as described below in more detail) for the purposes of Listing Rules 7.1 and 7.3 ("Condition Precedent").

The Company's ability to give a placement notice under the Equity Placement Facility Agreement is subject to, in addition to the satisfaction of the Condition Precedent, all of the following conditions being satisfied to Long State's satisfaction at the time the placement notice is given, at the end of the Pricing Period (see below) and at the placement closing date:

- the Company is able to make the warranties in the Equity Facility Placement Agreement without qualification, save for any qualification agreed in writing by Long State (unless, in the case of a specific warranty, that warranty is only required to be given on one or the other of the above dates);
- ASX has not:
  - on the placement notice date only, granted a Trading Halt at the request of the Company;
  - suspended the Shares from Quotation at the request of the Company; or
  - otherwise suspended the Shares from Quotation, ended Quotation of the Shares, or removed the Company from the Official List at the request of the Company or otherwise removed the Company from the Official List;
- the Company has not requested that ASX:
  - on the placement notice date only, grant a Trading Halt,
  - suspend the Shares from Quotation,
  - end Quotation of the Shares; or
  - removed the Company from the Official List;
- on the placement closing date, the Company has made application for Quotation of the placement shares;
- Long State has received all placement shares consequent on completion pursuant to any prior placement notice, all of which are tradeable;
- the Company has performed in all material respects all of the Company's liabilities as contemplated at any time by the Equity Facility Placement Agreement;
- no event of default has occurred or continues unrectified under Equity Facility Placement Agreement;
- there is no law or judicial order or legal process in the course of any legal action that prohibits or has a material adverse effect on the transactions as contemplated at any time by the Equity Facility Placement Agreement;
- there have been no events which would have a material adverse effect;
- the Company has delivered to Long State a placement notice that complies with the Equity Facility Placement Agreement;
- the Company has disclosed to ASX that it has delivered a placement notice to Long State;
- the Company has delivered to the Investor a performance certificate;
- the Company must have paid all instalments of the implementation fee then due;
- on the placement notice date only, the number of Escrow Shares then on issue is equal to or more than the number of Escrow Shares which are required to become "Released ES" with respect to that placement notice (see below), and the Company complies with its obligations under the escrow provisions of the Equity Facility Placement Agreement and
- if the Company paid an instalment of the implementation fee by the issue of Shares:

For personal use only



- those Shares must have been issued in exchange for the payment of \$0.01 by Long State;
- ASX must have granted Quotation of those Shares;
- those Shares must have been received;
- those Shares must be tradeable; and
- either:
  - the Company must have given ASX a notice pursuant to s.708A(5) of the Act in respect of those Shares; or
  - s.708A(11) of the Act must apply to the sale offer of those Shares; and
- either:
  - the Company is entitled to rely on the sale offer exemption under section 708A(5) of the Act; or
  - the Company is entitled to rely on the sale offer exemption under section 708A(11) of the Act.

Assuming all of the above conditions are satisfied, Shares will be issued to Long State at an issue price which is 95% of the higher of:

- \$0.02 or, if greater, the minimum acceptable price stipulated by the Company in its placement notice ("Minimum Acceptable Price"); and
- the numeric average of 5 daily VWAPs nominated by Long State from those during the 20 consecutive trading days commencing on the trading day immediately after the Released ES (as referred to below) are released from escrow following a placement notice being given by the Company to Long State ("Pricing Period") (but on the basis that, on any trading day within the Pricing Period on which the VWAP is less than or equal to the Minimum Acceptable Price, the VWAP will be deemed to be the Minimum Acceptable Price).

Long State may reduce the placement amount specified by the Company in a placement notice by 5% for each day during the Pricing Period that the daily VWAP of the Shares is lower than the Minimum Acceptable Price.

A commission of 4% is payable by the Company to Long State on each placement amount subscribed by Long State (plus GST, where applicable).

An implementation fee of \$25,000 is payable in cash or Shares (at the Company's election) on the first business day after shareholder approval is obtained ("First IF"). Further implementation fees, each of \$35,000, are payable on the first date upon which placements have taken place under the Equity Placement Facility Agreement for aggregate placement amounts which are equal to or exceed the following amounts: \$2,000,000, \$4,000,000 and \$6,000,000 respectively. Any Shares issued in payment of an implementation fee are to be based on the five-day VWAP for the five trading days immediately prior to when the implementation fee is due. The Company intends to satisfy the First IF by the issue of the IF Shares.

In addition, as required by the Equity Placement Facility Agreement, on the first business day after shareholder approval is obtained, the Company is required to issue to Long State the LS Options.

