



Fatfish Blockchain Ltd
(ACN 004 080 460)
Level 4, 91 William Street
Melbourne VIC 3000
Australia

www.fatfish.co

4 December 2018

CLEANSING NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

This cleansing notice (**Cleaning Notice**) is given by Fatfish Blockchain Limited (ASX:FFG) (**Company**) under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Company advises that it has today issued 15,000,000 fully paid ordinary shares (**Shares**).

Pursuant to section 708(A)(5)(e) of the Corporations Act, the Company gives notice that:

- the Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- as at the date of this notice, the Company has complied with:
 - the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and
 - section 674 of the Corporations Act; and
- as at the date of this notice there is no information that is 'excluded information' within the meanings of section 708(a)(7) and 708A(8) of the Corporations Act that is required to be set out in this Cleansing Notice under section 708A(6)(e) of the Corporations Act.

Yours Faithfully,

Jiahui Lan
Company Secretary
Fatfish Blockchain Limited

CLEANSING NOTICE UNDER SECTION 708A(12C)(e) OF THE CORPORATIONS ACT

This cleansing notice (**Cleansing Notice**) is given by Fatfish Blockchain Limited (ASX: FFG) (**Company**) under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally inserted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82).

The Company advises that it has today issued 800,000 convertible notes (**Notes**) to Arena Investors L.P. (on behalf of its clients and affiliates) (**Noteholder**) as announced on 22 November 2018. The Notes were issued without disclosure to investors under Part 6D.2 of the Corporations Act.

The purpose of this Cleansing Notice is to enable the fully paid ordinary shares in the capital of the Company (**Shares**) that may be issued on any future conversion of the Notes to be on-sold to retail investors without further disclosure.

This Cleansing Notice is an important document and should be read in its entirety. Neither ASIC or ASX takes any responsibility for the contents of this Cleansing Notice.

1. BACKGROUND

The Company, on 22 November 2018 had announced that it is proposing to undertake a capital raising by the issue of Notes to raise up to a maximum of \$10,000,000 as follows:

- (a) an initial issue of Tranche One of 800,000 Notes to the Noteholder;
- (b) subsequent issue of Tranche Two of 1,200,000 Notes to the Noteholder; and
- (c) subsequent issues of up to an aggregate of 8,000,000 convertible notes (on the same terms as the Notes) to the Noteholder, over 8 tranches of 1,000,000 each.

The Company has today issued Tranche One, comprised of 800,000 Notes to the Noteholder.

The terms of the Notes are set out in the Unsecured Convertible Note Deed (**Deed**) executed by the Company in favour of the Noteholder.

The Directors of the Company (**Directors**) consider that the entry into the Deed and the issue of the Notes is in the best interests of Shareholders as it provides the Company with growth capital for the next 3 years, allowing the Company to tap into more M&A opportunities. The growth capital from the issuance of Notes will also allow the Company to further invest into and expand its existing investee companies, which are showing promising traction.

2. CONTENTS OF THIS CLEANSING NOTICE

This Cleansing Notice sets out the following:

- (a) in relation to the Notes:
 - (i) the effect of the issue on the Company;
 - (ii) a summary of the rights and liabilities attaching to the Notes; and
 - (iii) a summary of the rights and liabilities attaching to the Shares that will be issued on the conversion of the Notes; and
- (b) any information that:
 - (i) has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules; and
 - (ii) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
 - (B) the rights and liabilities attaching to the Shares; and
 - (C) other information relating to the Company's status as a disclosing entity.

3. THE EFFECT OF THE ISSUE ON THE COMPANY

3.1 Effect of the issue on the Company

The principal effect of the issue of the Notes on the Company will be to:

- (a) increase the Company's cash reserves by \$800,000 (before costs associated with the Notes issue);
- (b) increase the number of unquoted convertible notes on issue from nil to 800,000;
- (c) give rise to the Company having a liability for the aggregate amount of the face value of the Notes (that is, \$800,000) plus the accrued interest; and
- (d) if the Notes are converted, either wholly or in part to Shares, increase the number of Shares on issue as a consequence of the issue of Shares on such conversion.

