Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme: Fatfish Blockchain Limited

ACN/ARSN: ACN 004 080 460

1. Details of substantial holder (1)

Name: Arena Investors, LP (on behalf of its advisory clients and affiliates)

ACN/ARSN (if applicable): NOT APPLICABLE

The holder became a substantial holder on 11/12/2018

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	48,892,618	48,892,618	8.66%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Arena Investors, LP (on behalf of its advisory clients and affiliates)	Pursuant to section 608(1)(a) of the Corporations Act 2001, acquired in accordance with a Convertible Note Deed between Arena Investors, LP and Fatfish Blockchain Limited dated 21 November 2018 (Convertible Note Deed)	48,892,618 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Arena Investors, LP (on behalf of its advisory clients and affiliates)	Arena Investors, LP (on behalf of its advisory clients and affiliates)	Arena Investors, LP (on behalf of its advisory clients and affiliates)	48,892,618 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Arena Investors, LP (on behalf of its advisory clients and affiliates)	04/12/18	Non-Cash consideration in accordance with the Convertible Note Deed		15,000,000 fully paid ordinary shares
Arena Investors, LP (on behalf of its advisory clients and affiliates)	11/12/18	Cash consideration of AUD 500,000.00 consideration in accordance with the Convertible Note Deed		33,892,618 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Arena Investors, LP	405 Lexington Ave, FL 59, New York, NY 10174, USA

Signature

print name James Hartmann capacity CCO

sign here date 12/12/2018

DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.

(6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(7) Include details of:

(a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown.'"

(9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

This is annexure A of 37 pages referred to in Form 603 (Notice of initial substantial holder)

James Hartmann
CCO
12/12/2018

K&L GATES

Unsecured Convertible Note Deed

Fatfish Blockchain Limited
ABN 88 004 080 460

and

Arena Investors LP (on behalf of its clients and affiliates)

K&L Gates
Perth office
Ref: AJL:7601138.00006

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Convertible Note Deed

Date

21 November 2018

Parties

1. **Fatfish Blockchain Limited** ABN 88 004 080 460 of Level 4, 91 William Street, Melbourne 3000, Victoria, Australia (**Company**)

2. **Arena Investors, LP, (on behalf its clients and affiliates)**, a limited partnership of 405 Lexington Ave, 59th Floor, New York, NY 10174, United States of America (**Investor**)

Background

A. The Company had on 11 September 2017 announced that it plans to list its venture builder's asset portfolio in Sweden ("**Proposed European Spinout**");

B. The Company had on 24 July 2018 announced that it plans to list its 51% owned crypto-mining business, Minerium Technology Ltd (f.k.a. APAC Mining Corp) on the mainboard of London Stock Exchange ("**Proposed IPO of Minerium**");

C. The Company has agreed to issue to the Investor unsecured Convertible Notes for an aggregate amount of up to $10,000,000, on and subject to the terms of this Deed;

D. The Investor has agreed to subscribe for the Convertible Notes on and subject to the terms of this Deed.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

In this Deed:

ASIC means the Australian Securities and Investments Commission;

ASIC Instrument 2016/82 means the "*ASIC Corporations (Sale Offers: Securities issued on Conversion of Convertible Notes) Instrument 2016/82*" made under sections 741 and 1020F of the Corporations Act;

Associates has the meaning given to that term in the Corporations Act;

ASX means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691);

Authorised Officer means in relation to any party, any director, secretary or person notified in that capacity by that party in or under any provision of this Deed, without withdrawal or cancellation of that notification as at that time;

Board means the board of directors of the Company;

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in New York, USA and Melbourne, Victoria, Australia;

Change of Control means the occurrence of an event or circumstance where a person who is not presently able to do any of the following things becomes able to do one of the following things (whether alone or together with any Associates and whether directly or indirectly or through one or more intervening persons, companies or trusts):

(a) control the composition of more than one half of the Company's Board;

(b) be in a position to cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a general meeting of the members of the Company;

(c) hold or have a beneficial interest in more than one half of the issued share capital of the Company; or

(d) otherwise obtaining Control of the Company, other than as previously agreed by the Investor in writing;

Closing means the date on which the Investor has notified the Company that the last of the Conditions in Part 1 of Schedule 1 has been satisfied or waived in accordance with clause 4;

Closing Price in respect of a Trading Day means the final price at which a Share is traded on the ASX on that Trading Day;

Company Warranties means the warranties given by the Company to the Investor as set out in clause 15.1;

Conditions means the conditions specified in Schedule 1;

Control, in relation to the Company, has the meaning given in section 50AA of the Corporations Act and includes possession of the capacity, directly or indirectly, to direct or cause the direction of management of the Company or to determine the outcome of decisions about the Company's financial, investment and operating policies, whether or not derived from ownership of shares;

Controller means, in relation to a person:

(a) a receiver, receiver and manager, administrator or liquidator (whether provisional or otherwise) of that person or that person's property; or

(b) anyone else who (whether or not as agent for the person) is in possession, or has control, of that person's property to enforce an Encumbrance;

Convertible Note means an unsecured interest-bearing redeemable convertible note issued by the Company to the Investor on the conditions set out in this Deed and evidenced by a Convertible Note Certificate;

Convertible Note Certificate means a convertible note certificate substantially in the form set out in Schedule 2;

Conversion Date means, in respect of a Convertible Note, the date on which the Investor delivers a Conversion Notice to the Company;

Conversion Notice means a notice which the Investor delivers to the Company under clause 11.2;

Conversion Price means, in respect of a Conversion Date, an amount per Share equal to the higher of:

(a) the Floor Price; and

(b) the lower of:

(i) 125% of the average of the Closing Prices for the 25 Trading Days immediately prior to the Issue Date of the Convertible Note which is being converted; and

(ii) 90% of the average of the Closing Prices for any 5 consecutive Trading Days (specified by the Investor at its absolute discretion) during the period of 25 Trading Days immediately preceding the last Trading Day before the Conversion Date;

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

Deed means this deed including the background, any schedules and any annexures;

Due Diligence Costs means the Investor's reasonable legal and due diligence expenses related to this Deed, up to an aggregate maximum amount of $50,000;

Event of Default means the occurrence, without the prior written consent of the Investor, of any event specified in clause 16.1;

Execution Date means the date the last party executes this Deed;

Face Value means in respect of a Convertible Note, $1.00;

FATA means t*he Foreign Acquisitions and Takeovers Act 1975 (Cth)*;

Financial Indebtedness means any indebtedness, present or future, actual or contingent, in respect of moneys borrowed or raised in any financial accommodation whatever including, without limitation, under or in respect of any overdraft facility, bill, bond, note, certificate of deposit, transferable or negotiable instrument, acceptance, guarantee, redeemable or repurchasable share or stock, discounting arrangement, finance lease, swap, option, futures contract or analogous transaction, put option, hire purchase, deferred purchase price (for more than 90 days) of any asset or service, or any obligation to deliver goods or provide services paid for in advance by an financier or in connection with any other financing transaction;

First Conditions Satisfaction Date means 27 November 2018 or any other date agreed by the Investor in writing;

First Issue Date means the second Business Day after Closing;

First Tranche means Convertible Notes having a Principal Amount of $800,000 to be issued by the Company to the Investor for 100% of the Purchase Price, on the First Issue Date;

Floor Price means $0.013;

Follow On Tranches means up to 9 conditional Tranches of Convertible Notes, with:

(a) the first such tranche having an aggregate Face Value of $1,200,000; and

(b) the second to ninth such tranches each having an aggregate Face Value of $1,000,000, to be issued by the Company to the Investor on the applicable Issue Date subject to the terms of this Agreement;

Initial Shares has the meaning given in clause 5.1(c)(ii);

Insolvency Event means, in relation to the Company, any one or more of the following events or circumstances:

(a) being in liquidation or provisional liquidation or under administration;

(b) having a Controller or analogous person appointed to it or any of its property;

(c) being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;

(d) being unable to pay its debts or being otherwise insolvent;

(e) becoming an insolvent under administration, as defined in section 9 of the Corporations Act;

(f) entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors;

(g) any analogous event or circumstance under the laws of any jurisdiction; or

(h) taking any step or being the subject of any action that is reasonably likely to result in any of the above occurring,

unless such event or circumstance occurs as part of a solvent reconstruction, amalgamation, compromise, arrangement, merger or consolidation on terms approved by the Investor in writing (such approval not to be unreasonably withheld or delayed);

Investor Warranties means the warranties given by the Investor to the Company as set out in clause 15.2;

Issue means the issue of the Convertible Notes to the Investor in accordance with clause 5;

Issue Date means each of the following dates, as the context requires:

(a) in relation to the First Tranche, the First Issue Date; and

(b) in relation to each of the Follow on Tranches, the Issue Date determined in accordance with 5.2(b);

Issue Notice means, in respect of a Tranche, a notice in writing to the Company by the Investor advising of its agreement to subscribe for the Tranche and specifying the required Issue Date;

Listing Rules means the Listing Rules of the ASX, from time to time in force and applicable to the Company;

Market Capitalisation means the Shares on issue multiplied by the Closing Price at the time of calculation;

Material Adverse Change means:

(a) any material action by any law enforcement or regulatory body against a party or its senior officers;

(b) the discovery of any material misrepresentation made to a party by another party that would constitute a forgery or fraud;

(c) any event, change, condition, matter or thing that has had, will have, could reasonably be expected to have or that evidences that there has been, a material adverse effect on:

(i) the legality, validity or enforceability of this Deed; or

(ii) a party's ability to perform in any material respect on a timely basis its obligations under this Deed;

(d) any material change or development involving a prospective material change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls which would in the Investor's view be likely to prejudice materially the assets, business, legal position, financial condition, liabilities or prospects of the Company or results of operations of the Company or its subsidiaries; or

(e) any change, event, circumstance or occurrence (singularly or in combination) which has resulted, or is reasonably likely to result, in a material adverse effect on:

(i) the business, operations, assets, liabilities, prospects, value of the Shares or the financial or trading position of the Company; or

(ii) the Company's ability to carry on its business in substantially the same manner as it has in the 18 months prior to date of this Deed;

Maturity Date means, in respect of each Tranche, the last Business Day of a period of 12 months from the Issue Date of that Tranche;

Principal Amount means, in respect of a Tranche, the aggregate Face Value of Convertible Notes issued in relation to that Tranche, as reduced by any conversion, repayment, prepayment or cancellation in accordance with this Deed;

Purchase Price means a price equal to the aggregate Face Value of each Convertible Note issued in a Tranche;

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act;

Share means a fully paid ordinary share in the capital of the Company, having all of the rights set out in the Company's constitution;

Shareholder Approval Date means the date of the meeting of the Company's shareholders under clause 11.4(b);

Subsidiary has the meaning given to it in the Corporations Act;

Tax means any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding which is assessed, levied, imposed or collected by any Government agency in any jurisdiction;

Term means the earlier of the date:

(a) which is the last Business Day of a period of 36 Months from the First Issue Date;

(b) on which this Deed is terminated in accordance with its terms; or

(c) after all Tranches have been fully drawn on which the Principal Amount is reduced to zero.

Termination Payment means an amount of $500,000, less an amount equivalent to the number of Tranches drawn down (up to a maximum of 5) multiplied by $100,000 at the relevant time the Termination Payment obligation arises in accordance with the terms of this Deed;

Tranche means the First Tranche and each Follow On Tranche, as the context requires;

Trading Day means a day on which the ASX is open for trading but does not include any consecutive period of up to 3 days where the Company has requested a trading halt;

Tranche means the First Tranche and each of the Follow On Tranches, as the context requires; and

VWAP means for any Trading Day, the volume weighted average price of Shares traded on the ASX on that Trading Day, as published by Bloomberg.

1.2 Interpretation

In this Deed unless the context requires otherwise:

(a) the singular includes the plural and vice versa;

(b) a gender includes the other genders;

(c) the headings are used for convenience only and do not affect the interpretation of this Deed;

(d) other grammatical forms of defined words or expressions have corresponding meanings;

(e) a reference to a document includes the document as modified from time to time and any document replacing it;

(f) a reference to a party is to a party to this Deed and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;

(g) if something is to be or may be done on a day that is not a Business Day then it must be done on the next Business Day;

(h) the word "person" includes a natural person, partnership, body corporate, association, governmental or local authority, agency and any body or entity whether incorporated or not;

(i) the word "month" means calendar month and the word "year" means 12 months;

(j) the words "in writing" include any communication sent by letter, facsimile transmission or email or any other form of communication capable of being read by the recipient;

(k) a reference to a thing includes a part of that thing;

(l) a reference to all or any part of a statute, rule, regulation or ordinance (statute) includes that statute as amended, consolidated, re-enacted or replaced from time to time;

(m) wherever "include", "for example" or any form of those words or similar expressions is used, it must be construed as if it were followed by "(without being limited to)";

(n) money amounts are stated in Australian currency unless otherwise specified;

(o) a reference to time is to Victoria, Australia time;

(p) a reference to any agency or body, if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or functions removed (defunct body), means the agency or body which performs most closely the functions of the defunct body;

(q) any agreements, representation, warranty or indemnity in favour of two or more parties (whether those parties are included in the same defined term or not) is for the benefit of them jointly and separately; and

(r) any agreements, representation, warranty or indemnity by two or more parties (whether those parties are included in the same defined term or not) binds them jointly and separately.

2. Purpose and use of funds

2.1 Use of funds

The Investor acknowledges that the proceeds of the Convertible Note funds are to be used to fund working capital and for general corporate purposes of the Company.

3. Due Diligence Costs

Three Business Days after the Investor provides the Company with invoices identifying the amount of its Due Diligence Costs, the Company must pay the Investor's Due Diligence Costs in full (up to an aggregate maximum amount of $50,000) to the bank account(s) nominated by the Investor in immediately available funds.

4. Conditions precedent

4.1 Conditions precedent to issues

(a) The Parties acknowledge that it is their commercial intention that the Conditions are satisfied and the First Tranche of Convertible Notes are issued on, or as soon as reasonably practicable after, the Execution Date, and in any event by the First Conditions Satisfaction Date.

(b) Issue of the First Tranche is conditional on each of the Conditions in Part 1 of Schedule 1 being satisfied or waived under clause 4.2 by the Investor.

(c) Issue of each of the Follow On Tranches is conditional on each of the Conditions in Part 2 of Schedule 1 being satisfied or waived under clause 4.2 by the Investor.

4.2 Fulfilment by waiver

(a) Subject to paragraph (b), the Conditions are for the benefit of the Investor and may only be waived by the Investor, by notice to the Company in writing.

(b) Condition 7 in Part 1 of Schedule 1 and condition 2 in Part 2 of Schedule 1, are for the benefit of both the Investor and the Company and cannot be waived if it would cause the Company to be in breach of the Listing Rules.