Prior to issuing the first placement notice under the Facility ("First Placement Notice"), the Company must issue to Long State the Escrow Shares in order to secure the performance by the Company of its obligations under the Equity Placement Facility Agreement. The Escrow Shares will have a holding lock applied to them.

Each time the Company delivers to Long State a placement notice, the escrow period for that number of Escrow Shares as is calculated by dividing the notified placement amount by the Minimum Acceptable Price will end on the date which is five business days after the date of delivery of that placement notice ("Released ES"), at which time the Released ES shall cease to be subject to escrow and will be released from the holding lock. Upon the issue to Long State of placement shares under a placement notice, that number of the placement shares which equates to the Released ES in respect of that placement will become Escrow Shares and subject to a holding lock.

Whenever the Company is obliged to issue Shares to Long State under the Equity Placement Facility Agreement, the Company may also, in its discretion, notify Long State that it will not issue the relevant Shares but will instead reduce the number of Escrow Shares by an equivalent number, in which case the escrow period for those Shares will end on the date which is five business days after the Company gives Long State notice of such election. Long State may also require the Company to reduce the number of Escrow Shares if the Company has failed to comply with an obligation which it has under the Equity Placement Facility Agreement to issue Shares to Long State, in which case the escrow period for such Shares shall end on the date which is six business days after the receipt by the Company of a notice from Long State requiring a reduction in the number of Escrow Shares.

If the number of Escrow Shares on issue at any time is less than the number of Released ES which would apply to a proposed placement, the Company must top up the Escrow Shares by the amount of the deficiency before it is able to issue a further placement notice.

At the end of the 24-month period of the Facility, Long State must transfer, free of all security interests and for no consideration, 21,250,000 Shares (less any Escrow Shares that were released from escrow in lieu of the Company's obligation to issue Shares to Long State under the Equity Placement Facility Agreement) to the Company's nominee to be held in trust for the Company.

The IF Shares, Escrow Shares and Placement Shares (if any are issued) will rank equally in all respects with all other issued Shares.

For personal use only

The Equity Facility Placement Agreement includes usual representations, warranties and indemnities by the Company.

The Equity Facility Placement Agreement terminates immediately upon the occurrence of:

- the last to occur of the date which is 24 months after the date of shareholder approval and any later date agreed at any time by the parties;
- any agreement by the parties to that effect; or
- the Company notifying Long State that it wishes to terminate the Equity Placement Facility Agreement, provided that:
  - if the Company notifies Long State that it wishes to terminate the Equity Placement Facility Agreement at a time after a placement notice has been delivered by the Company to Long State and before completion in respect to that Placement Notice; and
  - Long State is not in breach of any provision of, or liability under, the Equity Placement Facility Agreement in any material respect,Long State may elect to have and the Equity Placement Facility Agreement will terminate immediately following completion in respect of that placement notice.

In addition, if for a period of 20 consecutive business days the VWAP is less than 50% of \$0.02, either party may terminate the Equity Facility Placement Agreement by written notice to the other party.

Long State may terminate the Equity Facility Placement Agreement by written notice to the Company at any time following the occurrence, without the prior consent of Long State, of any of the following events of default whether or not within the power or control of the Company:

- failure by the Company to perform any provision of, or liability under, the placement completion provisions of the Equity Facility Placement Agreement in any material respect, except for a rectifiable default, which is rectified within 2 business days following written notice from Long State requiring rectification;
- failure by the Company to perform any provision of, or liability under, the Equity Facility Placement Agreement in any material respect, except for a rectifiable default, which is rectified within 20 business days following written notice from Long State requiring rectification;
- ASX suspending the Shares from quotation and the aggregate time of suspension exceeding 5 business days;
- ASX ending quotation of the Shares, or removing the Company from the Official List;
- any information contained in any placement notice or performance certificate is inaccurate in any material respect;
- a warranty contained in the Equity Facility Placement Agreement is found to be materially inaccurate when made or the Company fails to make a disclosure as stipulated in the notification of inaccuracy provision in the Equity Facility Placement Agreement;
- material non-compliance by the Company with or the fact of material inaccuracy of any representation made or deemed to be made or repeated by the Company in the Equity Facility Placement Agreement, or in any document delivered to Long State under or in connection with the Equity Facility Placement Agreement;
- an event occurs which is, or a series of events occur which together have a material adverse effect;
- the fact of any attachment against any asset of the Company or any of its subsidiaries ("Corporate Group");
- the enforcement of any security interest over any asset of a member of the Corporate Group securing payment for any amount subsequent to the occurrence of any default event under that security interest;
- the appointment of any receiver over, or possession taken by any secured party of, any asset of a member of the Corporate Group;
- the Company being or stating that it is unable to pay all its debts as and when they become due and payable;
- the appointment of any administrator to a member of the Corporate Group;
- any judicial order being made or resolution passed for the liquidation of a member of the Corporate Group;
- the creation by a member of the Corporate Group of any debt arrangement with its creditors generally or any class of creditors other than for the purpose of a solvent amalgamation or solvent reconstruction; or
- the cessation or proposal for cessation of business generally by a member of the Corporate Group.