In addition to the above, as partial consideration for the investment, the Company has issued 15,000,000 Shares to the Noteholder in consideration for the entry into the Deed.

3.2 Pro-forma consolidated statement of financial position

- (a) Set out in Annexure A is a pro forma consolidated Statement of Financial Position as at 30 June 2018 for the Company based on the 30 June 2018 reviewed accounts adjusted to reflect the Notes issue and has been prepared on the basis of the accounting policies normally adopted by the Company.
- (b) The pro forma financial information is presented in abbreviated form in so far as it does not include all of the disclosures required by the International Accounting Standards applicable to the Company's annual financial statements. The pro forma financial information is not audited. The classification of the allocations between debt and equity for the Notes may change in the future.

3.3 Potential effect on capital structure

The capital structure of the Company as at the date of this Cleansing Notice, before the issue of the securities pursuant to the Deed, is set out below:

Type of security	Number
Shares	515,375,364
Options ¹	186,633,613
Convertible notes	Nil

¹Comprised of the following unquoted options, with each option exercisable into Shares on a 1:1 basis:

- 133,543,614 options exercisable at \$0.011 each expiring 9 June 2019
- 20,000,000 options exercisable at \$0.06 each expiring 9 February 2020
- 33,089,999 options exercisable \$0.045 each expiring 25 June 2021

The Notes are convertible into Shares based on the conversion formula set out in Section 4 below. The number of Shares issued to the Noteholder will therefore depend on a number of factors, including whether the Noteholder elects to convert the Notes.

The table below shows the potential effect of the conversion of all Convertible Notes, based on the floor price as provided for in the Deed of \$0.013. The below table also assumes that no additional Shares are issued prior to conversion of the Notes. Fractions have been rounded up to the nearest Share.

The Noteholder did not hold any Shares prior to the date of this Cleansing Notice. In addition to the Notes, the Company has issued 15,000,000 Shares to the Noteholder under the terms of the Deed:

Shareholder	Number of Shares (assuming all Notes are converted on the assumptions outlined above)	Percentage Interest
All shareholders other than the Noteholder	515,375,364	87%
Noteholder	77,153,847	13%
Total	592,529,211	100%

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4. RIGHTS AND LIABILITIES ATTACHING TO THE NOTES

The following is a broad summary of the rights, privileges and restrictions attaching to the Notes.

The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Noteholder.

Face Value	\$1.00 per Note
Purchase Date	4 December 2018
Conversion	<ul style="list-style-type: none"> • Subject to the below, the Noteholder may, at its election, convert one or more of the Securities into Shares • The number of Shares issued are calculated in accordance with the following formula <u>Number of Shares = 101% of Specified Principal Amount</u> Conversion Price • The “Specified Principal Amount” is the aggregate principal amount of the Notes that are subject to the conversion. • The “Conversion Price” is, in respect of each conversion, the higher of: <ul style="list-style-type: none"> ○ the “floor price” of \$0.013; and ○ the lower of: (a) 125% of the average closing price of the Shares over the 25 trading days immediately prior to the issue date of the Note being converted; and (b) 90% of the average of the closing prices of the Shares for any 5 consecutive trading days during the 25 trading days immediately preceding the last trading day before the conversion date. • Noteholder agrees not to convert any Notes, if that would result in the Noteholder holding a Relevant Interest in more than 19.99% of the issued Shares.

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<p>Maturity</p>	<ul style="list-style-type: none"> • The maturity date is 4 December 2019 • The Company must redeem the outstanding Notes on the Maturity Date an amount equal to 101% of the outstanding principal amount in cash.
<p>Early Redemption Events</p>	<p>The following are early redemption events:</p> <ul style="list-style-type: none"> • The average daily trading value of Shares on ASX over any 35 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; • The market capitalisation of the Company falls below \$5,000,000; and • Closing price per Share on any trading day is less than the floor price (\$0.013), prior to the conversion of the Note in full. <p>In the event of an early redemption, the Noteholder may at any time while it is continuing declare by notice to the Company that one or more of the following is to apply:</p> <ul style="list-style-type: none"> • The entire outstanding principal amount, together with accrued interest, and all other amounts accrued or outstanding under this Deed, is either: <ul style="list-style-type: none"> (i) payable on demand; or (ii) immediately due for payment and payable, and the Company must redeem all the Notes on issue and must pay the Termination Payment (defined below) to the Noteholder; • the Noteholder obligations under the Deed are terminated; and • the Noteholder may exercise any or all of its rights, remedies, powers or discretions under the Deed.

