

# Notice of extraordinary general meeting and explanatory statement

**Entellect Limited**

ACN 009 221 783

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**Date:** Thursday 28 May 2015

**Time:** 11.30 am (Melbourne time)

**Place:** Grant Thornton  
Wills Room, The Rialto  
Level 30, 525 Collins Street  
MELBOURNE, Victoria 3000

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# NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is given that an Extraordinary General Meeting of Entellect Limited will be held at Grant Thornton, Wills Room, The Rialto, Level 30, 525 Collins Street on 28 May 2015 at 11.30 am (Melbourne time)

## BUSINESS

Shareholders are invited to consider the following items of business:

<b>Resolution 1</b>	<b>Change of Company Name</b>
<b>Description</b>	The Company seeks approval of Shareholders to change the name of the Company to <b>KneoMedia Limited</b> .
<b>Resolution (Special)</b>	To consider and, if thought fit, pass the following resolution as a <b>special resolution</b> :  <i><b>THAT</b>, subject to the approval of the Australian Securities and Investment Commission (ASIC), in accordance with 157(1) of the Corporations Act 2001 (Cth) (<b>Corporations Act</b>), and for all other purposes, the name of the Company be changed to "<b>KneoMedia Limited</b>".</i>

<b>Resolution 2</b>	<b>Share Consolidation</b>
<b>Description</b>	The Company seeks approval of Shareholders to consolidate the number of securities it has on issue into a smaller number in the ratio of 30 to 1.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass, with or without amendments, the following resolution as an <b>ordinary resolution</b> :  <i><b>THAT</b> for the purposes of section 254H of the Corporations Act 2001 (Cth) (<b>Corporations Act</b>), and for all other purposes, approval is given for the Company's consolidation of every thirty Shares or Options on issue at <b>11.30 am (Melbourne time) on 28 May 2015</b> into one ordinary share or Option, with fractions of a Share or Option being rounded to the nearest whole number, exact half Shares or Options being rounded up and post consolidation holdings of less than one being rounded up. The consolidation will take effect on the date of the Annual General Meeting.</i>  <b>Note:</b> In accordance with section 254H(4) of the Corporations Act, a copy of this Resolution 2, if passed, shall be lodged with the Australian Securities & Investments Commission within one month of the meeting.

<b>Resolution 3</b>	<b>Ratification of issue of December Convertible Notes and December Attaching Options</b>
<b>Description</b>	The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 4 varied convertible notes and 100,000,000 (post Consolidation 3,333,333) free attaching Options on 24 December 2014.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>THAT</b> for the purposes of ASX Listing Rules 7.1, 7.4 and for all other purposes:</i></p> <p>(a) <i>Shareholders approve and ratify the issue of 4 December Convertible Notes to the December Convertible Note Holders on 24 December 2014;</i></p> <p>(b) <i>Shareholders approve and ratify the issue of 100,000,000 (pre-Consolidation) December Attaching Options, exercisable at \$0.002 (pre-Consolidation) on or before 31 October 2015, on 24 December 2014 as free attaching Options to the December Convertible Note Holders;</i></p> <p>(c) <i>Shareholders approve, in the event of conversion of the December Convertible Notes, the issue of 100,000,000 conversion Shares (calculated on a pre-Consolidation basis) to the December Convertible Note Holders and/or their nominee(s), being the maximum number of Shares that may be required to be issued on conversion of the 4 December Convertible Notes; and</i></p> <p>(d) <i>Shareholders approve, in the event of the exercise of the December Attaching Options, the issue of 100,000,000 underlying Shares (calculated on a pre-Consolidation basis) to the December Convertible Note Holders and/or their nominee(s), being the maximum number of Shares that may be required to be issued on exercise of the 100,000,000 December Attaching Options.</i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <p>(a) The December Convertible Note Holders;</p> <p>(b) any person who may participate in the issue of the conversion Shares, or underlying shares issued upon the exercise of the December Attaching Options;</p> <p>(c) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and</p> <p>(d) any associates of the persons named in sub-paragraphs (a) – (c).</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <p>(e) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</p> <p>(f) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</p>

<b>Resolution 4</b>	<b>Ratification of issue of January Convertible Note and January Attaching Options</b>
<b>Description</b>	The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 1 convertible note and 25,000,000 free attaching Options made by the Company on 30 January 2015.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><b>THAT</b> for the purposes of ASX Listing Rule 7.1, 7.4 and for all other purposes:</p> <p>(a) Shareholders approve and ratify the issue of the January Convertible Note for a subscription price of \$50,000 to the January Convertible Note Holder on 30 January 2015;</p> <p>(b) Shareholders approve and ratify the issue of 25,000,000 (pre-Consolidation) January Attaching Options, exercisable at \$0.002 (pre-Consolidation) on or before 31 March 2016, on 30 January 2015 as free attaching Options to the January Convertible Note Holder;</p> <p>(c) Shareholders approve, in the event of conversion of the January Convertible Note, the issue of 25,000,000 conversion Shares (calculated on a pre-Consolidation basis) to the January Convertible Note Holder and/or its nominee(s), being the maximum number of Shares that may be required to be issued on conversion of the January Convertible Note; and</p> <p>(d) Shareholders approve, in the event of the exercise of the January Attaching Options, the issue of 25,000,000 underlying Shares (calculated on a pre-Consolidation basis) to the January Convertible Note Holder and/or its nominee(s), being the maximum number of Shares that may be required to be issued on exercise of the 25,000,000 January Attaching Options.</p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <p>(a) The January Convertible Note Holder;</p> <p>(b) any person who may participate in the issue of the conversion Shares, or underlying shares issued upon the exercise of the January Attaching Options;</p> <p>(c) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and</p> <p>(d) any associates of the persons named in sub-paragraphs (a) – (c).</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <p>(e) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</p> <p>(f) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</p>

<b>Resolution 5A</b>	<b>Ratification of issue of February Convertible Notes</b>
<b>Description</b>	The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 4 convertible notes made by the Company on 17 February 2015.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>THAT</b> for the purposes of ASX Listing Rule 7.1, 7.4 and for all other purposes,:</i></p> <p>(a) <i>Shareholders approve and ratify the issue of 4 February Convertible Notes for an aggregate subscription price of \$200,000 to the February Convertible Note Holder on 17 February 2015; and</i></p> <p>(b) <i>Shareholders approve, in the event of conversion of the February Convertible Notes, the issue of 200,000,000 conversion Shares (calculated on a pre-Consolidation basis) to the February Convertible Note Holders and/or their nominees, being the maximum number of Shares that may be required to be issued on conversion of the February Convertible Notes.</i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <p>(a) The February Convertible Note Holders;</p> <p>(b) any person who may participate in the issue of the conversion Shares;</p> <p>(c) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and</p> <p>(d) any associates of the persons named in sub-paragraphs (a) – (c).</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <p>(e) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</p> <p>(f) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</p>
<b>Resolution 5B</b>	<b>Approval of issue of February Attaching Options</b>
<b>Description</b>	Entellect seeks approval of Shareholders for the issue of 200,000,000 February Attaching Options (6,666,667 February Attaching Options on a post-Consolidation basis) as free attaching Options to the February Convertible Notes, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>THAT</b> for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 200,000,000 February Attaching Options, (6,666,667 February Attaching Options on a post-Consolidation basis) exercisable at \$0.001 (\$0.03 on a post-Consolidation basis) each on or before 31 March 2016, to the February Convertible Note Holders or their nominee(s), on such terms as more particularly described in the Explanatory Memorandum accompanying this Notice.</i></p>