The Company was advised on this transaction by its US financial adviser, EAS Advisors LLC, acting through Odeon Capital LLC, who will be paid a commission of 2% of each placement amount subscribed by Long State (plus GST, where applicable).

#### **Listing Rule 7.1**

As noted above, under the Equity Placement Facility Agreement, and assuming shareholder approval is obtained, on the next business day after the date of this meeting, the Company will issue to Long State the LS Options ("the LS Options Issue") and the IF Shares ("the Implementation Fee Issue").

Prior to the Company electing, in its discretion, to issue the First Placement Notice under the Equity Facility Placement Agreement, the Company must also issue to Long State the Escrow Shares ("Escrow Shares Issue").

If the Company elects to issue the First Placement Notice under the Equity Facility Placement Agreement, it may be required (depending on the placement amount which it specifies in that Placement Notice) to issue up to 18,157,895 Placement Shares ("First Placement Notice Issue").

For personal use only

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary Shares it had on issue at the start of that period.

The LS Options Issue, Implementation Fee Issue, Escrow Share Issue and First Placement Notice Issue (collectively, the "Issues") do not fall within any of these exceptions.

If the Issues were made as at the date of this Notice, the Issues would not exceed the 15% limit in Listing Rule 7.1 and could therefore be made without breaching that rule. However, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the Issues under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, resolution 5 seeks shareholder approval to the Issues under and for the purposes of Listing Rule 7.1.

If resolution 5 is passed, the Issues can proceed without using up any of the Company's 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1, and the Company will proceed with the LS Options Issue and Implementation Fee Issue and, if the Company subsequently elects to give a First Placement Notice, with the Escrow Shares Issue and First Placement Notice Issue.

If resolution 5 is not passed, the Company will (at its election) either:

- (a) terminate the Equity Facility Placement Agreement for non-satisfaction of the Condition Precedent; or
- (b) waive the Condition Precedent, in which case the Equity Facility Agreement will remain on foot and the Company will proceed with the LS Options Issue and Implementation Fee Issue and, if the Company subsequently elects to give a First Placement Notice, with the Escrow Shares Issue and First Placement Notice Issue, but all of those Issues will reduce, to that extent, the Company's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for 12 months following the Issues.

Resolution 5 seeks the required shareholder approval to the Issues under and for the purposes of Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.3:-

#### **Recipient**

The LS Options, IF Shares, Escrow Shares and Placement Shares are all to be issued to Long State.

#### **Number and Class**

##### **(a) LS Options**

The number of LS Options which the Company must issue will be calculated in accordance with the following formula:

$\$300,000/150\%$  of the 5 day VWAP immediately prior to the date of this meeting (assuming shareholders approve this resolution).

Assuming a 5 day VWAP of 2.59 cents (which was the 5 day VWAP ending on 13 October 2020) the number of LS Options which would be issued to Long State would be 7,722,008, and the exercise price of each LS Option would be 3.885 cents.

The 5 day VWAP immediately prior to the date of this meeting (namely, 30 November 2020), could be more or less than 2.59 cents. The closing price of the Company's Shares on the on the day before the date of this notice (being 27 October 2020) was \$0.024, which is less than 2.59 cents. Accordingly, the actual number of LS Options which will be issued cannot be precisely calculated at this time.

##### **(b) IF Shares**

The number of IF Shares which the Company must issue will be calculated in accordance with the following formula:

$\$25,000/5$  day VWAP immediately prior to the date of this meeting (assuming shareholders approve this resolution).

Assuming a 5 day VWAP of 2.59 cents (which was the 5 day VWAP ending on 13 October 2020) the number of IF Shares which would be issued to Long State would be 965,251.