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Termination Payment	The Company is liable for an amount of \$500,000, less an amount equivalent to the number of tranches of convertible notes drawn (up to maximum of 5) multiplied by \$100,000 at the relevant time the Termination Payment obligation arises in accordance to the Deed.
Security	The Notes are unsecured.
Interest	<ul style="list-style-type: none"> • The Company must pay the Noteholder interest at a rate of 1% per annum on the principal amount of the outstanding Notes. • Interest accrues on a daily basis. • Payable on 30 June and 31 December in each year and on Maturity Date. • If an event of default occurs, an interest rate of 5% per annum will apply and is payable monthly.
Representations and warranties	The Company has provided the Noteholder with customary representations and warranties.
Events of default	<p>The Convertible Note Deed includes typical events of default, including amongst other things, the following (in summary):</p> <ul style="list-style-type: none"> • ASX makes a determination that the terms of the Note do not comply with the Listing Rules; • The Company fails to obtain the approval of its shareholders for any transaction under this Deed; • The Company did not issue any Shares to the Noteholder within 5 business days of receipt of a conversion notice; • The Company fails to pay any cash amount due under the Deed on its due date or within 5 business days after its due date;

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	<ul style="list-style-type: none">• Failure by the Company to perform any other material obligation, covenant or undertaking under the Deed, excluding payment default, and, in relation to any rectifiable failure, within 14 days following notice by the Noteholder requiring rectification;• The Company is in breach of any of the warranties given under the Deed;• The Company fails to file any annual or quarterly reports required by law or the Listing Rules;• The Company fails to comply with any of the Listing Rules in any material respect;• An entity that is a subsidiary of the Company at the date of the Deed ceases to be a subsidiary of the Company, other than pursuant to the proposed European spinout or proposed IPO of Minerium (as previously announced);• An insolvency event occurs in relation to the Company;• The Company incurs any financial indebtedness other than under the Deed, in the ordinary course of business, or pursuant to the proposed European spinout or proposed IPO of Minerium;• 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;• A distress, attachment, executive 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;• A mortgagee, charge 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
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	<p>substantial part of the property, assets or revenues of the Company or any of its subsidiaries;</p> <ul style="list-style-type: none"> • Any authorisation, approval or consent required for the issue redemption or conversion of the Convertible Note 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 Noteholder; • An order of effective resolution is made for the winding-up or dissolution, judicial management or administration of the Company or any of its subsidiaries, or any of its subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations • It is or becomes unlawful for: <ul style="list-style-type: none"> (i) The Company to perform or comply with any one of more of its obligations under any of the Notes or the Deed; (ii) The Noteholder to convert any 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; • The Company or any of its 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; • Any Governmental agency: <ul style="list-style-type: none"> (i) Condemns, nationalises, seizes, compulsorily acquires any material assets of any the Company or any of its subsidiaries; (ii) Nationalises, seizes, compulsorily acquired or otherwise expropriates all or any part of the share capital of any of the Company or any of its subsidiaries;
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	<p>(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;</p> <p>(iv) Takes any action that would result in the dissolution or disestablishment of any of the Company or any of its subsidiaries; or</p> <p>(v) Otherwise takes any other action which:</p> <p style="padding-left: 20px;">(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;</p> <p style="padding-left: 20px;">(B) Deprives the Company or any of its subsidiaries of the use of any material asset;</p> <ul style="list-style-type: none"> • A material qualification is made by any auditor appointed by the Company or any of its subsidiaries to audit its financial statements; • 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; • A material adverse change occurs in relation to or affects the Company; • A change of control of the Company occurs; and • The Company breaches any of its restrictions under the Deed. <p>If an event of default occurs and continues unremedied for a period of 5 Business Days, the Noteholder may declare at any time by notice to the Company that:</p> <ul style="list-style-type: none"> • The entire outstanding principal amount, together with accrued interest, and all other amounts accrued or outstanding under this Deed, is either:
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	<p>(i) Payable on demand; or</p> <p>(ii) Immediately due for payment and payable, and the Company must redeem all the Notes on issue and must pay the Termination Payment to the Noteholder;</p> <ul style="list-style-type: none"> • The Noteholder obligations under the Deed are terminated; and • The Noteholder may exercise any or all of its rights, remedies, powers or discretions under this Deed.
<p>Company Covenants</p>	<p>The Deed includes typical covenants from the Company including the Company and its subsidiaries (without the prior consent of the Noteholder):</p> <ul style="list-style-type: none"> • Not disposing any of its assets, unless the disposal is done pursuant to the proposed European spinout or the proposed IPO of Minerium; • Ceases its respective business or change the general nature of its respective business; • Enter into contracts with third parties on other than arm's length open market terms for valuable consideration; • Incur any financial indebtedness (other than under the Deed or in the ordinary course of business) or grant any security interest over any of its respective assets, unless it entered into pursuant to the proposed European spinout or proposed IPO of Minerium; • Lend money to or guarantee or become liable for the debts of any person other than the Company or a subsidiary; • Authorise or permit the authorisation of a voluntary or involuntary administration, liquidation, dissolution or winding up on it or its respective business; or • Amend its constitution in a way that has, or could have, a negative impact on the Noteholder.