<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <ul style="list-style-type: none"> <li>(a) the February Convertible Note Holders and their nominee(s);</li> <li>(b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and</li> <li>(c) any associates of the persons named in sub-paragraphs (a) and (b).</li> </ul> <p>However, the Company will not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(d) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>(e) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>
<b>Resolution 6</b>	<b>Approval of issue of New Convertible Notes</b>
<b>Description</b>	<p>The Company seeks Shareholder approval to issue up to 4 New Convertible Notes, each with a face value of \$25,000 (aggregate value: \$100,000), without using the Company's 15% placement capacity under ASX Listing Rule 7.1. The New Convertible Notes are convertible into New Conversion Shares.</p>
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>THAT</b>, for the purposes of ASX Listing Rule 7.1 and for all other purposes:</i></p> <ul style="list-style-type: none"> <li>(a) <i>Shareholders approve the issue of up to 4 New Convertible Notes in the Company for an aggregate subscription price of \$100,000 to the New Convertible Note Holders on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice;</i></li> <li>(b) <i>Shareholders approve the issue of up to 100,000,000 New Attaching Options (3,333,333 on a post-Consolidation basis) as free attaching Options to the 4 New Convertible Notes, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice;</i></li> <li>(c) <i>Shareholders approve, in the event of conversion of the New Convertible Notes, the issue of up to 100,000,000 New Conversion Shares (3,333,333 on a post-Consolidation basis) to the holders of the New Convertible Notes (and/or their nominees), being the maximum number of securities that may be required to be issued on conversion of the 4 New Convertible Notes, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice; and</i></li> <li>(d) <i>Shareholders approve, in the event of the exercise of the New Attaching Options, the issue of 100,000,000 underlying Shares (calculated on a pre-Consolidation basis) to the New Convertible Note Holders and/or their nominee(s), being the maximum number of Shares that may be required to be issued on exercise of the 100,000,000 New Attaching Options.</i></li> </ul>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <ul style="list-style-type: none"> <li>(a) The New Convertible Note Holders;</li> <li>(b) any person who may participate in the issue of the conversion Shares or underlying shares issued upon the exercise of the New Attaching Options;</li> </ul>

	<p>(c) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and</p> <p>(d) any associates of the persons named in sub-paragraphs (a) – (c).</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <p>(e) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</p> <p>(f) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</p>
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Resolution 7	Approval of issue of Shares to Dr Nigel Finch in lieu of Director's fees
<b>Description</b>	<p>The Company seeks Shareholder approval for the issue of:</p> <ul style="list-style-type: none"> <li>• 26,744,255 Shares if the Consolidation in Resolution 2 is not approved, or</li> <li>• 891,475 Shares if the Consolidation in Resolution 2 is approved,</li> </ul> <p>to Dr Nigel Finch, retired Company director, or his nominee, in lieu of \$36,078.00 of Director's fees owing to Dr Finch by the Company without using the Company's 15% placement capacity under ASX Listing Rule 7.1.</p>
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue either 26,744,255 Shares if the Consolidation in Resolution 2 is not approved, or 891,475 Shares if the Consolidation in Resolution 2 is approved, to Dr Nigel Finch or his nominee(s) in lieu of \$36,078.00 Director's fees owing to Dr Finch by the Company as set out in the Explanatory Memorandum accompanying this Notice.</b></i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution:</p> <p>(a) by Dr Nigel Finch and his nominees and any of their associates; and</p> <p>(b) as a proxy by a member of Key Management Personnel and a Closely Related Party of Key Management Personnel, where the proxy appointment does not specify the way the proxy is to vote.</p> <p>However, the Company will not disregard a vote if it is cast by:</p> <p>(c) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form that specify how the proxy is to vote on this resolution; or</p> <p>(d) the chair of the Meeting, as proxy for a person who is entitled to vote, in accordance with the directions of the proxy form that does not specify how the proxy is to vote on this resolution, but expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.</p>

<b>Resolution 8</b>	<b>Approval of issue of Pebble Bay Professional Services Shares</b>
<b>Description</b>	<p>Resolution 8, which is an ordinary resolution, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of:</p> <ul style="list-style-type: none"> <li>• 40,500,000 Shares if the Consolidation in Resolution 2 is not approved, or</li> <li>• 1,350,000 Shares if the Consolidation in Resolution 2 is approved,</li> </ul> <p>to Pebble Bay Capital Pte Ltd in lieu of fees payable to Pebble Bay Capital for professional services provided to the Company, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.</p>
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>THAT, the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 40,500,000 Shares if the Consolidation in Resolution 2 is not approved, or 1,350,000 Shares if the Consolidation in Resolution 2 is approved, to Pebble Bay Capital Pte Ltd or its nominee(s) in lieu of fees payable for professional services provided to the Company on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.</b></i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <ul style="list-style-type: none"> <li>(a) Pebble Bay Pte Ltd and their nominee(s);</li> <li>(b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and</li> <li>(c) any associates of the persons named in sub-paragraphs (a) and (b).</li> </ul> <p>However, the Company will not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(d) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>(e) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>
<b>Resolution 9</b>	<b>Approval of issue of Consolidated Investments Professional Services Shares</b>
<b>Description</b>	<p>Resolution 9, which is an ordinary resolution, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of:</p> <ul style="list-style-type: none"> <li>• 10,000,000 Shares and 10,000,000 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is not approved, or</li> <li>• 333,333 Shares and 333,333 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is approved,</li> </ul> <p>to Consolidated Investments Pty Ltd in lieu of fees payable to Consolidated Investments Pty Ltd for professional services provided to the Company, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.</p>



<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>THAT</b>, for the purposes of ASX Listing Rule 7.1 and for all other purposes Shareholders approve the issue of 10,000,000 Shares and 10,000,000 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is not approved, or 333,333 Shares and 333,333 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is approved, to Consolidated Investments Pty Ltd or its nominee(s) in lieu of fees for professional services provided to the Company on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.</i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <ul style="list-style-type: none"> <li>(a) Consolidated Investments Pty Ltd and its nominee(s);</li> <li>(b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and</li> <li>(c) any associates of the persons named in sub-paragraphs (a) and (b).</li> </ul> <p>However, the Company will not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(d) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>(e) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