The 5 day VWAP immediately prior to the date of this meeting (namely, 30 November 2020), could be more or less than 2.59 cents. The closing price of the Company's shares on the on the day before the date of this notice (being 27 October 2020) was \$0.024, which is less than 2.59 cents. Accordingly, the actual number of IF Shares which will be issued cannot be precisely calculated at this time.

##### **(c) Escrow Shares**

The Company is only required to issue the Escrow Shares if it gives a First Placement Notice under the Equity Facility Placement Agreement. If it does so, the number of Escrow Shares it will be required to issue is 21,250,000 Shares.

**(d) Placement Shares**

If the Company gives a First Placement Notice under the Equity Facility Placement Agreement, the number of Placement Shares which will be issued under that notice will be calculated as follows:

= Placement Notice Amount/ Price.

The "Price" will be 95% of the higher of:

- the Minimum Acceptable Price (see above); and
- the numeric average of 5 daily VWAPs nominated by Long State from those during the Pricing Period (but on the basis that, on any trading day within the Pricing Period on which the VWAP is less than or equal to the Minimum Acceptable Price, the VWAP will be deemed to be the Minimum Acceptable Price).

The "Placement Notice Amount" will be the amount specified by the Company in the First Placement Notice, which cannot be more than \$300,000 (this may be increased to \$500,000 with the written consent of Long State). The amount which is specified by the Company may be increased by Long State by up to 15%. The placement amount may also be reduced, at the option of Long State, by up to 5% for each trading day in the Pricing Period on which the VWAP for that trading day is less than or equal to the Minimum Acceptable Price specified by the Company in the First Placement Notice.

The following worked examples are provided to assist Shareholders understand how the process would work:

1. Assuming the Placement Notice was issued on 10 September 2020 for \$300,000 and the Released ES are released from escrow on 16 September 2020, the Pricing Period would be 17 September 2020 to 14 October 2020 (20 trading days). The 5 days with the lowest daily VWAPs that could be nominated by Long State during this Pricing Period would be 22 September 2020, 24 September 2020, 28 September 2020, 5 October 2020 and 14 October 2020. The numerical average of the VWAPs for these trading days is \$0.02486<sup>#</sup> and the Price will be \$0.02362<sup>#</sup>, being 95% of the numerical average of the 5 daily VWAPs. This would result in the issue of 12,704,568 Shares, being 0.68% of the shares on issue as at the date of this notice of meeting (1,877,410,509).
2. Assuming the Placement Notice was issued on 15 September 2020 for \$500,000 (increased to \$500,000 in respect of the placement with the prior consent of Long State) and the Released ES are released from escrow on 16 September 2020, the Pricing Period would be 17 September 2020 to 14 October 2020 (20 trading days). The 5 days with the lowest daily VWAPs that could be nominated by Long State during this Pricing Period would be 22 September 2020, 24 September 2020, 28 September 2020, 5 October 2020 and 14 October 2020. The numerical average of the VWAPs for these trading days is \$0.02486<sup>#</sup> and the Price will be \$0.02362<sup>#</sup>, being 95% of the numerical average of the 5 daily VWAPs. This would result in the issue of 21,174,280 Shares, being 1.13% of the shares on issue as at the date of this notice of meeting (1,877,410,509).
3. Assuming the Placement Notice was issued on 28 September 2020 for \$300,000 and the Released ES are released from escrow on 29 September 2020, the Pricing Period would be 30 September 2020 to 27 October 2020 (20 trading days). The 5 days with the lowest daily VWAPs that could be nominated by Long State during this Pricing Period would be 5 October 2020, 14 October 2020, 15 October 2020, 20 October 2020 and 27 October 2020. The numerical average of the VWAPs for these trading days is \$0.02493<sup>#</sup> and the Price will be \$0.02369<sup>#</sup>, being 95% of the numerical average of the 5 daily VWAPs. This would result in the issue of 12,665,809 Shares, being 0.67% of the shares on issue as at the date of this notice of meeting (1,877,410,509).

<sup>#</sup> - This is only shown to 5 decimal places, the actual figure will not be rounded

**Material Terms of Issue**

All of the IF Shares, Escrow Shares and Placement Shares will be issued on the same terms and conditions as the existing issued Shares of the Company (ASC Code: EDE). The LS Options (which will be unlisted) will be issued on the terms and conditions set out in Schedule 2.

**Issue Date**

The LS Options and IF Shares will be issued on the next business day after the date of this meeting or as soon as practicable thereafter.