Quotation	The Notes will not be quoted on the ASX.
Assignment	A Party cannot assign or otherwise transfer the benefit of the Deed without the prior written consent of the other party.

5. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES ISSUED ON CONVERSION OF THE NOTES

The Shares issued to the Noteholder on the conversion of the Notes under the Deed will rank equally in all respects with all of the Company's existing Shares.

The new Shares to be issued to the Noteholder on the conversion of the Notes, are set out in the Company's Constitution, regulated by the Corporations Act 2001 (Cth), ASX Listing Rules and the general law.

The Company intends to apply to ASX for quotation of the Shares issued on conversion of any Notes.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

General meetings	Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.
Voting rights	Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders: <ul style="list-style-type: none"> • each Shareholder entitled to vote may vote in person or by proxy or attorney; • on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in respect of each Share carrying the right to vote; and

	<ul style="list-style-type: none"> on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).
Dividend rights	The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may set aside of the Company's profit any amount that they consider appropriate. This amount may be used in any way that profits can be used, and can be invested or used in the Company's business in the interim.
Winding-up	<p>If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.</p> <p>The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.</p>
Shareholder liability	As the Shares issued on conversion of the Notes will be fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.
Transfer of Shares	Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of

	Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.
Variation of rights	<p>Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.</p> <p>If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.</p>
Alteration of constitution	The Company's constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. COMPLIANCE WITH DISCLOSURE OBLIGATIONS

The Company is a “disclosing entity” under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

Broadly, these obligations require:

- (a) the Company to notify ASX immediately of any information (subject to certain exceptions) of which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its securities. That information is available to the public from ASX; and
- (b) the preparation of yearly and half-yearly financial statements and a report of the Company’s operations during the relevant accounting period, together with an audit or review report prepared by the Company’s auditor. These documents are lodged with ASIC and ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 31 December 2017; and
- (b) any of the other continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to above and before the date of the lodgement of this Cleansing Notice with ASX.