4.3 Failure of Conditions

(a) Either the Company or the Investor may, if not otherwise in breach of this Deed, terminate this Deed by giving written notice to the other party at any time before the First Issue Date, if:

(i) a Condition in Part 1 of Schedule 1 is not fulfilled (or waived under clause 4.2) before 5.00 pm on the First Conditions Satisfaction Date; or

(ii) a Condition in Part 1 of Schedule 1 having been satisfied, does not remain satisfied in all respects at all times until the First Issue Date.

(b) If the Company does not satisfy the Conditions in Part 1 of Schedule 1 by the date specified in clause 4.3(a), the Investor's obligation to subscribe for Convertible Notes lapses and, in addition to any other obligation of the Company under this Deed, the Company must pay the Investor the Termination Payment.

(c) On termination, no party has any obligation or liability to any other party, except in connection with claims, including any payment obligation, that arose on or before termination.

(d) The Investor has no obligation to make the Follow On Tranches available to the Company if:

(i) a Condition in Part 1 of Schedule 1 is not fulfilled (or waived under clause 4.2) by the First Conditions Satisfaction Date;

(ii) a Condition in Part 2 of Schedule 1 is not fulfilled (or waived under clause 4.2) on the proposed Issue Date of the relevant Follow On Tranche; or

(iii) a Condition having been satisfied, does not remain satisfied in all respects at all times until the relevant Issue Date for the Tranche to which it relates.

5. Subscription

5.1 First Tranche

(a) Subject to the satisfaction of the relevant Conditions in clause 4, the Company must issue the First Tranche on the First Issue Date, on and subject to the terms and conditions of this Deed.

(b) On the First Issue Date, the Investor must pay to the Company the Purchase Price for the First Tranche of Convertible Notes.

(c) On the First Issue Date, the Company must issue to the Investor:

(i) Convertible Notes having an aggregate Face Value of $800,000; and

(ii) Shares having an aggregate value of $300,000, at a value per Share equal to the Closing Price on the Execution Date (or if that is not a Trading Day, then the Closing Price on the Trading Day immediately preceding the Execution Date), rounded up to the nearest full Share (**Initial Shares**). For the avoidance of doubt:

(A) no amount is payable by the Investor for the issue of those Shares; and

(B) clause 11.3 applies to those Shares.

5.2 Follow On Tranches

(a) Subject to clause 4 and this clause 5.2, if:

(i) the Company requires to issue a Follow On Tranche it may request the Investor in writing to subscribe for the Follow On Tranche; and

(ii) the Investor agrees to subscribe for a Follow On Tranche, it may deliver an Issue Notice for the Follow On Tranche to the Company no less than 10 days in advance of the proposed Issue Date of such Follow On Tranche; and

(iii) the Investor delivers an Issue Notice for a Follow On Tranche, then the Company must issue the relevant Follow On Tranche on the proposed Issue Date subject to the terms and conditions of this Deed.

(b) The Issue Date of a Follow On Tranche is the date of issue of that Follow On Tranche specified in an Issue Notice in accordance with this clause 5.2.

(c) The Investor is not required to subscribe for:

(i) the First Tranche if the Conditions in Part 1 of Schedule 1 do not remain satisfied on the First Issue Date; or

(ii) any of the Follow On Tranches if the Conditions in Part 2 of Schedule 1 do not remain satisfied on the proposed date of issue of the relevant Follow On Tranche.

(d) If the Company:

(i) does not satisfy the Conditions in Part 1 of Schedule 1 by the First Conditions Satisfaction Date;

(ii) does not satisfy the Conditions in Part 2 of Schedule 1 prior to the proposed date of issue of the relevant Follow On Tranche;

(iii) terminates this Deed prior to the 3 year anniversary of the First Issue Date or before all of the Follow On Tranches have been drawn; or

(iv) has not issued Follow On Tranches, that Investor has consented to subscribe for, by the date 12 months after the date of this Deed, having an aggregate Face Value of not less than $5,000,000,

the Investor's obligation to subscribe for further Convertible Notes lapses and, in addition to any other obligation of the Company under this Deed, the Company must pay the Investor the Termination Payment provided that no Termination Payment is payable if the Company's failure to issue at least 5 Tranches is solely due to the Investor not having agreed to subscribe for a Follow On Tranche which has been duly requested in accordance with the terms of this Deed in circumstances where the relevant Conditions were satisfied at all relevant times. For the avoidance of doubt, the Termination Payment is only payable on one occasion, even if more than one of paragraphs (i) to (iv) apply.

(e) The Company must issue and deliver to the Investor a Convertible Note Certificate in respect of each Tranche, on the date of its issue.

5.3 Subscription requirements

Unless otherwise provided for under this Deed, the Investor must pay the applicable Purchase Price to the Company in full, in immediately available funds, without withholding or deduction, in Australian Dollars, on or before the issue of each Tranche.

5.4 Reimbursement of Due Diligence Costs

On the issue of the Fifth Follow On Tranche, the Investor must reimburse to the Company the Legal Costs paid for by the Company prior to funding of the First Tranche (in accordance with clause 18.13 and clause 3 up to a maximum of $20,000 (for the avoidance of doubt this reimbursement does not include Due Diligence Costs beyond the legal expenses).

5.5 Issue of Convertible Notes

Subject to having received the Purchase Price in accordance with clause 5.3, the Company must, on the relevant Issue Date:

(a) issue the Convertible Notes to the Investor;

(b) deliver a Convertible Note Certificate to the Investor;

(c) register the Convertible Notes in the name of the Investor in the register of convertible note holders; and

(d) issue to the ASX a notice that complies with sub-section 708A(12C)(e) of the Corporations Act, as modified by ASIC Instrument 2016/82.

6. General terms of issue

6.1 Convertible Notes

Subject to this Deed, ASIC Instrument 2016/82 and the Listing Rules, Convertible Notes:

(a) are convertible into Shares in accordance with clause 11.4;

(b) are redeemable in accordance with clause 9;

(c) are issued for an aggregate Face Value equal to the Principal Amount applicable to each Tranche;

(d) are not secured;

(e) bear interest in accordance with clause 8;

(f) will not be listed on the ASX or any other public exchange; and

(g) are transferable, subject at all times to the Corporations Act and any applicable law and which for the avoidance of doubt requires the Investor to comply with clause 18.10.

6.2 Adjustments

(a) If the Company:

(i) issues bonus Shares to its shareholders or makes a rights issue or (with the exception of a share purchase plan), offers to issue Shares to shareholders generally; or

(ii) reorganises or reconstructs its capital (including consolidation, subdivision, reduction or return),

at any time when there is a Principal Amount outstanding, then the Conversion Price will be amended to the extent applicable and, subject to the Listing Rules, to place the Investor in substantially the same position as it would have been had no such event occurred.