The Escrow Shares and Placement Shares, to fall within the scope of this approval, must be issued not later than three months after the date of this meeting. If the Escrow Shares and Placement Shares are issued outside of this three month period, the Company will need to issue those Shares under its issuing capacity under Listing Rule 7.1 (thus reducing the amount of that capacity), unless it again seeks shareholder approval for the purpose of this Listing Rule 7.1.

**Issue Price/Consideration**

No issue price will be paid by Long State for the LS Options, which are being issued free of charge as part of the consideration payable to Long State for making available the Facility to the Company.

The issue price for the Placement Shares will be determined in the manner set out above under the heading "Number and Class", paragraph (d) Placement Shares.

The IF Shares are being issued in satisfaction of the first implementation fee of \$25,000, being part of the consideration payable to Long State for making available the Facility to the Company and in consideration of payment by Long State of \$0.01.

The ES Shares are being issued free of charge to secure the Company's obligations under the Equity Facility Placement Agreement.

#### **Purpose of the Issue, including intended use of any funds raised**

No funds will be raised from the issue of the LS Options, Escrow Shares or IF Shares. If Long State exercises any of the LS Options, funds will be raised by the Company at that time.

If the Company gives a First Placement Notice, funds will be raised by the Company from the issue of the Placement Shares, with the amount raised dependent upon the placement amount set out in the First Placement Notice and the issue price of the Placement Shares (see above). Any funds raised from the issue of the Placement Shares (and under any subsequent placement notices given by the Company under the Equity Facility Placement Agreement) will be applied towards the Company's general working capital requirements (including payments of salaries & wages and payments to suppliers in the ordinary course of business).

#### **Material terms of the Agreement governing the Issues**

The Issues will be made under the Equity Facility Agreement. A summary of the material terms and conditions of this Agreement is set out above.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by or on behalf of Long State, and any associates of it. However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the chair to vote on the resolution as the chair decides; or
- 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 the resolution; and
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

#### **RESOLUTION 6: ISSUE OF SHARES TO NOBLE ENERGY PTY LTD TO CONVERT DEBT INTO EQUITY**

Shareholder approval to the proposed issue of 7,142,857 Shares to the Company's major shareholder, Noble (to enable the Company to convert the amount owing by the Company to Noble as at the date of the Notice, being \$200,000 into Shares) is being sought for all purposes, including for the purposes of ASX Listing Rule 10.11.

Shareholder approval to this proposed Share issue is not being sought for the purposes of section 606 of the Act (which prohibits a person from, inter alia, acquiring a relevant interest in issued voting shares in a listed company if the person does so through a transaction in relation to securities entered into by that person and because of that transaction that person's or someone else's voting power in the company increases from a starting point that is, inter alia, above 20% and below 90%). Whilst Noble's voting power in the Company is currently 33.27%, Noble is able to rely on the exception in item 9 of s.611 of the Act. By this item, an acquisition of a relevant interest in a company's voting shares is exempt from the prohibition in s.606(1) of the Act if:

- (a) throughout the six months before the acquisition, that person, or any other person, has had voting power in the company of at least 19%; and
- (b) as a result of the acquisition, none of the persons referred to in paragraph (a) would have voting power in the company more than three percentage (3%) points higher than they had six months before the acquisition.

Noble's voting power throughout the last six month period has always exceeded 19%, and on the date 6 months prior to the date of this meeting was 36.24%. Noble's voting power as at the date of this meeting is 33.27%. Should Noble's outstanding loan, of \$200,000, be converted into Shares, Noble's voting power will increase to no more than 33.52% (if Shareholders approve this Resolution 6, but do not approve Resolution 5) which results in a reduction in Noble's voting power of 2.72% from the interest Noble had six months before the issue.

Shareholder approval to this proposed Share issue is also not being sought for the purposes of Chapter 2E of the Act (which prohibits a public company giving a financial benefit to a related party, unless shareholders approve the giving of the benefit or one of the exemptions in s.210 to 216 of the Act applies). Noble currently holds 33.27% of the Company's current issued Share capital and 21.26% of the Company's current issued listed Options. As a result of this holding, Noble will likely have control of the Company and will, by virtue of that control, be a related party of the Company. However, s.210 of the Act provides an exemption from the need to obtain shareholder approval if the financial benefit is given on terms that would be reasonable in the circumstances if the public company and the related party were at arms' length (or are less favourable to the related party than those terms). The Share price at which the debt is to be converted is 2.8 cents per Share, being the same price (2.8 cents per Share) as the 2020 Share Purchase Plan (SPP) shares were offered by the Company to shareholders in July 2020. It is considered that the use of the SPP price is reasonable because the debt will be converted at the same price as the shareholders were able to subscribe for Shares under the SPP. The Company's Share price as at the date the board resolved to convert the debt into shares (Thursday 22 October 2020) was \$0.026) which is less than 2.8cents. If the current Share price was used as the conversion price, the Company would need to issue Noble more Shares than is currently proposed, further diluting its issued Share capital. It is therefore

considered the proposed debt conversion is being made on arm's length terms, and that approval is not required for the purpose of Chapter 2E of the Act.