A list of those continuous disclosure documents is on the following page:

Date	Announcement
3/04/2018	Full Year Statutory Accounts
10/04/2018	FFG - Investor Presentation (April 2018)
11/04/2018	FFG - Amended Investor Presentation (April 2018)
11/04/2018	Appendix 3B
16/04/2018	Subsidiary ICI - Outcome of Court Application & Reinstatement
19/04/2018	Annual Report
19/04/2018	APAC Mining Yields Positive Early Results
19/04/2018	Trading Halt
19/04/2018	Retraction & Replacement of Previous Announcement
23/04/2018	FFG to seek listing on OTCQB Market in the United States
23/04/2018	FFG's Swedish Subsidiary seeks to replace financial advisor
26/04/2018	Notice of Annual General Meeting/Proxy form
30/04/2018	Appendix 4C - Quarterly



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1/05/2018	Appendix 4G
2/05/2018	Appendix 3B
3/05/2018	FFG to spin out & invest in blockchain Fund-of-Funds Manager
4/05/2018	FFG founded iFashion Group to be acquired for AUD \$24.8 mil
8/05/2018	Trading Halt
10/05/2018	FFG - Investor Presentation (May 2018)
14/05/2018	Trading Halt
14/05/2018	Market Update
16/05/2018	APAC Cryptocurrency Mining Secures New Site in Canada
17/05/2018	Appendix 3B
21/05/2018	Change of Director's Interest Notice
24/05/2018	Appendix 3B
25/05/2018	Appendix 3B
29/05/2018	Results of Meeting
31/05/2018	Operation Update
6/06/2018	Trading Halt
6/06/2018	FFG signs term sheet to acquire 3.45% of esports.com
6/06/2018	ICI: Signed up with esports.com to rec USD 1M strategic inv.
12/06/2018	Trading Halt
14/06/2018	Suspension from Official Quotation
14/06/2018	FFG Board Approves Name Change to 'Fatfish Blockchain Ltd'

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14/06/2018	Appendix 3B
14/06/2018	Amended Appendix 3B
15/06/2018	FFG Secures \$2.5M Through Private Placement & Con Note
15/06/2018	Reinstatement to Official Quotation
18/06/2018	Clarification regarding Placement & Convertible Notes
25/06/2018	Appendix 3B
25/06/2018	Listing Rule 3.10.5A Notice
27/06/2018	FFG Shares Commence Trading on OTCQB Market
10/07/2018	FFG signs definitive agreement with Epsilon Capital
20/07/2018	FFG Swedish Subsidiary to Acquire Swedish Venture Firm
24/07/2018	FFG's crypto-mining bus. Intends to list on LSE main board
31/07/2018	Quarterly Report - Appendix 4C
1/08/2018	ICI: iCandy signs investment agreement with eSports.com
1/08/2018	Fatfish signs share exchange agreement with eSports.com
3/09/2018	Half Year Accounts
11/09/2018	Notice of General Meeting/Proxy Form
20/09/2018	Business Update Conference Call
24/09/2018	Apac Mining Rebrands to Minerium
26/09/2018	Appendix 3B
5/10/2018	Pause in Trading
5/10/2018	Trading Halt

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8/10/2018	Response to ASX Price Query
9/10/2018	US Investor Roadshow
16/10/2018	Results of Meeting
17/10/2018	Change of Company Name
17/10/2018	Pause in Trading
17/10/2018	Minerium secures new site in Mongolia
30/10/2018	Quarterly Report - Appendix 4C
14/11/2018	Change of Director's Interest Notice
15/11/2018	Amended Change of Director's Interest Notice
22/11/2018	Business Update: iFashion Artbox Malaysia Event
22/11/2018	FFG Secures Strategic Funding Commitment for up to AUD \$10m
23/11/2018	Fintech Industry Veteran Joins Fatfish as Venture Partner
27/11/2018	Pause in Trading
27/11/2018	Trading Halt
29/11/2018	Suspension from Official Quotation
03/12/2018	Update regarding potential transaction
03/12/2018	Reinstatement to Official Quotation

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7. INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICES

As at the date of this Cleansing Notice, in respect of the Shares issued today, the Company advises that there is no information that:

- (a) the Company has excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making and informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities of the Notes (and the underlying Shares) offered by the Company.