(b) If:

(i) the Company disposes of any of its assets in one or more transactions; and

(ii) the Investor notifies the Company that, acting reasonably, it has formed the view that, as a direct or indirect result of such disposal or series of disposals, the net asset value of the Company has been reduced from that prevailing before the disposal (or the first of a series of disposals, as the case may be) then:

(A) the Conversion Price shall be adjusted by an amount that is fair and reasonable to take account of the reduction in net asset value of the Company resulting from such disposal or series of such disposals and, subject to the Listing Rules, to place the Investor in substantially the same position as it would have been had no such disposal occurred;

(B) the Company and the Investor shall negotiate in good faith for a period of not less than 30 days following the Investor's notification to the Company to agree or if an adjustment is appropriate and should be made and, if so, the adjusted Conversion Price; and

(C) if within such 30 days period (or such longer period as the Investor and the Company may agree) they are unable to agree if an adjustment is appropriate and should be made or, if so, the adjusted Conversion Price, then the issue shall be referred to a leading investment bank of international repute (acting as an expert), selected by the Company at the Company's expense and approved in writing by the Investor, to advise what would be in their opinion the appropriate result in the circumstances. Such expert's determination will be final and binding on the parties.

(c) For the purpose of paragraph (b), the parties agree that:

(i) an adjustment to the Conversion Price by the same percentage as the reduction in the net asset value of the Company is prima facie fair and reasonable; and

(ii) the following disposals shall not be taken into account:

(A) the Proposed European Spinout or the spin out on any stock exchange of any business or asset of the Company; or

(B) the Proposed IPO of Minerium or the initial public offering of shares in any subsidiary of the Company at any time.

7. Status

The Convertible Notes rank for payment after all secured creditors of the Company (if any) from time to time.

8. Interest and fees

8.1 Coupon

The Company must pay bearer interest on the respective Principal Amounts of outstanding Convertible Notes:

(a) at a rate equal to 1.0% per annum;

(b) accruing on daily balances, on the basis of a 365 day year;

(c) on 30 June and 31 December in each year and on the Maturity Date (each an Interest Payment Date); and

(d) in full, in immediately available funds, without withholding or deduction, in Australian Dollars.

8.2 Default interest

Without limiting and in addition to any other remedies of the Investor, the Company must pay interest on any amount payable to the Investor under this Deed which is not paid in full when due:

(a) at a rate equal to 5.0% per annum;

(b) accruing on daily balances of the outstanding amount, on the basis of a 365 day year;

(c) on the last Business Day of each month;

(d) in full, in immediately available funds, without withholding or deduction, in Australian Dollars.

(e) to the extent not satisfied under paragraph (d), is capitalised on the the last Business Day of each month and accrues interest in accordance with this clause 8.2.

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8.3 Gross up

If the Company is required by law to deduct or withhold Taxes from any payment under this clause 8, it must:

(a) increase the amount of the payment to the Investor to an amount which will result in the receipt by the Investor of the full amount which would have been payable to the Investor if no deduction or withholding had been required;

(b) make the required deductions and withholdings;

(c) pay in accordance with the relevant law the full amount deducted or withheld; and

(d) deliver to the Investor the receipt for each payment.

9. Redemption

9.1 On Maturity Date

On the Maturity Date applicable to each Convertible Note Tranche, the Company agrees to redeem the relevant Convertible Notes, to the extent they have not then been converted under clause 11, by paying to the Investor an amount equal to 101% of the outstanding Principal Amount, in full, in immediately available funds, without withholding or deduction, in Australian Dollars.

9.2 Voluntary redemption before Maturity Date

The Company:

(a) acknowledges that the Conversion right is a valuable right to the Investor, without which the Investor would not have entered into this Deed; and

(b) agrees that it may not redeem the Convertible Notes in whole or in part on any Business Day before the Maturity Date.

10. Payments

10.1 Payment manner

The Company must make all payments to the Investor required under this Deed:

(a) in full on the due date;

(b) in immediately available funds in Australian Dollars;

(c) unless otherwise provided, without withholding or deduction except to the extent required by law; and

(d) not later than 5.00 pm on the due date for payment by cheque or electronic funds transfer to the account specified in writing by the Investor.

10.2 Payment dates

Any payment by the Company required under this Deed falling due on a day which is not a Business Day must be made on the immediately following Business Day.

11. Conversion

11.1 Conversion Restrictions

The Investor agrees not to convert any Convertible Notes, if that would result in the Investor and its Associates holding a Relevant Interest in more than 19.99% of the issued Shares (or such other limit prescribed by section 606(1)(c)(i) of the Corporations Act from time to time), except to the extent permitted under section 611 of the Corporations Act.

11.2 Conversion

(a) If the Investor elects to convert all or part of a Convertible Note at any time after the date of issue of the relevant Convertible Note up to and including the Maturity Date then, subject only to clauses 11.1 and 11.4, it may do so by giving a written notice (**Conversion Notice**) to the Company specifying:

(i) the number of Convertible Notes the Investor intends to convert;

(ii) the aggregate Principal Amount of those Convertible Notes (which must be a minimum of $10,000 or any higher integral multiple of $1,000) (**Specified Principal Amount**); and

(iii) the applicable Conversion Price.

(b) The Company must, within 2 Business Days after receipt of a Conversion Notice, either:

(i) for the First Tranche, issue a number of Shares to the Investor calculated in accordance with the following formula:

$$\text{Number of Shares} = \frac{\text{101\% of Specified Principal Amount}}{\text{Conversion Price}}$$

and pay cash to the Investor equal to the interest unpaid accrued in accordance with clauses 8.1 and 8.2 as at the Conversion Date.

(ii) for the Follow On Tranches:

(A) issue a number of Shares to the Investor calculated in accordance with the following formula:

$$\text{Number of Shares} = \frac{\text{101\% of Specified Principal Amount}}{\text{Conversion Price}}$$

or

(B) pay cash to the Investor equal to the value of the Number of Shares calculated in accordance with clause 11.2(b)(ii)(A), multiplied by the Closing Price as of the Conversion Date.

and pay cash to the Investor equal to the interest unpaid accrued in accordance with clauses 8.1 and 8.2 as at the Conversion Date.

(c) To the extent that the calculation in clause 11.2(b)(i) or 11.2(b)(ii)(A) does not result in a round number of Shares, the number will be rounded up to the next whole number of Shares.

(d) Issue of Shares pursuant to the operation of this clause 11.2 constitutes repayment in full of the Specified Principal Amount by the Company to the Investor.

(e) The Company will not be in breach of clause 11.2(b)(i) or 11.2(b)(ii)(A) if the Conversion Notice is received during a period in which the register of members of the Company is closed generally or for the purpose of establishing entitlement to any dividend, distribution or other rights attaching to the Shares provided that the Company issues the Shares on the first Trading Day after the expiry of such period (whether or not that date falls after the Maturity Date).

11.3 Company to procure quotation

(a) Shares issued on the conversion of a Convertible Note ranks in all respects equally with the Shares on issue at the date and time of issue.

(b) The Investor agrees to be bound by the Company's constitution on issue of any Shares under this Deed.

(c) The Company agrees to procure that:

(i) Shares issued on the conversion of a Convertible Note are quoted on the ASX within 2 Trading Days of issue; and

(ii) a holding statement in respect of those Shares is delivered to the Investor within 2 Business Days of such quotation.

(d) If the Company has been unable to issue the notice referred to under clause 5.5(d) or if such notice does not apply to the relevant issue of Shares, it must give ASX a notice in respect of the Shares that complies with section 708A(5)(e) of the Corporations Act. If the Company is unable to issue such a notice, it must lodge a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure.

11.4 Approvals for conversion and issue

(a) The Company must obtain and maintain (including, if required, by seeking new approvals) all shareholder (including the ratification of any prior issue under Listing Rule 7.3), regulatory and other approvals necessary to enable:

(i) the issue of all Tranches of the Convertible Notes by their respective Issue Dates;

(ii) the conversion of all Convertible Notes into Shares;

each as contemplated in this Deed.