As set out above, the Company proposes to issue 7,142,857 Shares to Noble, which represent 0.38% of its current issued capital (of 1,877,410,509 Shares).

As at the date of this Notice, Noble currently holds 624,634,707 Shares and 14,814,815 Options. If this Resolution 6 is passed, Noble's interest in the Company will increase to 631,777,564 Shares and 14,814,815 Options. If Noble exercised all of its 14,814,815 Options currently held by it as at the date of this Notice, its shareholding would increase to a maximum of 646,592,379 Shares (representing 34.04% of the Company's issued share capital, assuming no further Shares had been issued and Noble's Options were the only Options converted into Shares).

#### **Listing Rule 10.11**

As set out above, the Company proposes to issue 7,142,857 Shares to Noble, which represent 0.38% of its current issued capital (of 1,877,410,509 Shares) (the "Issue").

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has a nominated director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associated of a person referred to in Listing Rules 10.11.1 to 10.11.5; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue falls within Listing Rules 10.1.1 and 10.11.2 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Eden's shareholders under Listing Rule 10.11.

Resolution 6 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 10.11.

If resolution 6 is passed, 7,142,857 Shares will be issued to Noble and Eden will no longer be indebted to Noble.

If resolution 6 is not passed, no Shares will be issued to Noble and Eden will need to repay the loan in cash as soon as reasonably practicable.

The following information is provided in accordance with Listing Rule 10.13:-

1. All of the Shares the subject of this Resolution 6 will be issued to Noble Energy Pty Ltd A.C.N. 115 057 586.
2. Noble is the major Shareholder of the Company, holding 33.27% of the Company's current issued Share capital and 21.26% of the Company's current issued listed Options. As a result, Noble has control of the Company and will, by virtue of that control, be a related party of the Company.
3. Noble is a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company as it currently holds 33.27% of Eden's Shares on issue.
4. Noble will be issued with 7,142,857 Shares. The Shares will be issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company (ASX Code: EDE) and will be quoted on the ASX.
5. All of the Shares will be issued to Noble not more than one month after the date of this meeting (it is intended that they will be issued immediately after this Resolution 6 is passed).
6. For the purpose of determining the number of Shares to be issued to Noble to convert its loan to the Company into equity, the issue price for the Shares has been fixed at 2.8 cents per Share, being the same price (2.8 cents per Share) as the 2020 Share Purchase Plan shares were offered by the Company to shareholders in July 2020 ( See part 5 of this Explanatory Statement for further details in relation to this issue).
7. The purpose of the proposed Share issue is to convert the full amount lent by Noble to the Company (in the sum of \$200,000) (for the purposes of funding the Company's ongoing working capital requirements) into equity, thus cleaning up the Company's balance sheet. Accordingly, as the Shares are being issued in satisfaction of existing debts, no funds will be raised from the issue.
8. The Company will disregard any votes cast on this Resolution 6 by Noble (being the entity who is intended to be issued with the Shares) and any associates of Noble. However, this does not apply to a vote cast in favour of the resolution by:
  - a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
  - the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
  - a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

For personal use only

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

An issue made with approval of the Company's Shareholders under Listing Rule 10.11 does not also require approval under Listing Rule 7.1 (by virtue of exception 14 of Listing Rule 7.2). Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities (which term includes both shares and options over unissued securities) in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities. Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. The maximum number of Shares which the Company proposes to issue to Noble represent 0.38% of the Company's current issued Share capital (of 1,877,410,509).