<b>Resolution 10</b>	<b>Approval of issue of Proposed Placement Securities under Proposed Placement</b>
<b>Description</b>	<p>Resolution 10, which is an ordinary resolution, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of:</p> <ul style="list-style-type: none"> <li>• 1,000,000,000 Shares if the Consolidation in Resolution 2 is not approved, or</li> <li>• 33,333,333 Shares if the Consolidation in Resolution 2 is approved,</li> </ul> <p>to the Proposed Placement Subscribers under the Proposed Placement, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.</p>
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>THAT</b>, for the purposes of ASX Listing Rule 7.1 and for all other purposes Shareholders approve the issue of 1,000,000,000 Proposed Placement Shares if the Consolidation in Resolution 2 is not approved, or 33,333,333 Proposed Placement Shares if the Consolidation in Resolution 2 is approved, to the Proposed Placement Subscribers or their nominee(s), on such terms as more particularly described in the Explanatory Memorandum accompanying this Notice.</i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <ul style="list-style-type: none"> <li>(a) the Proposed Placement Subscribers and their nominee(s);</li> <li>(b) any person who might obtain a benefit, except a benefit solely in the capacity of a</li> </ul>

	<p>holder of Shares, if this resolution is passed; and</p> <p>(c) any associates of the persons named in sub-paragraphs (a) and (b).</p> <p>However, the Company will not disregard a vote if it is cast by:</p> <p>(d) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</p> <p>(e) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</p>
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Dated 24 April 2015

**By order of the Board of Entellect Limited**



**Sophie Karzis**  
**Company Secretary**

## VOTING INFORMATION

### Voting by proxy

- (a) A Shareholder entitled to attend and vote at the Extraordinary General Meeting may appoint one proxy or, if the Shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the Shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the meeting.
- (c) A proxy need not be a Shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a Shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power or authority by **11.30am (Melbourne time) on Tuesday 26 May 2015** at the share registry, being the office of Automic Registry Services:

**by post** Automic Registry Services  
Postal Address PO Box 223  
West Perth, WA 6872

**by personal delivery** Automic Registry Services  
Level 1, 7 Ventnor Ave  
West Perth, WA 6005

**by facsimile** +61 8 9321 2337

**by voting on-line** <https://automic.7g.com.au/loginlisted.aspx>

### Steps to follow to register your vote online

1. *SRN/HIN – enter your personal holder number*
2. *Enter your postcode if your holding has a registered address in Australia or your Country if it is registered overseas*
3. *Click the “Login” button*
4. *Click on the “Voting” tab to commence registering your voting intention*

### Voting and other entitlements at the Extraordinary General Meeting

A determination has been made by the board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that shares in the Company which are on issue at **7.00pm (Melbourne time) on Tuesday 26 May 2015** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

## Amendments to proxy voting

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), which came into effect on 1 July 2011, introduces prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the Shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy.

The chair of the Meeting will be the Chairman of the Company, Andrew Plympton, who intends to vote all available undirected proxies in favour of each Resolution in the Notice.

## QUESTIONS

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company. Please send your written questions via email to the Company Secretary at **sk@ccounsel.com.au**. Written questions must be received by no later than **5.00pm (Melbourne time) on Thursday 21 May 2015**.

Your questions should relate to matters that are relevant to the business of the Extraordinary General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum. A reasonable opportunity will also be provided to Shareholders attending the Extraordinary General Meeting to ask questions of the Board, which the Chairman will seek to address to the extent reasonably practicable. However, there may not be sufficient time to answer all questions at the Extraordinary General Meeting. Please note that individual responses may not be sent to Shareholders.

# EXPLANATORY MEMORANDUM TO NOTICE OF EXTRAORDINARY GENERAL MEETING

Resolution 1	Change of Company Name
<b>Explanation</b>	<p>In accordance with section 157(1)(a) of the Corporations Act, if a company wants to change its name, its Shareholders must pass a special resolution adopting the new name. That is, the resolution must be passed by at least 75% of votes validly cast on the resolution by Shareholders entitled to vote on it.</p> <p>The Board believes the present name of the Company does not reflect or align with the Company's core business, more particularly its flagship product KNeoWORLD. As such there is confusion in the business markets, particularly in the USA where the company is known as KNeoWORLD and in the financial markets both in Australia, USA and Asia where it is known as Entellect. The change of name to KneoMedia Limited and the adoption of <a href="http://www.kneomedia.com">www.kneomedia.com</a> will enable clearer and simplified overall promotion of the Company and its range of KNeo products.</p> <p>The Company has reserved the proposed new name with ASIC to ensure the name is available should Shareholders approve this resolution. The change of name will take effect on the day that ASIC approves the change of name and does not affect the legal status of the Company. The Company will carry on as the same legal entity as before, and the change of name will not affect the Company's existing property, rights or obligations, or any rights or entitlements of Shareholders. If the new name is approved, the Company will also change its ASX issuer code from "ESN" to "KNM".</p>
<b>Board Recommendation</b>	As stated above, the Board believes that it is in the best interests of the Company to change the name of the Company to KneoMedia Limited. The Board unanimously recommends that Shareholders vote in favour of Resolution 1.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.
Resolution 2	Share Consolidation
<b>Explanation</b>	<p>The purpose of Resolution 2 is to enable the Company to consolidate its shares into a smaller number.</p> <p>Section 254H(1) of the Corporations Act provides that the Company may convert all or any of its shares into a larger or smaller number of Shares by a resolution passed at a general meeting of Shareholders.</p> <p>For the reasons set out below, the Company is seeking Shareholder approval of the consolidation of issued ordinary shares into a smaller number of shares in the ratio of 30 to 1 (<b>Consolidation</b>), by way of an ordinary resolution pursuant to section 254H of the Corporations Act.</p> <p><b>Reasons for Resolution 2</b></p> <p>In comparison to other companies listed on the ASX, Entellect currently has a large number of shares on issue when considered in relation to the Company's market capitalisation. The consequence of this is that the market price per Entellect share traded on the ASX is relatively low.</p>

In the interests of its Shareholders, the Board believes that the Consolidation will establish a share price that is more appropriate for a listed entity of the Company's size.

The Board further believes that this will make the Company more attractive to potential investors. In addition, the Consolidation may have future potential cost saving benefits in terms of administrative costs.

### **Effect of Resolution 2 on Shareholders**

As at the date of this Explanatory Statement, the Company has 2,852,376,032 shares on issue.

The Consolidation proposed by Resolution 2 will have the effect of reducing the number of shares on issue to approximately 95,079,201 shares. Individual holdings will be reduced in accordance with the Consolidation ratio.

As the Consolidation applies equally to all members (subject only to the rounding of fractions), it will have no material effect on the percentage interest of each member in the Company. Further, the aggregate value of each member's proportional interest in the Company will not materially change solely as a result of the Consolidation as the only anticipated changes, which will be a result of rounding, will be immaterial.

Theoretically, the market price of each share following the Consolidation should increase by 30 times its current value. Practically, the actual effect on the market price of each share will be dependent upon on a number of factors which will not be within the control of the Company. Therefore, this may result in the market price of each share following Consolidation being higher or lower than the theoretical post-Consolidation price.