(b) The Company must use its reasonable endeavours to obtain shareholder approval for the issue and conversion of the Follow On Tranches as soon as reasonably practicable, and in any event, by no later than 45 days after the Execution Date (**Shareholder Approval Date**).

(c) If and to the extent that any such shareholder approval has not been obtained at the Maturity Date or sooner termination of this Deed, or, in the case of the Follow On Tranches, the Shareholder Approval Date:

(i) the Investor is entitled at its election to receive such number of:

(A) Convertible Notes, at the Purchase Price and otherwise on the terms of this Deed *mutatis mutandis*; and/or

(B) Shares, at the Conversion Price as at the date of the Investor's election,

as can be then issued without such approval; and

(ii) the Company must immediately pay the Investor in cash:

(A) the outstanding Principal Amount, plus accrued interest (whether or not due) and other amounts accrued or outstanding under this Deed or the Convertible Notes; and

(B) the Termination Payment.

12. Convertible Note Certificates

12.1 On conversion

On each occasion on which the Investor delivers a Conversion Notice to the Company, the Investor must also attach the related Convertible Note Certificate. To the extent that the Investor on any occasion does not convert all of the Convertible Notes to which a Convertible Note Certificate relates, the Company must issue and deliver a replacement Convertible Note for the balance to the Investor on the date on which it issues the Shares resulting from the conversion.

12.2 Loss or destruction

If a Convertible Note Certificate is lost or destroyed, then:

(a) on proof of the loss or destruction to the satisfaction of the Board; or

(b) on evidence satisfactory to the Board that the Company will be indemnified for the issue of a new Convertible Note Certificate and any of out-of-pocket expenses,

a new Convertible Note Certificate will be sent to the persons entitled to the lost or destroyed Convertible Note Certificate. The Investor indemnifies the Company for any loss, cost, damage or expense suffered by the Company as a result of the Convertible Note Certificate being lost, destroyed or replaced.

13. Cancellation of Convertible Note

A Convertible Note is automatically cancelled on conversion or redemption in full and will not be re-issued.

14. Obligations of Company

14.1 Restrictions on the Company

From the date of this Deed to the conversion or redemption in full of the Convertible Notes the Company must not and must ensure that each of its Subsidiaries does not:

(a) (**disposals**): sell, lease, license or otherwise dispose of all or substantially all of its respective assets or agree to do so ("**Disposal**"), unless the Disposal is done pursuant to the Proposed European Spinout or the Proposed IPO of Minerium;

(b) (**business**): cease its respective business or change the general nature of its respective business;

(c) (**contracts**): enter into contracts with third parties on other than arm's length open market terms for valuable consideration;

(d) (**Financial Indebtedness**): incur any Financial Indebtedness (other than under this Deed or in the ordinary course of business) or grant any security interest over any of its respective assets ("**Loan and Guarantees**"), unless the Loan and Guarantees are entered into pursuant to the Proposed European Spinout or Proposed IPO of Minerium;

(e) (**loans and guarantees**): lend money to or guarantee or become liable for the debts of any person other than the Company or a subsidiary;

(f) (**insolvency**): authorise, or permit the authorisation of a voluntary or involuntary administration, liquidation, dissolution or winding up on it or its respective business; or

(g) (**constitution)** amend its constitution in a way that has, or could have, a negative impact on the Investor.

14.2 Positive undertakings

From the date of this Deed to the conversion or redemption in full of the Convertible Notes, the Company must:

(a) (**corporate existence**): perform any action necessary to maintain its corporate existence and that of its subsidiaries in good standing;

(b) (**listing**): perform any action necessary to maintain quotation of its Shares on the ASX;

(c) (**accounting records**): keep financial records as required by the Corporations Act;

(d) (**shareholder information**) provide to the Investor all information which it provides to its shareholders;

(e) (**Subsidiaries**): ensure that it remains a shareholder of each of its Subsidiaries and continues to hold the same percentage in those Subsidiaries as it held immediately prior to the date of this Deed , unless the change in shareholding is a direct result of the Proposed European Spinout or the Proposed IPO of Minerium;

(f) (**laws**): comply in all material respects with, and ensure that each of its subsidiaries complies in all material respects with all laws to which it may be subject;

(g) (**ranking**): ensure that its payment obligations under this Deed at all times rank at least *pari passu* with the claims of all unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;

(h) (**assets**): maintain and keep its assets and those of its Subsidiaries in a good state of repair and in good working order and condition (fair wear and tear excepted), valid and subsisting and free from liability to forfeiture, cancellation or loss, take all steps necessary to remedy any defect in its or their title to any such assets and take or defend all legal proceedings to protect or recover any of them;

(i) (**Events of Default**): procure that no Event of Default occurs; and

(j) (**notification**): promptly notify the Investor of any Event of Default.

15. Representations

15.1 Company Warranties

The Company warrants and represents to and for the benefit of the Investor that as at the date of this Deed, and (unless otherwise stated) at all times during the continuance of this Deed:

(a) (**corporate status**): it is a corporation duly incorporated and validly existing under the law of the country or jurisdiction of its incorporation or registration;

(b) (**capital structure**): as at the date of this Deed it has validly issued:

(i) 515,375,364 fully paid ordinary shares;

(ii) 133,543,614 unlisted Options exercisable at $0.011 on or before 9 June 2019;

(iii) 20,000,000 unlisted Options exercisable at $0.06 on or before 9 February 2020; and

(iv) 33,089,999 unlisted Options exercisable at $0.045 on or before 25 June 2021.

(c) (**corporate powers**): it has full corporate power to own its assets and create and perform under, and perform any business activity as contemplated by this Deed;

(d) (**corporate consents**): it has procured all corporate consents required for the execution and performance of the Deed in compliance with its provisions;

(e) (**general consents**): except as specified in this Deed, it has procured, and delivered to the Investor, a certified copy of any shareholder, contractual or regulatory consent for the execution of this Deed and performance of, or action to be performed under or in connection with this Deed;

(f) (**approval for First Tranche**): shareholder approval in accordance with the Listing Rules is not required for the issue of the First Tranche and the Initial Shares;

(g) (**document validity**): this Deed has been executed in compliance with its constitution documents and constitutes an unconditional, valid and enforceable legal obligation of the Company in compliance with its provisions;

(h) (**ownership**): the Investor will acquire the full legal and beneficial ownership of the Convertible Notes on their issue free and clear of any security interest or encumbrance;

(i) (**no conflict**): entry into this Deed and performance by it of the transactions contemplated by this Deed do not and will not conflict with:

(i) any law or regulation applicable to it;

(ii) its constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets;

(j) **(information)**: all information provided in writing for the purposes of the transactions envisaged by this Deed was true, complete and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and any financial projections contained in it have been prepared on the basis of then recent historical information and reasonable assumptions;

(k) **(solvency)**: it is not insolvent and has no reason to believe that it will become insolvent as a result of entry into this Deed and performance of, or action to be performed under or in connection with this Deed;

(l) **(adverse change)**: there has been no material adverse change in its business or financial condition since the date on which its most recent financial statement have been lodged with the ASX;

(m) **(Shares)**: the Shares to be issued on conversion of the Convertible Notes will not breach any pre-emptive rights, will be issued as fully paid and will rank equally with the Shares on issue at the relevant Conversion Date;

(n) **(no restrictions)**: subject to compliance with ASIC Instrument 2016/82 or its obligations in clause 11.3(d), there are no restriction on the voting or transfer of any of the Shares issued on the conversion of any of the Convertible Notes;