## GLOSSARY OF TERMS

In this Explanatory Statement and accompanying Notice of Meeting the following words and expressions have the following meanings:

"**2020 SPP**" means the Share Purchase Plan announced on 19 June 2020 which raised \$4,244,897 by the issue of 151,603,497 Shares to SPP Participants;

"**Act**" means Corporations Act 2001 (Cth);

"**ASIC**" means Australian Securities and Investments Commission;

"**ASX**" means ASX Limited (ACN 008 624 691);

"**Board**" means the board of Directors of the Company;

"**Company**" or "**Eden**" means Eden Innovations Ltd (ACN 109 200 900);

"**Director**" means a director of the Company;

"**Equity Placement Facility Agreement**" means the equity placement facility agreement which the Company proposes to enter into with Long State before the date of this meeting, a summary of the material terms of which appear in Part 6 of this Explanatory Statement;

"**Explanatory Statement**" means the information attached to the Notice of Meeting which provides information to shareholders about the Resolutions contained in the Notice of Meeting;

"**Listing Rules**" means the ASX Listing Rules and "**Listing Rule**" has a corresponding meaning;

"**Long State**" means Long State Investment Limited;

"**Notice**" or "**Notice of Meeting**" means the notice of meeting which accompanies this Explanatory Statement;

"**Option**" means an option to acquire a Share;

"**Shares**" means fully paid ordinary shares in the capital of the Company;

"**SPP Participants**" means the 757 Eden shareholders that participated in the 2020 SPP;

and unless the contrary intention appears, terms defined in the Notice of Meeting have the same meaning in this Explanatory Statement;

"**VWAP**" means the volume weighted average price on a trading day of the Shares on ASX as reported by Bloomberg, LP.

For personal use only

## SCHEDULE 1

### SUMMARY OF TERMS AND CONDITIONS OF 6.5 CENT ESOP OPTIONS

1. There is no issue price for the Options. The exercise price for the Options is 6.5 cents.
2. Shares issued on exercise of Options will rank equally with other Shares of the Company.
3. Options may not be transferred without the approval of the Board. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of the Shares issued on the exercise of the Options.
4. Options may only be issued or exercised within the limitations imposed by the Act and the Listing Rules.
5. The Options will be exercisable at any time on or before 19 December 2022.
6. If an optionholder leaves the employment of the Company:
  - 6.1 2 years or more after Options are issued to them; or
  - 6.2 because of retirement at or after 55 years of age, permanent disablement, retrenchment, death or any other circumstances approved by the Board,the Options may be exercised within 30 days (or 3 months in the case of death), or any longer period permitted by the Board. If not exercised in that time, the Options lapse.
7. If an optionholder leaves the employment of the Company or of a related body corporate of the Company earlier than 2 years after Options are issued to them and paragraph 6.2 above does not apply, the Options lapse.
8. If any optionholder acts fraudulently, dishonestly or in breach of obligations to the Company or any subsidiary then, at the Board's discretion, Options issued to that person will lapse.
9. Options will automatically lapse at the expiration of the Exercise Period.
10. The holders of Options will only participate in new issues, including bonus issues, if they have exercised the Options at that time and provided such exercise is permitted by the terms of the Option.
11. If the Company makes a bonus issue of securities to ordinary shareholders, each unexercised Option will on exercise, entitle its holder to receive additional Shares.
12. If the Company makes a pro rata rights issue of ordinary Shares for cash to its ordinary shareholders, then there is provision for adjustment of the exercise price of unexercised Options to reflect the diluting effect of the issue.
13. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the optionholder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
14. The Board may determine within 7 days of the exercise of an Option not to allot or issue Shares under the Option but to refund the tendered exercise price for the Option and either to pay to the Option holder an amount equal to the difference between the market price of the Shares as at the date of exercise and the exercise price of the Option, or issue that number of Shares having a market value at the date of exercise of the Option equal to the difference between the market price of the shares as at the date of exercise and the exercise price for the Option.



## SCHEDULE 2

### SUMMARY OF THE TERMS AND CONDITIONS OF LS OPTIONS

- (a) Subject to this Schedule, each LS Option will entitle Long State to subscribe for one fully paid Share at an issue price of 150% of the five-day VWAP immediately prior to the date of this meeting ("Exercise Price").
- (b) The LS Options will expire on the date which is three years after their issue ("Expiry Date"). LS Options not exercised on or before the Expiry Date will automatically lapse. Long State is prohibited from exercising the LS Options (or any of them) if that will cause Long State to hold more than 19.99% of the Shares after exercise (and any exercise notice given by Long State where this prohibition applies will be and be deemed to be null and void).
- (c) In order to exercise the LS Options, Long State must, no later than the close of business (Perth time) on the Expiry Date, give written notice to the Company ("Exercise Notice") of its intention to exercise the LS Options in whole or in part, such Exercise Notice to be accompanied by a bank cheque or proof of electronic transfer with relevant time stamp, payable to the Company in the appropriate amount. After receipt of such Exercise Notice and cleared funds (free and clear or any set-off, deductions or withholding), the Company must forthwith allot and issue the required number of Shares and before close of business on the third trading day in any event.
- (d) Provided the Exercise Price is less than the 5 day VWAP for the 5 trading days immediately prior to the date of the Exercise Notice, Long State may (at its discretion) specify in an Exercise Notice that it is exercising the LS Options on a cashless basis. If Long State does so, then Long State will not be required to pay any money to the Company to exercise the LS Options, and the Company must forthwith allot and issue Shares to Long State in accordance with the following formula:

$$N = A/B \times (B - C)$$

Where:

N = number of Shares required to be allotted and issued;

A = the number of LS Options being exercised;

B = the 5 day VWAP for the 5 Trading Days immediately prior to the date of the exercise notice; and

C = the Exercise Price.

- (e) Long State may exercise the LS Options on more than one occasion but on not more than ten occasions in total, and Long State exercising some of the LS Options does not prevent Long State exercising others.
- (f) The Company must, promptly after issuing the Shares pursuant to the exercise of the LS Options (and, in any event, by the close of business on the third trading day after receipt by the Company of the Exercise Notice and Long State's cleared funds (free and clear or any set-off, deductions or withholding)):
- (i) apply for quotation of the Shares issued;
  - (ii) give ASX notice under s708A(5) of the Act in respect of the issue of the Shares that complies with s708A(6) of the Act, or otherwise ensure that an offer of the Shares for sale will not require disclosure to investors under s707 of the Act;
  - (iii) execute any document and perform any action reasonably necessary to procure that ASX grants Quotation of the Shares as soon as possible and within three business days of the date the Shares are issued in any event.

- (g) Shares may be issued to a nominee of Long State (provided the nominee is incorporated and has a registered office outside of Australia).
- (h) The LS Options are non-transferable.
- (i) There are no participating rights or entitlements inherent in the LS Options and Long State will not be entitled to participate in new issues of capital that may be offered to the Company's shareholders.
- (j) Subject to the rights above, Long State shall have the right to exercise the LS Options prior to the date for determining entitlements to any capital issues to the then existing Company shareholders made during the term of the LS Options. The Company will use its reasonable endeavours to provide Long State with 10 business days' notice of any record date for an entitlements offer, other than where the Act or the Listing Rules require that a particular record date be used for an entitlements offer, and in the reasonable opinion of the directors, the provision of the notice would be inconsistent with the Act or the Listing Rules.
- (k) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the LS Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (l) If there is a bonus share issue to the holders of Shares, the number of Shares over which an LS Option is exercisable will be increased by the number of Shares which Long State would have received if the LS Option had been exercised before the date for the bonus issue.



only  
 use  
 STEP 1  
 STEP 2  
 STEP 3

## 2020 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Eden Innovations Ltd and entitled to attend and vote hereby:

### APPOINT A PROXY

The Chairman of the meeting

OR



**PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

If no individual(s) or body corporate(s) is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting 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 law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at the **Liberty Training & Conference Centre, Ground Floor, 197 St Georges terrace, Perth, WA on Monday 30 November 2020 at 9.30am (WST)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though this Item is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman. The Chairman of the Meeting intends to vote all undirected proxies available to him in favour of each Item of Business.

### VOTING DIRECTIONS

#### Agenda Items

		For	Against	Abstain*
1	Resolution 1 – Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Resolution 2 – Election of director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Resolution 3 – Ratification and approval of issue of options – December 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Resolution 4 - Ratification and approval of issue of shares – July 2020 SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Resolution 5 - Approval of issue of shares and options – Long State Investment Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Resolution 6 - Issue of shares to Noble Energy Pty Ltd to convert debt into equity	<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).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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

### CHANGE OF ADDRESS

Your address as it appears on 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.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy.

### DEFAULT TO THE CHAIR OF THE MEETINGS

If you leave Step 1 blank, or if your appointed proxy does not vote on a poll in accordance with your directions or does not attend the Meetings, then the proxy appointment will automatically default to the Chair of the Meetings, who is required to vote the proxies as directed.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on 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 a given item, your proxy may vote as they choose to the extent they are able. If you mark more than one box on an item, your vote on that item will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Item 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Item 1.

**PLEASE NOTE:** If you appoint the Chairman as your proxy (or if he is appointed by default) but do not direct him how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), you will be expressly authorising the Chairman to vote as he sees fit on that item.

### 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 Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each 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.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance to Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided. By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 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.

### LODGE YOUR PROXY VOTE

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 9.30am (WST) on 28 November 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE PROXY VOTE

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 9262 3723



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033