By Order of the Board

Jiahui Lan
Company Secretary
Fatfish Blockchain Limited

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FATFISH BLOCKCHAIN LIMITED
ABN: 88 004 080 460

**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS OF 30 JUNE 2018
(UNAUDITED)**

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PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 JUNE 2018 UNAUDITED	PRO FORMA ADJUSTMENTS	PRO FORMA CONSOLIDATION
CURRENT ASSETS			
Cash and cash equivalents	775,462	750,000	1,525,462
Trade and other receivables	266,598		266,598
Inventories	417,989		417,989
Other financial assets	3,613,956		3,613,956
Other assets	25,136		25,136
TOTAL CURRENT ASSETS	<u>5,099,141</u>		<u>5,849,141</u>
NON-CURRENT ASSETS			
Financial assets – fair value OCI	9,813,386		9,813,386
Investments at fair value through profit or loss	9,706,355		9,706,355
Property, plant and equipment	1,912,530		1,912,530
Intangible assets	2,468,648		2,468,648
Other assets	879,021		879,021
TOTAL NON-CURRENT ASSEST	<u>24,779,940</u>		<u>24,779,940</u>
TOTAL ASSETS	<u>29,879,081</u>		<u>30,829,081</u>
CURRENT LIABILITIES			
Convertible security	-	800,000	800,000
Trade and other payables	1,418,492		1,418,492
Borrowings	236,968		236,968
Other financial liabilities	3,781,156		3,781,156
TOTAL CURRENT LIABILITIES	<u>5,436,616</u>		<u>6,236,616</u>
TOTAL NON-CURRENT LIABILITIES			
Other financial liabilities	1,005,560		1,005,560
TOTAL NON-CURRENT LIABILITIES	<u>1,005,560</u>		<u>1,005,560</u>
TOTAL LIABILITIES	<u>6,442,176</u>		<u>7,442,176</u>
NET ASSETS	<u>23,436,905</u>		<u>23,386,905</u>
EQUITY			
Issued capital	35,348,902	300,000	35,648,902
Reserves	6,930,295		6,930,295
Retained earnings	(19,078,163)	(350,000)	(19,428,163)
Parent interest	23,201,034		23,151,034
Non-controlling interest	235,871		235,871
TOTAL EQUITY	<u>23,436,905</u>		<u>23,386,905</u>

NOTES TO PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Basis of preparation

The accompanying unaudited pro forma consolidated statement of financial position of Fatfish Blockchain Limited (the “**Company**”) has been prepared by management to reflect the issue of convertible securities, shares and options by the Company.

The unaudited pro forma statement of financial position has been prepared from information derived from and should be read in conjunction with the financial statements of the Company as at and for the six-month period ended 30 June 2018.

The unaudited pro forma consolidated statement of financial position of the Company has been presented assuming the issue of convertible securities and shares were completed on 30 June 2018.

The unaudited pro forma consolidated statement of financial position has been prepared by management for illustration purposes only and, in the opinion of management, include all adjustments necessary for fair presentation.

The classification of the allocations between debt and equity for the convertible securities may change in the future.

2. Pro forma assumptions

The unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments:

(a) Convertible securities

Raising of \$800,000 via an issue of convertible securities based on a maturity date of 12 months;

(b) Transaction fee of \$300,000 paid via issuance of shares; and

(c) Due diligence costs of up to a maximum of \$50,000 has been taken into consideration

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

FATFISH BLOCKCHAIN LTD

ABN

88 004 080 460

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | (a) Fully Paid Ordinary Shares
(b) Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 15,000,000 Fully Paid Ordinary Shares
(b) 800,000 convertible notes |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Fully paid ordinary shares
(b) Convertible notes with a face value of \$1.00 each and convertible at the holder's discretion at a conversion price the higher of:
(i) The floor price of \$0.013; and
(ii) The lower of (a) 125% of the average closing price of the shares over 25 trading days immediately prior to the issue date of the Note being converted; and (b) 90% of the average of the closing prices of the Shares for any 5 consecutive trading days during the 25 trading days immediately preceding the last trading day before the conversion date. |