### **Effect of Resolution 2 on Option Holders, Convertible Note Holders and Performance Rights Holders**

#### **Option Holders**

The Company currently has a number of Options on issue. In accordance with ASX Listing Rule 7.22, and the terms of issue of the Options currently on issue, the Consolidation will involve a corresponding adjustment to Options, having the effect that the number of Options will reduce in proportion to the ordinary share capital and the exercise price will increase in inverse proportion to the Consolidation ratio. For the avoidance of doubt, this means that every 30 Options exercisable at \$0.001 each will instead become a single Option exercisable at \$0.30.

#### **Convertible Note Holders**

The Company also currently has a number of convertible notes on issue. In accordance with ASX Listing Rule 7.21, the Company may only undertake the Consolidation if, in respect of any convertible securities other than Options, the number of securities or the conversion price, or both, is reorganised so that the holders of the convertible securities will not receive a benefit that holders of ordinary shares do not receive. This rule does not prevent a rounding up of the number of securities to be received on conversion if the rounding up is approved at the meeting of Shareholders which approves the reorganisation.

Therefore, if this resolution is approved, every 30 Conversion Share Entitlements or Free Attaching Option Entitlements relating to convertible notes on issue in the Company on 28 May 2015 will be consolidated into 1 Conversion Share Entitlement or Free Attaching Option Entitlement.

	<p><b>Performance Right Holders</b></p> <p>The Company also currently has 89,000,000 performance rights on issue. In accordance with ASX Listing Rule 7.21, the Company may only undertake the Consolidation if the number of performance rights is reorganised so that the holders of the performance rights will not receive a benefit that holders of ordinary shares do not receive. This rule does not prevent a rounding up of the number of securities to be received on conversion if the rounding up is approved at the meeting of Shareholders which approves the reorganisation.</p> <p>Therefore, if this resolution is approved, every 30 performance rights will be consolidated into 1 performance right with the result that there will be 2,966,667 performance rights on issue.</p> <p><b>Fractional Entitlements</b></p> <p>Where a Shareholder's shareholding, an optionholder's Option holding, performance rights holder's performance rights holding or the Conversion Share Entitlements or Free Attaching Options is not a multiple of thirty, this will result in the fraction of a Share, Option, performance right or Conversion Share Entitlement or Free Attaching Option Entitlement following the Consolidation. It is proposed that each fraction of a share, option, performance right, Conversion Share Entitlement or Free Attaching Option Entitlement will be rounded to the nearest whole number after Consolidation, with exact half Shares or Options being rounded up and post-Consolidation holdings of less than one being rounded up.</p> <p><b>Timetable for Consolidation</b></p> <p>The Consolidation, if approved by Shareholders, will take effect from the date of the meeting.</p> <p><b>Holding Statements</b></p> <p>From the date of Consolidation, all holding statements for Shares, Options and performance rights will cease to have any effect, except as evidence of entitlement to a certain number of shares on a post-Consolidation basis. As soon as practicable after the Consolidation takes effect but no later than within 5 business days, the Company will arrange for new holding statements to be despatched to Shareholders and Option holders.</p> <p><b>Taxation implications</b></p> <p>It is not considered that any taxation implications for Shareholders will arise out of the Consolidation. However, Shareholders are advised to seek independent tax advice in relation to the effect of the Consolidation. Neither the Company nor the Board accept any responsibility for any individual taxation implications arising out of the Consolidation.</p>
<p><b>Board Recommendation</b></p>	<p>The Board believes that the Consolidation is fair and reasonable to the Company's Shareholders as a whole, and unanimously recommends that Shareholders vote in favour of Resolution 2.</p>
<p><b>Chairman's available proxies</b></p>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2.</p>

Resolutions 3 – 5A (inclusive)	Ratification of previous issue of securities
<p><b>Explanation</b></p>	<p>The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for previous issues of securities made by the Company during the last 12 months under the Company's capacity to issue Shares under ASX Listing Rule 7.1, which provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue shares during any 12 month period in excess of 15% of the number of shares on issue at the commencement of that 12 month period without Shareholder approval (<b>7.1 Capacity</b>).</p> <p>ASX Listing Rule 7.4 sets out an exception to the limitations on the Company's capacity to issue securities pursuant to its 7.1 Capacity, by permitting the ratification of previous issues of securities which were not made under a prescribed exception under ASX Listing Rule 7.2 or with Shareholder approval, provided that such issues did not breach the Company's 7.1 Capacity. If shareholders of a company approve the ratification of such previous issues of securities at a general meeting, those shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.</p> <p>ASX Listing Rule 7.4 permits the ratification of previous issues of securities made under a company's 7.1 Capacity.</p> <p>Accordingly, if Shareholders ratify the previous issues of securities made by Entellect by way of approving Resolutions 3 – 5A (inclusive), such securities will be deemed to have been issued with Shareholder approval for the purposes of ASX Listing Rules 7.1.</p>
<p><b>Reason for Resolutions 3 - 5A (inclusive)</b></p>	<p>The effect of the ratifications sought under Resolutions 3 – 5A (inclusive) in accordance with ASX Listing Rule 7.4 is the reinstatement of the Company's maximum 7.1 Capacity; this will effectively enable the Company to issue further Shares of up to 15% of the issued capital of the Company, if required, in the next 12 months without requiring Shareholder approval.</p>
<p><b>Voting Exclusions</b></p>	<p>Voting exclusions apply to each of Resolutions 3 – 5A (inclusive), as set out in the Notice.</p>
<p><b>Board Recommendation</b></p>	<p>The Directors believe that it is in the best interests of the Company that the Directors maintain their ability to issue up to 15% of the issued capital of the Company under ASX Listing Rule 7.1.</p> <p>The Directors consider it to be appropriate and prudent for approval to be sought at the Extraordinary General Meeting, in respect of the relevant issues of securities made by the Company in the last 12 months. The Directors believe this approval will enhance the Company's flexibility to raise equity capital, should the Directors consider that it is in the best interests of the Company to do so.</p> <p>In particular, the Directors note that if this approval is not obtained at the Extraordinary General Meeting, the Company may be required to incur additional costs and delay of convening an extraordinary general meeting of the Company if the Directors propose to issue securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2.</p> <p>On the basis of the foregoing, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 3 – 5A (inclusive).</p>