(o) **(Financial Indebtedness)**: neither it nor its Subsidiaries has incurred or permitted to be outstanding, or entered into any arrangement or transaction which is entered into primarily as a means of raising Financial Indebtedness other than amounts owing under this Deed or granted or permitted to subsist any security interest over any of their present or future assets;

(p) **(compliance)**: it and each of its Subsidiaries has complied in all material respects with all laws and regulations applicable to it in all jurisdictions in which it or its Subsidiaries operate or is resident, including without limitation laws relating to taxation, money laundering, bribery or corruption of foreign Government officials, sanctions or terrorism and the protection of the environment;

(q) **(authorisations)**: it and each of its Subsidiaries has all appropriate authorisations to carry on its business as presently conducted and had complied in all material respects with the conditions of such authorisations;

(r) **(immunity)**: execution by it of this Deed and the exercise by it of its rights and performance of its obligations under this Deed constitute, private and commercial acts performed for private and commercial purposes and it is not entitled to claim immunity for itself or any of its assets, from suit, execution, attachment or other legal process in any proceedings;

(s) **(trust)**: it does not enter into this Deed or hold any property in capacity as trustee of any trust;

(t) **(litigation)**:

(i) it is not or in the last 3 years has not been a party to any investigation, litigation, prosecution, arbitration proceedings or any other form of mediation or dispute resolution; and

(ii) no investigation, litigation, prosecution, arbitration proceedings or any other form of mediation or dispute resolution is pending or threatened, by, against or in respect of the Company and there are no circumstances that may give rise to such action;

(u) (**FIRB**): there are no facts, matters or circumstances which have not been disclosed to the Investor prior to the date of this Deed that would mean that its entry into this Deed, conversion of Convertible Notes into Shares under the terms of this would constitute a Significant or Notifiable Action for the purposes of the FATA;

(v) (**assets**): it and each of its Subsidiaries has good, valid, legal and marketable title to all of its assets, free from encumbrance or third party interest or claim;

(w) (**continuous disclosure**): it has at all times complied with the ASX Listing Rules, including its continuous disclosure obligations and no information that would otherwise require disclosure under Listing Rule 3.1 is currently being withheld pursuant to Listing Rule 3.1A;

(x) (**taxation**): it and each of its Subsidiaries has promptly filed, or caused to be filed, all tax returns, business activity statements and other tax flings which are required to be filed under any applicable tax law and has paid all taxes as they fell due; and

(y) (**no US tax**): it is not a US tax payer and does not derive any of its income from any business of investment in the United States of America.

15.2 Investor Warranties

The Investor warrants and represents to and for the benefit of the Company that as at the date of this Deed, and at all times during the continuance of this Deed:

(a) (**corporate status**): the Investor is a limited partnership duly established and validly existing under the law of the country or jurisdiction of its registration;

(b) (**corporate powers**): the Investor has full corporate power to own its assets and create and perform its obligations under, and perform any business activity as contemplated by this Deed;

(c) (**document validity**): this Deed has been executed in compliance with its constitution documents and constitutes an unconditional, valid and enforceable legal liability of the Investor in compliance with its provisions; and

(d) (**no disclosure document required**) in respect of all offers of securities made pursuant to this Deed, no disclosure, registration, qualification or any other action is required to be undertaken by the Company in the jurisdiction of the Investor.

15.3 Survival and independence

The Company Warranties and Investor Warranties survive the execution and completion of this Deed. Each Company Warranty and Investor Warranty is separate and independent and not limited by reference to any other Company Warranty or Investor Warranty or any notice or waiver given by any party in connection with anything in this Deed.

15.4 Reliance

(a) The Company acknowledges that the Investor enters into this Deed in reliance on the Company Warranties.

(b) The Investor acknowledges that the Company enters into this Deed in reliance on the Investor Warranties.

16. Default and Early Redemption

16.1 Events of Default

The following are Events of Default:

(a) (**ASX**): the ASX makes a determination that the terms of the Convertible Notes do not comply with the Listing Rules, including, for the avoidance of doubt, Listing Rule 6.1;

(b) (**shareholder approval**): the Company fails to obtain the approval of its shareholders for any transaction under this Deed;

(c) (**failure to issue Shares**): the Company has not issued any Shares to the Investor within 5 Business Days of receipt of a Conversion Notice;

(d) (**payment**): the Company fails to pay any cash amount due under this Deed on its due date or within 5 Business Days after its due date;

(e) (**performance default**): failure by the Company to perform any other material obligation, covenant or undertaking under this Deed, excluding payment default, and, in relation to any rectifiable failure, within 14 days following notice by the Investor requiring rectification;

(f) (**Company Warranties**): the Company is in breach of any of the Company Warranties in any material respect;

(g) (**Filing**) the Company fails to file any annual or quarterly reports required by law or the Listing Rules;

(h) (**compliance**) the Company fails to comply with any of the Listing Rules in any material respect;

(i) (**Subsidiaries**): an entity that is a Subsidiary of the Company at the date of this Deed ceases to be a Subsidiary of the Company, other than pursuant to the Proposed European Spinout or Proposed IPO of Minerium;

(j) (**merger**): the Company consolidates with, merges or amalgamates into or transfers all or substantially all of its assets to any person, other than pursuant to the Proposed European Spinout or Proposed IPO of Minerium;

(k) (**insolvency**): an Insolvency Event occurs in relation to the Company;

(l) (**debt**) the Company incurs any Financial Indebtedness other than under this Deed, in the ordinary course of business, or pursuant to the Proposed European Spinout or Proposed IPO of Minerium;

(m) (**cross default**): any indebtedness of the Company or any of its subsidiaries is not paid when due (or within any applicable grace period) or is or becomes due and payable prior to its stated maturity date for any reason;

(n) (**attachment**): a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Company or any of its subsidiaries;

(o) (**enforcement**): a mortgagee, chargee or other encumbrancer takes possession of, exercises rights under any security in relation to, or a receiver, receiver and manager, administrator, liquidator, provisional liquidator or officer of the Court is appointed in relation to, the whole or any substantial part of the property, assets or revenues of the Company or any of its subsidiaries(as the case maybe);

(p) (**Authorisations**): any authorisation, approval or consent (including any governmental, regulatory or corporate approval or consent) required for the issue redemption or conversion of the Convertible Notes (**Authorisation**) is not obtained or is suspended, terminated, revoked, withdrawn or expires, modified, restricted or otherwise fails to remain in full force and effect (in whole or in part) in anyway unacceptable to the Investor;

(q) (**winding up**): an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its subsidiaries, or the Company or any of its subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations;

(r) (**unlawful**): it is or becomes unlawful for:

(i) the Company to perform or comply with any one or more of its obligations under any of the Convertible Notes or this Deed;

(ii) the Investor to convert any Convertible Notes or hold any Shares; or

(iii) the Company or any of its subsidiaries to carry on all or substantially all of its business or operations;

(s) (**disposal**): the Company or any of subsidiaries transfers or otherwise disposes of all or substantially all of its assets to any person, other than pursuant to the Proposed European Spinout or Proposed IPO of Minerium;

(t) (**expropriation**): any Governmental agency:

(i) condemns, nationalises, seizes, compulsorily acquires or otherwise expropriates any material assets of any of the Company or any of its subsidiaries;

(ii) nationalises, seizes, compulsorily acquires or otherwise expropriates all or any part of the share capital of any of the Company or any of its subsidiaries;

(iii) assumes custody or control of all or any part of the material assets or business operation of any of the Company or any of its subsidiaries; or

(iv) takes any action that would result in the dissolution or disestablishment of any of the Company, any of its subsidiaries;

(v) otherwise takes any other action which:

(A) prevents the Company or any of its subsidiaries or their respective management from conducting all or a substantial part of its business or operations;

(B) deprives the Company or any of its subsidiaries of the use of any material asset;

(u) (**audit**): a material qualification is made by any auditor appointed by the Company or any of its subsidiaries to audit its financial statements;

(v) (**non-Listing**): the Shares cease to be listed on the ASX or are suspended from trading for more than 5 Trading Days in any rolling 12 month period;

(w) (**Material Adverse Change**):a Material Adverse Change occurs in relation to or affects the Company;

(x) (**Change of Control**): a Change of Control of the Company occurs; and

(y) (**restrictions**): the Company breaches any of its restrictions under clause 14.1.