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Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(a) New shares to rank equally with existing listed ordinary shares</p> <p>(b) Convertible notes will rank equally from conversion. There is no entitlement to participate in the next dividend</p>
<p>5 Issue price or consideration</p>	<p>(a) Issued for nil consideration.</p> <p>(b) \$1 per convertible note</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) Consideration for entry into the Unsecured Convertible Note Deed</p> <p>(b) Capital raising by issue of convertible notes</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>29 May 2018</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>15,000,000 shares</p> <p>800,000 convertible notes</p> <p>Up to 62,153,847 shares agreed to be issued on conversion of the convertible notes.</p>

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6d	Number of +securities issued with security holder approval under rule 7.1A	Nil	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of +securities issued under an exception in rule 7.2	Nil	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A.	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1: 28,707 Rule 7.1A: 51,526,776	
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	4 December 2018	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 530,375,364	+Class Ordinary shares

Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	133,543,614	Unlisted options expiring 9 June 2019 exercisable at \$0.011 per option
	800,000	Convertible notes with a face value of \$1 each and a maturity date of 4 December 2019
	20,000,000	Unlisted options expiring 9 February 2020 exercisable at \$0.06 per option
	33,089,999	Unlisted options expiring 25 June 2021 exercisable at \$0.045 per option
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Dividends are not payable on the Unlisted Options and convertible notes. Any ordinary shares issued pursuant to the valid exercise of the New Options and/or convertible notes will rank equally with the existing ordinary shares then on issue with respect to those dividends with a record date falling after the date of issue.	

Part 2 - Pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A
14 +Class of +securities to which the offer relates	N/A
15 +Record date to determine entitlements	N/A
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	N/A

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18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A.
21	Amount of any underwriting fee or commission	N/A.
22	Names of any brokers to the issue	N/A.
23	Fee or commission payable to the broker to the issue	N/A.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A.
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

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Appendix 3B
New issue announcement

30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38 Number of *securities for which *quotation is sought N/A.

39 *Class of *securities for which quotation is sought N/A.

40 Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?

N/A.

If the additional *securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now N/A.

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another *security, clearly identify that other *security)

	Number	*Class
42 Number and *class of all *securities quoted on ASX (including the *securities in clause 38)	N/A.	

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Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.


- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 04/12/2018
(Director/Company secretary)

Print name: Jiahui Lan
.....

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	338,510,408
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>14,352,866 (fully paid ordinary shares issued from the exercise of options)</p> <p>88,000,000 (fully paid ordinary shares issued. Approved under LR 7.4 on 25/01/2018)</p> <p>1,591,407 (fully paid ordinary shares issued from the exercise of options)</p> <p>20,000,000 (fully paid ordinary shares issued. Approved under LR 7.3)</p> <p>300,000 (fully paid ordinary shares issued from the exercise of options)</p> <p>1,750,000 (fully paid ordinary shares issued from the exercise of options)</p> <p>1,000,000 (fully paid ordinary shares issued from the exercise of options)</p> <p>500,000 (fully paid ordinary shares issued from the exercise of options)</p> <p>500,000 (fully paid ordinary shares issued from the exercise of options)</p> <p>15,673,075 (fully paid ordinary shares issued from the exercise of options – announced 26 September 2018)</p> <p>33,089,999 (fully paid ordinary shares issued) Approved under LR 7.3</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0

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Appendix 3B
New issue announcement

“A”	515,267,255
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	77,290,163
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>107,609 fully paid ordinary shares – announced 26 September 2018</p> <p>15,000,000 fully paid ordinary shares (as announced in this Appendix 3B)</p> <p>62,153,847 fully paid ordinary shares (agreement to issue up to this number of shares on conversion of convertible notes)</p>
“C”	77,261,456
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	77,290,163
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	74,761,456
<p>Total [“A” x 0.15] – “C”</p>	<p>28,707</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	515,267,755
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	51,526,776
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	0

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Appendix 3B
New issue announcement

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	51,526,776
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	0
Total ["A" x 0.10] – "E"	51,526,776 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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