<b>Chairman's available proxies</b>	The Chairman of the Extraordinary General Meeting intends to vote all available proxies in favour of Resolutions 3 – 5A (inclusive).
<b>Specific information for Resolution 3 – Ratification of issue of December Convertible Notes and December Attaching Options</b>	
<b>Explanation</b>	<p>Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the assignment and variation of existing convertible notes. The effect of the variation for the was that the Company was required to utilise its existing capacity under ASX Listing Rule 7.1 to accommodate the issue of additional conversion shares, should those notes be converted. In addition, the Company issued a number of attaching Options to the new assignees of the existing (varied) convertible notes.</p> <p>The Company did not raise any funds through the assignment and variation of the convertible notes, but sought and received an extension of the maturity date of the notes. The Company raised \$200,000 through the initial issue of the original notes. Such funds have been applied to the Company's broader marketing of KNeoWORLD and on-going working capital requirements of the Company.</p> <p>Shareholder approval under ASX Listing Rule 7.1 was not required for the issue by the Company of the December Convertible Notes and December Attaching Options. The Company confirms that it was not in breach of ASX Listing Rule 7.1 at the time of the issue. However, the Company is now seeking that the issue of the varied December Convertible Notes and December Attaching Options be treated as having been made with Shareholder approval for the purposes of ASX Listing Rule 7.1, pursuant to ASX Listing Rule 7.4.</p>
<b>Effect of Shareholder approval</b>	If Shareholder approval is obtained under Resolution 3, the issue of the December Convertible Notes and the December Attaching Options, and any subsequent issue of Shares on conversion of the December Convertible Notes and exercise of the December Attaching Options, will be excluded from the calculation of the Company's 7.1 Capacity.
<b>Information required by ASX Listing Rule 7.5</b>	<p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p> <ul style="list-style-type: none"> <li>▪ <b>No. of securities issued and price at which they were issued –</b> <ul style="list-style-type: none"> <li>○ 4 varied December Convertible Notes were issued. The Company did not raise any funds through the assignment and variation of the convertible notes, but sought and received an extension of the maturity date of the notes. The Company raised \$200,000 through the initial issue of the original notes. The 4 December Convertible Notes are convertible into a maximum of 100,000,000 conversion Shares (3,333,333 conversion Shares on a post-Consolidation basis).</li> <li>○ 100,000,000 free December Attaching Options (3,333,333 December Attaching Options on a post-Consolidation basis) were issued for nil consideration to incentivise the December Convertible Note Holders. The December Attaching Options may be exercised into a maximum of 100,000,000 underlying Shares (3,333,333 Shares on a post- Consolidation basis).</li> </ul> </li> <li>▪ <b>Terms of the securities –</b> The terms and conditions of the December Convertible Notes and December Attaching Options are provided below.</li> </ul>

	<p><b>Recipient of issue</b> – The December Convertible Notes and December Attaching Options were issued to the December Convertible Note Holders.</p> <ul style="list-style-type: none"> <li>▪ <b>Use of funds raised</b> – The funds originally raised by the issue of the original convertible notes were applied to fund the Company's broader marketing of KNeoWORLD and on-going working capital requirements of the Company.</li> </ul>
<p><b>Terms and conditions of the Convertible Notes</b></p>	<p>The terms of the December Convertible Notes are summarised as follows:</p> <ol style="list-style-type: none"> <li>1. Each December Convertible Note has a face value of \$50,000;</li> <li>2. Each December Convertible Note is unsecured, non-transferable without Entellect's consent, and will not be listed on the ASX;</li> <li>3. Each December Convertible Note has a maturity date of 31 October 2015 (<b>Maturity Date</b>). The principal sum of the Convertible Note will be repayable upon expiry if not redeemed prior to that time;</li> <li>4. Each December Convertible Note entitles the holder to 25,000,000 free December Attaching Options (833,334 December Attaching Options on a post-Consolidation basis). See below for terms of the December Attaching Options;</li> <li>5. Each December Convertible Note bears interest at a rate of 10% per annum on the face value of the note if such interest is paid in cash; alternatively and at the note holder's election, the note will bear interest at 15% per annum on the face value of the note if interest is capitalised and paid out in shares. Interest will accrue and will be payable (whether in cash or shares) in arrears upon conversion or redemption;</li> <li>6. If the Company is suspended from listing on the ASX, and this is not rectified by the Company within 7 days, the December Convertible Note becomes immediately redeemable. Any amounts (whether principal or interest) unpaid in these circumstances will bear interest at 20% per annum;</li> <li>7. Conversion will occur at the election of the note holder. The number of conversion Shares issued will be calculated on the basis of the face value of the Convertible Note(s) divided by the conversion price of \$0.002 (post Consolidation \$0.06) (<b>Conversion Price</b>);</li> <li>8. The December Convertible Note must be redeemed by the Company at its issue price by the Maturity Date if it has not been converted by such date;</li> <li>9. The maximum number of Shares that may be issued upon conversion of the 4 December Convertible Notes is 100,000,000 Shares (3,333,333 Shares on a post-Consolidation basis), based on the Conversion Price of \$0.002 (\$0.06 on a post-Consolidation basis). The number of Shares to be issued as a result of conversion of the December Convertible Notes will be adjusted to reflect any bonus issues, capital returns or other reconstructions in the manner provided by the ASX Listing Rules. Shares issued on the conversion of the December Convertible Notes will have the same terms and rank equally in all respects with existing Shares in the Company. Entellect will apply to ASX for quotation of the conversion Shares.</li> <li>10. In the event that the conversion of a December Convertible Note would result in a breach of any law without the approval of a governmental agency</li> </ol>

	<p>or the shareholders of the Company, and such consent or approval is withheld or not forthcoming, then the sole remedy of the note holder will be to demand repayment of the issue price of each Convertible Note, within 10 days of the date of receipt of any such notice. In the event that the Company fails to repay the issue price, interest at the rate of 20% per annum, calculated daily, will accrue on the amount outstanding, from the date of the default in payment, to the date of repayment in full.</p>
<b>Terms of Attaching Options</b>	<p>The terms of the December Attaching Options are summarised as follows:</p> <ol style="list-style-type: none"> <li>1. Each December Attaching Option entitles its holder to acquire one Share in Entellect on the following terms: <ul style="list-style-type: none"> <li>▪ Exercise price: \$0.002 (post Consolidation \$0.06)</li> <li>▪ Expiry date: 31 October 2015 (being the Maturity Date of the December Convertible Notes)</li> </ul> </li> <li>2. The Company will not apply to ASX for quotation of the December Attaching Options.</li> <li>3. Shares issued on the exercise of the December Attaching Options will have the same terms and rank equally in all respects with existing Shares in the Company. Entellect will apply to ASX for quotation of the underlying Shares upon exercise of the December Attaching Options.</li> </ol>
<b>Specific information for Resolution 4 – Ratification of issue of January Convertible Note and January Attaching Options</b>	
<b>Explanation</b>	<p>Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of the January Convertible Note for an aggregate subscription price of \$50,000, and 25,000,000 free January Attaching Options, on 30 January 2015 pursuant to its 7.1 Capacity.</p> <p>In addition, the Company seeks Shareholder approval for the issue of 25,000,000 Shares (833,333 Shares on a post-Consolidation basis), being the maximum number of Shares that may be required to be issued on conversion of the Convertible Note, and the issue of 25,000,000 underlying Shares (833,333 Shares on a post-Consolidation basis), being the maximum number of Shares that may be required to be issued on exercise of the January Attaching Options.</p> <p>The Company raised \$50,000 through the issue of the January Convertible Notes, and the funds were applied to fund the Company's broader marketing of KNeoWORLD and on-going working capital requirements of the Company.</p> <p>Shareholder approval under ASX Listing Rule 7.1 was not required for the issue by the Company of the January Convertible Note and January Attaching Options. The Company confirms that it was not in breach of ASX Listing Rule 7.1 at the time of the issue. However, the Company is now seeking that the issue of the January Convertible Notes and January Attaching Options be treated as having been made with Shareholder approval for the purposes of ASX Listing Rule 7.1, pursuant to ASX Listing Rule 7.4.</p>
<b>Effect of Shareholder approval</b>	<p>If Shareholder approval is obtained under Resolution 4, the issue of the January Convertible Note and January Attaching Options will be excluded from Entellect's calculation of its 7.1 Capacity.</p>
<b>Information required by ASX Listing Rule 7.5</b>	<p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p>