16.2 Consequences of default

If an Event of Default occurs and continues unremedied for a period of 5 Business Days, the Investor may declare at any time by notice to the Company that:

(a) the entire outstanding Principal Amount, together with accrued interest, and all other amounts accrued or outstanding under this Deed or the Convertible Notes, is either:

(i) payable on demand; or

(ii) immediately due for payment and payable,

and the Company must redeem all the Convertible Notes on issue and must pay the Termination Payment to the Investor;

(b) the Investor's obligations in this Deed are terminated; and

(c) the Investor may exercise any or all of its rights, remedies, powers or discretions under this Deed.

The making of such declaration gives immediate effect to its provisions.

16.3 Early Redemption Events

The following are Early Redemption Events:

(a) (**trading value**) the average daily trading value of Shares on the ASX over any 25 consecutive Trading Days (disregarding any trading halt at the request of the Company not exceeding 2 Trading Days in aggregate during that period) is less than $20,000;

(b) (**Market Capitalisation**) the Market Capitalisation of the Company, as calculated by the Investor, falls below $5,000,000; and

(c) (**Closing Price**) the Closing Price per Share on the ASX on any Trading Day is less than the Floor Price, prior to the conversion of the Convertible Note in full.

16.4 Consequences of Early Redemption Event

If an Early Redemption Event occurs, the Investor may at any time while it is continuing declare by notice to the Company that one or more of the following is to apply:

(a) the entire outstanding Principal Amount, together with accrued interest, and all other amounts accrued or outstanding under this Deed or the Convertible Notes, is either:

(i) payable on demand; or

(ii) immediately due for payment and payable,

and the Company must redeem all the Convertible Notes on issue and must pay the Termination Payment to the Investor;

(b) the Investor's obligations specified in the notice are terminated; and

(c) the Investor may exercise any or all of its rights, remedies, powers or discretions under this Deed.

The making of such declaration gives immediate effect to its provisions.

16.5 Termination by Company

The Company may terminate this Deed at any time subject to the following terms:

(a) the Company must pay the Investor:

(i) the outstanding Principal Amount; plus

(ii) all accrued interest (whether or not then due) and other amounts accrued or outstanding under this Deed or the Convertible Notes; plus

(iii) the Termination Payment,

at which date the Deed will be deemed to have been terminated (**Termination**); and

(b) the Investor shall have no further obligation to fund additional amounts under this Deed following the Termination.

17. GST

17.1 Definitions

In this clause 17:

(a) the expressions **Consideration**, **GST**, **Input Tax Credit**, **Recipient**, **Supply**, **Tax Invoice** and **Taxable Supply** have the meanings given to those expressions in the *A New Tax System (Goods and Services Tax) Act 1999* (**GST Act**); and

(b) **Supplier** means any party treated by the GST Act as making a Supply under this Deed.

17.2 Consideration is GST exclusive

Unless otherwise expressly stated, all prices or other sums payable or Consideration to be provided under or in accordance with this Deed are exclusive of GST.

17.3 Payment of GST

(a) If GST is imposed on any Supply made under or in accordance with this Deed, the Recipient of the Taxable Supply must pay to the Supplier an additional amount equal to the GST payable on or for the Taxable Supply, subject to the Recipient receiving a valid Tax Invoice in respect of the Supply at or before the time of payment.

(b) Payment of the additional amount must be made at the same time and in the same way as payment for the Taxable Supply is required to be made in accordance with this Deed.

17.4 Reimbursement of expenses

If this Deed requires a party (the **First Party**) to pay for, reimburse, set off or contribute to any expense, loss or outgoing (**Reimbursable Expense**) suffered or incurred by the other party (the **Other Party**), the amount required to be paid, reimbursed, set off or contributed by the First Party will be the sum of:

(a) the amount of the Reimbursable Expense net of Input Tax Credits (if any) to which the Other Party is entitled in respect of the Reimbursable Expense (**Net Amount**); and

(b) if the Other Party's recovery from the First Party is a Taxable Supply, any GST payable in respect of that Supply,

such that after the Other Party meets the GST liability, it retains the Net Amount.

18. General

18.1 Confidentiality

(a) This Deed and the transactions contemplated by it, including the issue and terms of the Convertible Note are strictly confidential and may not be disclosed by either party to anyone (other than their professional advisors) without first obtaining the prior written consent of the other party provided that nothing in this Deed restricts either party from complying with its obligations at law or under the Listing Rules.

(b) To the extent disclosure is required by law or under the ASX Listing Rules or to comply with ASIC Instrument 2016/82, any such disclosure shall be undertaken on the basis of containing the minimum amount of detail required to fulfil the obligations of the relevant party. Each party must, subject to the law and the ASX Listing Rules, use their best endeavours to give 2 Business days advance notice, consult in good faith and obtain the other party's prior approval to any such intended or reasonably foreseeable disclosure, including any notice of meeting that seeks shareholder approval for the transactions under this Deed, the notice in clause 5.5(d) or any announcement in connection with this Deed.

18.2 Nature of obligations

(a) Any provision in this Deed which binds more than one person binds all of those persons jointly and each of them severally.

(b) Each obligation imposed on a party by this Deed in favour of another is a separate obligation.

18.3 Time of the essence

In this Deed, time is of the essence unless otherwise stipulated.

18.4 Entire understanding

(a) This Deed contains the entire understanding between the parties concerning the subject matter of the Deed and supersedes all prior communications between the parties.

(b) Each party acknowledges that, except as expressly stated in this Deed, that party has not relied on any representation, warranty or undertaking of any kind made by or on behalf of the other party in relation to the subject matter of this Deed.

18.5 No adverse construction

This Deed is not to be construed to the disadvantage of a party because that party was responsible for its preparation.

18.6 Further assurances

A party, at its own expense and within a reasonable time of being requested by another party to do so, must do all things and execute all documents that are reasonably necessary to give full effect to this Deed.

18.7 No waiver

(a) A failure, delay, relaxation or indulgence by a party in exercising any power or right conferred on the party by this Deed does not operate as a waiver of the power or right.

(b) A single or partial exercise of the power or right does not preclude a further exercise of it or the exercise of any other power or right under this Deed.

(c) A waiver of a breach does not operate as a waiver of any other breach.

18.8 Severability

Any provision of this Deed which is invalid in any jurisdiction must, in relation to that jurisdiction:

(a) be read down to the minimum extent necessary to achieve its validity, if applicable; and

(b) be severed from this Deed in any other case,

without invalidating or affecting the remaining provisions of this Deed or the validity of that provision in any other jurisdiction.