	<ul style="list-style-type: none"> <li>▪ <b>No. of securities issued and price at which they were issued –</b> <ul style="list-style-type: none"> <li>○ 1 January Convertible Note was issued for a subscription price of \$50,000. The January Convertible Note is convertible into a maximum of 25,000,000 Shares (833,333 Shares on a post-Consolidation basis).</li> <li>○ 25,000,000 free January Attaching Options (833,333 January Attaching Options on a post-Consolidation basis) were issued for nil consideration to incentivise the January Convertible Note Holder.</li> </ul> </li> <li>▪ <b>Terms of the securities –</b> The terms and conditions of the January Convertible Note and Attaching Options are provided below.</li> <li>▪ <b>Recipient of issue –</b> The January Convertible Note and January Attaching Options were issued to the January Convertible Note Holders.</li> <li>▪ <b>Use of funds raised –</b> The funds originally raised by the issue of the January Convertible Note were applied to fund the Company’s broader marketing of KNeoWORLD and on-going working capital requirements of the Company.</li> </ul>
<p><b>Terms and Conditions of the Convertible note</b></p>	<p>The terms of the January Convertible Note are summarised as follows:</p> <ol style="list-style-type: none"> <li>1. The January Convertible Note has a face value of \$50,000;</li> <li>2. The January Convertible Note is unsecured, non-transferable without Entellect’s consent, and will not be listed on the ASX;</li> <li>3. The January Convertible Note has a maturity date of 31 March 2016 (<b>Maturity Date</b>). The principal sum of the January Convertible Note will be repayable upon expiry if not redeemed prior to that time;</li> <li>4. The January Convertible Note entitles the holder to 25,000,000 free January Attaching Options (833,333 January Attaching Options on a post-Consolidation basis). See below for terms of the January Attaching Options.</li> <li>5. The January Convertible Note bears interest at a rate of 10% per annum on the face value of the note if such interest is paid in cash; alternatively and at the note holder’s election, the note will bear interest at 15% per annum on the face value of the note if interest is capitalised and paid out in shares. Interest will accrue and will be payable (whether in cash or shares) in arrears upon conversion or redemption.</li> <li>6. If the Company is suspended from listing on the ASX, and this is not rectified by the Company within 7 days, the January Convertible Note becomes immediately redeemable. Any amounts (whether principal or interest) unpaid in these circumstances will bear interest at 20% per annum;</li> <li>7. Conversion will occur at the election of the note holder. The number of conversion Shares issued will be calculated on the basis of the face value of the Convertible Note(s) divided by the conversion price of \$0.002 (post Consolidation \$0.06) (<b>Conversion Price</b>);</li> <li>8. The January Convertible Note must be redeemed by the Company at its issue price by the Maturity Date if it has not been converted by such date;</li> <li>9. The maximum number of Shares that may be issued upon conversion of</li> </ol>

	<p>the January Convertible Note is 25,000,000 Shares (833,333 Shares on a post-Consolidation basis) based on the Conversion Price of \$0.002 (post Consolidation \$0.06). The number of Shares to be issued as a result of conversion of the January Convertible Note will be adjusted to reflect any bonus issues, capital returns or other reconstructions in the manner provided by the ASX Listing Rules. Shares issued on the conversion of the Convertible Notes will have the same terms and rank equally in all respects with existing Shares in the Company. Entellect will apply to ASX for quotation of the conversion Shares.</p> <p>10. In the event that the conversion of the January Convertible Note would result in a breach of any law without the approval of a governmental agency or the shareholders of the Company, and such consent or approval is withheld or not forthcoming, then the sole remedy of the note holder will be to demand repayment of the issue price of the January Convertible Note, within 10 days of the date of receipt of any such notice. In the event that the Company fails to repay the issue price, interest at the rate of 20% per annum, calculated daily, will accrue on the amount outstanding, from the date of the default in payment, to the date of repayment in full.</p>
<p><b>Terms of Attaching Option</b></p>	<p>The terms of the January Attaching Options are summarised as follows:</p> <ol style="list-style-type: none"> <li>1. Each January Attaching Option entitles its holder to acquire one Share in Entellect on the following terms: <ul style="list-style-type: none"> <li>▪ Exercise price: \$0.002 (post Consolidation \$0.06)</li> <li>▪ Expiry date: 31 March 2016 (being the Maturity Date of the Convertible Notes)</li> </ul> </li> <li>2. The Company will not apply to ASX for quotation of the January Attaching Options.</li> </ol> <p>Shares issued on the exercise of the January Attaching Options will have the same terms and rank equally in all respects with existing Shares in the Company. Entellect will apply to ASX for quotation of the underlying Shares upon exercise of the January Attaching Options.</p>
<p><b>Specific information for Resolution 5A – Ratification of issue of February Convertible Notes</b></p>	
<p><b>Explanation</b></p>	<p>Resolution 5A seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 4 February Convertible Notes for an aggregate subscription price of \$200,000, on 17 February 2015 pursuant to its 7.1 Capacity.</p> <p>In addition, the Company seeks Shareholder approval for the issue of 200,000,000 Shares (6,666,667 Shares on a post-Consolidation basis), being the maximum number of Shares that may be required to be issued on conversion of the February Convertible Notes.</p> <p>The Company raised \$200,000 through the issue of the February Convertible Notes, and the funds were applied to fund the Company’s broader marketing of KNeoWORLD and on-going working capital requirements of the Company.</p> <p>Shareholder approval under ASX Listing Rule 7.1 was not required for the issue by the Company of the February Convertible Notes. The Company confirms that it was not in breach of ASX Listing Rule 7.1 at the time of the issue. However, the Company is now seeking that the issue of the February Convertible Notes be treated as having been made with Shareholder approval for the purposes of ASX Listing Rule 7.1, pursuant to ASX Listing Rule 7.4.</p>

<p><b>Effect of Shareholder approval</b></p>	<p>If Shareholder approval is obtained under Resolution 5A, the issue of the February Convertible Notes will be excluded from Entellect's calculation of its 7.1 Capacity.</p>
<p><b>Information required by ASX Listing Rule 7.5</b></p>	<p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p> <ul style="list-style-type: none"> <li>▪ <b>No. of securities issued and price at which they were issued</b> – <ul style="list-style-type: none"> <li>○ 4 February Convertible Notes were issued, each for a subscription price of \$50,000 (total subscription price: \$200,000). The 4 Convertible Notes are convertible into a maximum of 200,000,000 Shares (6,666,667 Shares on a post-Consolidation basis).</li> </ul> </li> <li>▪ <b>Terms of the securities</b> – The terms and conditions of the February Convertible Notes are provided below.</li> <li>▪ <b>Recipient of issue</b> – The February Convertible Notes were issued to the February Convertible Note Holders.</li> <li>▪ <b>Use of funds raised</b> – The funds raised by the issue of the February Convertible Notes were applied to fund the Company's broader marketing of KNeoWORLD and on-going working capital requirements of the Company.</li> </ul>
<p><b>Terms and Conditions of the Convertible notes</b></p>	<p>The terms of the February Convertible Notes are summarised as follows:</p> <ol style="list-style-type: none"> <li>1. Each February Convertible Note has a face value of \$50,000;</li> <li>2. The February Convertible Notes are unsecured, non-transferable without Entellect's consent, and will not be listed on the ASX;</li> <li>3. The February Convertible Notes have a maturity date of 31 March 2016 (<b>Maturity Date</b>). The principal sum of the February Convertible Notes will be repayable upon expiry if not redeemed prior to that time;</li> <li>4. Each February Convertible Note entitles its holder to receive 50,000,000 free February Attaching Options (1,666,667 February Attaching Options on a post-Consolidation basis), which are the subject of Resolution 5B.</li> <li>5. The February Convertible Notes bear interest at a rate of 10% per annum on the face value of each note if such interest is paid in cash; alternatively and at the note holder's election, the note will bear interest at 15% per annum on the face value of the note if interest is capitalised and paid out in shares. Interest will accrue and will be payable (whether in cash or shares) in arrears upon conversion or redemption.</li> <li>6. If the Company is suspended from listing on the ASX, and this is not rectified by the Company within 7 days, the February Convertible Note becomes immediately redeemable. Any amounts (whether principal or interest) unpaid in these circumstances will bear interest at 20% per annum;</li> <li>7. Conversion will occur at the election of the note holder. The number of conversion Shares issued will be calculated on the basis of the face value of the February Convertible Note(s) divided by the conversion price of \$0.001 (post Consolidation \$0.03) (<b>Conversion Price</b>);</li> </ol>

	<p>8. The February Convertible Note must be redeemed by the Company at its issue price by the Maturity Date if it has not been converted by such date;</p> <p>9. The maximum number of Shares that may be issued upon conversion of the 4 February Convertible Notes is 200,000,000 Shares (6,666,667 Shares on a post-Consolidation basis), based on the Conversion Price of \$0.001 (post Consolidation \$0.03). The number of Shares to be issued as a result of conversion of the February Convertible Notes will be adjusted to reflect any bonus issues, capital returns or other reconstructions in the manner provided by the ASX Listing Rules. Shares issued on the conversion of the February Convertible Notes will have the same terms and rank equally in all respects with existing Shares in the Company. Entellect will apply to ASX for quotation of the conversion Shares.</p> <p>10. In the event that the conversion of a February Convertible Note would result in a breach of any law without the approval of a governmental agency or the shareholders of the Company, and such consent or approval is withheld or not forthcoming, then the sole remedy of the note holder will be to demand repayment of the issue price of each February Convertible Note, within 10 days of the date of receipt of any such notice. In the event that the Company fails to repay the issue price, interest at the rate of 20% per annum, calculated daily, will accrue on the amount outstanding, from the date of the default in payment, to the date of repayment in full.</p>
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Resolution 5B	Approval of issue of February Attaching Options		
<b>Explanation</b>	<p>Under the terms of the issue of the February Convertible Notes, the Company agreed to issue to the February Convertible Note Holders free attaching options on the basis of one February Attaching Option for each Share that the note holder would be entitled to receive upon conversion of the February Convertible Note. The issue of the February Attaching Options was subject to Shareholder approval obtained at this Extraordinary General Meeting.</p> <p>Resolution 5B, which is an ordinary resolution, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 200,000,000 February Attaching Options, (6,666,667 February Attaching Options on a post-Consolidation basis) for nil consideration. The February Attaching Options will be exercisable at \$0.001 (\$0.03 on a post-Consolidation basis) each on or before 31 March 2016.</p>		
<b>Reason for Resolution 5B</b>	<p>The effect of Resolution 5B will be to allow the Company to issue up the February Attaching Options during the period of 3 months after the Extraordinary General Meeting (or a longer period if allowed by ASX) without using the Company's 7.1 Capacity.</p>		
<b>Specific information required by ASX Listing Rule 7.3</b>	<p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;"><b>Maximum no. of securities to be issued</b></td> <td>200,000,000 February Attaching Options, (6,666,667 February Attaching Options on a post-Consolidation basis); these numbers may vary due to fractional roundings.</td> </tr> </table>	<b>Maximum no. of securities to be issued</b>	200,000,000 February Attaching Options, (6,666,667 February Attaching Options on a post-Consolidation basis); these numbers may vary due to fractional roundings.
<b>Maximum no. of securities to be issued</b>	200,000,000 February Attaching Options, (6,666,667 February Attaching Options on a post-Consolidation basis); these numbers may vary due to fractional roundings.		

	<p><b>Date by which securities will be issued</b></p> <p>If Shareholder approval is obtained for Resolution 5B, the Company will issue the February Attaching Options as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).</p> <p><b>Issue price per security</b></p> <p>In accordance with the terms of the issue of the February Convertible Notes, the February Attaching Options will be issued for nil consideration as free attaching Options to the February Convertible Notes.</p> <p><b>Basis on which allottees will be determined</b></p> <p>The Options will be issued to the February Convertible Note Holders (who are various sophisticated and professional investors who were new investors introduced by Entellect’s advisers and existing Shareholders, none of which are related parties of the Company) and/or their nominees.</p> <p><b>Terms of securities</b></p> <p>The February Attaching Options will be exercisable at \$0.001 (post Consolidation \$0.03) each on or before 31 March 2016. The Company will not apply to ASX for quotation of the Options. The underlying shares issued upon the exercise of the Options will rank equally with all existing Shares on issue in the Company.</p> <p><b>Use of funds raised</b></p> <p>The February Attaching Options are to be issued as free attaching Options, on the basis of 1 Option for every Share that the February Convertible Note Holder would be entitled to receive upon conversion of the February Convertible Note. Accordingly, whilst the Company raised \$200,000 under through the issue of the February Convertible Notes, no funds will be raised directly from the issue of the February Attaching Options.</p> <p>In the event that any funds are raised by the exercise of the February Attaching Options prior to their expiry date of 31 March 2016, the Company expects that it will apply such funds towards its general working capital requirements.</p> <p><b>Voting Exclusion Statement</b></p> <p>A voting exclusion statement applies to this item of business, as set out in the Notice.</p>
<p><b>Board Recommendation</b></p>	<p>As stated above, the Directors believe that it is in the best interests of the Company to preserve its 7.1 Capacity. In addition, the Directors note that the exercise of the February Attaching Options will provide a source of revenue for the Company whilst further aligning the interests of the February Convertible Note Holders with that of existing Shareholders. On the basis of the foregoing, the Directors unanimously recommend that Shareholders vote in favour of Resolution 5B.</p>
<p><b>Chairman’s available proxies</b></p>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 5B.</p>