18.9 Successors and assigns

This Deed binds and benefits the parties and their respective successors and permitted assigns.

18.10 No assignment

A party cannot assign or otherwise transfer the benefit of this Deed without the prior written consent of the other party.

18.11 Consents and approvals

Where anything depends on the consent or approval of a party then, unless this Deed provides otherwise, that consent or approval may be given conditionally or unconditionally or withheld, in the absolute discretion of that party.

18.12 No variation

This Deed cannot be amended or varied except in writing signed by the parties.

18.13 Costs

The Company is to fund the Due Diligence Costs (as defined in clause 3 of this Deed), beyond this each party must pay its own costs relating to the preparation and completion of this Deed and compliance with its obligations under it.

18.14 Governing law and jurisdiction

(a) This Deed is governed by and must be construed in accordance with the laws in force in Victoria, Australia.

(b) The parties submit to the non-exclusive jurisdiction of the courts of Victoria and the Commonwealth of Australia in respect of all matters arising out of or relating to this Deed, its performance or subject matter.

18.15 Notices

Any notice or other communication to or by a party under this Deed:

(a) may be given by personal service, post or by email;

(b) must be in writing, legible and in English addressed (depending on the manner in which it is given) as shown below:

(i) If to the Investor:

Address:	care of, 405 Lexington Ave, 59th Floor, New York, NY 10174, United States of America
Attention:	Shahid Ramzan
Email:	sramzan@arenaco.com and tradeops@arenaco.com

(ii) If to the Company:

Address:	Level 4, 91 William Street, Melbourne 3000, Victoria, Australia
Attention:	Lau Kin Wai
Email:	lau@fatfishgroup.com

or to any other address last notified by the party to the sender by notice given in accordance with this clause;

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(c) in the case of a corporation, must be signed by an officer or authorised representative of the sender or in accordance with section 127 of the Corporations Act, provided that communications sent by email are taken to be signed by the named sender; and

(d) is taken to be given by the sender and received by the addressee:

(i) if delivered in person, when delivered to the addressee;

(ii) if posted, 2 Business Days (or 6 Business Days, if posted or sent to an address outside Australia) after the date of posting to the addressee whether delivered or not;

(iii) if sent by email:

(A) when the sender receives an automated message confirming delivery; or

(B) one hour after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first, but if the delivery or receipt is or is taken to be on a day which is not a Business Day or is after 5.00 pm in the place of receipt, it is taken to have been received at 9.00 am on the next Business Day in that place.

18.16 Counterparts

If this Deed consists of a number of signed counterparts including by electronic copies, each is an original and all of the counterparts together constitute the same document.

18.17 Conflicting provisions

If there is any conflict between the main body of this Deed and any schedules or annexures comprising it, then the provisions of the main body of this Deed prevail.

18.18 Non merger

A term or condition of, or act done in connection with, this Deed does not operate as a merger of any of the rights or remedies of the parties under this Deed and those rights and remedies continue unchanged.

18.19 Operation of indemnities

Unless this Deed expressly provides otherwise:

(a) each indemnity in this Deed survives the expiry or termination of this Deed; and

(b) a party may recover a payment under an indemnity in this Deed before it makes the payment in respect of which the indemnity is given.

18.20 No right of set-off

Unless this Deed expressly provides otherwise (in particular clause 18.13), a party has no right of set-off against a payment due to another party.

18.21 Relationship of parties

Unless this Deed expressly provides otherwise, nothing in this Deed may be construed as creating a relationship of partnership, of principal and agent or of trustee and beneficiary.

Schedule 1 – Conditions

(clause 4.1)

Part 1 - Conditions applicable to the issue of the First Tranche

Condition	
1. Evidence that the Company has paid to the Investor the Due Diligence Costs.	
2. The Market Capitalisation of the Company, as calculated by the Investor, is at least $5,000,000.	
3. The average VWAP of the Company's Shares over the 30 Trading Days prior to Closing is higher than the Floor Price and the Company's Share price is above the Floor Price for all of the 5 Trading Days prior to Closing.	
4. The Company confirming in writing, signed by 2 directors that no Event of Default and no event or circumstance which with the passage of time or the fulfilment of any condition is reasonably likely to become an Event of Default is continuing unremedied or would occur as a result of the issue by the Company of the First Tranche.	
5. The Company confirming in writing, signed by 2 directors, that no Material Adverse Change and no Change of Control has occurred and no event or circumstance which with the passage of time or the fulfilment of any condition is reasonably likely to become a Material Adverse Change or Change of Control is continuing unremedied or would occur as a result of the issue by the Company of the First Tranche.	
6. Evidence that the Company has received all necessary Board approvals to enter into this Deed and the transactions contemplated by it and comply with their obligations under it.	Certified copy
7. Evidence that the Company has sufficient capacity under the Listing Rules to issue the First Tranche, all Shares on conversion of the First Tranche, and the Initial Shares, without shareholder approval.	
8. Written notification by the Company that it intends to draw down the First Tranche.	

Part 2 - Conditions applicable to each of the Follow On Tranches

Condition	
1. Written notification by the Company that it intends to draw down the Follow On Tranche.	
2. Written notification by the Investor that it agrees to subscribe for the Follow On Tranche.	
3. Evidence that the Company has received shareholder approval pursuant to and in accordance with Listing Rule 7.1 to issue the Follow On Tranche, and all Shares on conversion of the Follow On Tranche.	
4. The Conditions in Part 1 of this Schedule continue to apply.	
5. The Company confirming in writing, with effect on the relevant Issue Date, signed by 2 directors, that no Event of Default and no event or	

Condition	
circumstance which with the passage of time or the fulfilment of any condition is reasonably likely to become an Event of Default is continuing unremedied or would occur as a result of the issue by the Company of any of the Follow On Tranches.	
6. The Company confirming in writing, with effect on the relevant Issue Date, signed by 2 directors, that no Material Adverse Change and no Change of Control has occurred and no event or circumstance which with the passage of time or the fulfilment of any condition is reasonably likely to become a Material Adverse Change or Change of Control is continuing unremedied or would occur as a result of the issue by the Company of any of the Tranches.	

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Schedule 2 – Convertible Note Certificate

Fatfish Blockchain Limited
ABN 88 004 080 460
(**Company**)

CONVERTIBLE NOTE CERTIFICATE

This is to certify that

Arena Investors LP (on behalf of its clients and affiliates)

is the registered holder of Convertible Notes issued by the Company having an aggregate Principal Amount of A$[   ] on and subject to the terms and conditions contained in the Convertible Note Deed dated [x] 2018.

Dated:

Executed by **Fatfish Blockchain Limited** ABN 88 004 080 460 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:)

....	....
Signature of director	Signature of director or company secretary* *delete whichever does not apply
....	....
Name (please print)	Name (please print)

Executed as a deed

Executed by **Fatfish Blockchain Limited** ABN 88 004 080 460 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:	)))	
Signature of director		Signature of director or company secretary* *delete whichever does not apply
KIN WAI LAU		Jiahui Lan
Name (please print)		Name (please print)

Executed by **Arena Investors, LP, on behalf of clients and affiliates**:	)))	
		DocuSigned by: Lawrence Cutler C5BBEC8C816A43D...
Signature of witness		Signature of authorised signatory
		Lawrence Cutler, Authorized Signer
Name (please print)		Name (please print)