Resolution 6	Approval of issue of New Convertible Notes
<p><b>Explanation</b></p>	<p>Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of:</p> <p>(a) up to 4 New Convertible Notes, each with a face value of \$25,000 (aggregate face value: \$100,000); and</p> <p>(b) up to 100,000,000 (3,333,333 post Consolidation) New Attaching Options as free attaching Options to the New Convertible Notes, on the basis that 25,000,000 (833,333 post Consolidation) New Attaching Options attach to each New Convertible Note,</p> <p>as soon as is practicable after the Extraordinary General Meeting, and in any event within 3 months after the Extraordinary General Meeting (or a longer period if allowed by ASX) without using the Company's 15% placement capacity under ASX Listing Rule 7.1.</p> <p>Each New Convertible Note will be convertible into a maximum of 25,000,000 (833,333 post Consolidation) New Conversion Shares (being an aggregate of 100,000,000 New Conversion Shares; or 3,333,333 post Consolidation).</p> <p>The New Convertible Notes will be issued to the New Convertible Note Holders, who are professional and sophisticated investors, for an aggregate value of \$100,000 for the purposes of providing working capital for the Company.</p>
<p><b>Purpose of funds raised</b></p>	<p>The funds raised by the issue of the New Convertible Notes will be applied to fund the Company's broader marketing of KNeoWORLD and on-going working capital requirements of the Company.</p>
<p><b>ASX Listing Rules</b></p>	<p>ASX Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.</p> <p>The effect of Resolution 6 will be to allow the Company to issue the New Convertible Notes, the New Attaching Options, and underlying New Conversion Shares without using the Company's 15% placement capacity.</p>
<p><b>Information required by ASX Listing Rule 7.3</b></p>	<p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders:</p> <p><b>Maximum no. of securities to be issued</b>                      4 New Convertible Notes, each with a face value of \$25,000 (aggregate face value: \$100,000), and 100,000,000 (3,333,333 post Consolidation) New Attaching Options, on the basis that 25,000,000 (833,333 post Consolidation) New Attaching Options attach to each New Convertible Note.</p> <p><b>Date by which securities will be issued</b>                      The Company will issue the New Convertible Notes as soon as is practicable after the Extraordinary General Meeting, and in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow). The New Attaching Options will be issued on the same date that the New Convertible Notes are issued.</p>

	<p><b>Issue price per security</b> The New Convertible Notes will be issued at a subscription price of \$25,000 per note (aggregate subscription price: \$100,000). The New Attaching Options will be issued as free attaching options for nil consideration.</p> <p><b>Recipient of issue</b> The Conversion Securities will be issued to the New Convertible Note Holders, who are sophisticated and professional investors as follows:</p> <ul style="list-style-type: none"> <li>▪ 2 New Convertible Notes and 50,000,000 (1,666,667 on a post-Consolidation basis) New Attaching Options, with 50,000,000 (1,666,667 on a post-Consolidation basis) underlying New Conversion Shares to Matthew Hayne; and</li> <li>▪ 2 New Convertible Notes and 50,000,000 (1,666,667 on a post-Consolidation basis) New Attaching Options, with 50,000,000 (1,666,667 on a post-Consolidation basis) underlying New Conversion Shares to Alpha Securities Pty Ltd.</li> </ul> <p><b>Terms of securities</b> A summary of the terms of the New Convertible Notes, the New Attaching Options, and the New Conversion Shares is provided below.</p> <p><b>Use of funds raised</b> The funds raised by the issue of the New Convertible Notes will be applied to fund the Company's broader marketing of KNeoWORLD and on-going working capital requirements of the Company. There will be no funds raised through the issue of the New Attaching Options.</p> <p><b>Voting Exclusion Statement</b> A voting exclusion statement applies to this item of business, as set out in the Notice.</p>
<p><b>Terms of New Convertible Notes</b></p>	<p>The terms of the New Convertible Notes are summarised as follows:</p> <ol style="list-style-type: none"> <li>1. Each New Convertible Note has a face value of \$25,000;</li> <li>2. Each New Convertible Note is unsecured, non-transferable without Entellect's consent, and will not be listed on the ASX;</li> <li>3. Each New Convertible Note has a maturity date of 31 March 2016 (<b>Maturity Date</b>). The principal sum of the New Convertible Note will be repayable upon expiry if not redeemed prior to that time;</li> <li>4. Each New Convertible Note entitles its holder to 25,000,000 free New Attaching Options (833,333 on a post-Consolidation basis) (see below for terms of the New Attaching Options).</li> <li>5. Each New Convertible Note bears interest at a rate of 10% per annum on the face value of the note if such interest is paid in cash; alternatively and at the note holder's election, the note will bear interest at 15% per annum on the face value of the note if interest is capitalised and paid out in shares. Interest will accrue and will be payable (whether in cash or shares) in arrears upon conversion or redemption.</li> <li>6. If the Company is suspended from listing on the ASX, and this is not rectified by the Company within 7 days, the New Convertible Note becomes</li> </ol>

	<p>immediately redeemable. Any amounts (whether principal or interest) unpaid in these circumstances will bear interest at 20% per annum;</p> <p>7. Conversion will occur at the election of the note holder. The number of conversion shares issued will be calculated on the basis of the face value of the New Convertible Note(s) divided by the conversion price of \$0.001 (post-Consolidation \$0.03) (<b>Conversion Price</b>);</p> <p>8. The New Convertible Note must be redeemed by the Company at its issue price by the Maturity Date if it has not been converted by such date;</p> <p>9. The maximum number of shares that may be issued upon conversion of the New Convertible Notes, assuming that all 4 New Convertible Notes are issued, is 100,000,000 (3,333,333 post Consolidation) New Conversion Shares, based on the Conversion Price of \$0.001 (\$0.03 post Consolidation). The number of New Conversion Shares to be issued as a result of conversion of the New Convertible Notes will be adjusted to reflect any bonus issues, capital returns or other reconstructions in the manner provided by the ASX Listing Rules. Shares issued on the conversion of the New Convertible Notes will have the same terms and rank equally in all respects with existing Shares in the Company. Entellect will apply to ASX for quotation of the New Conversion Shares.</p> <p>10. In the event that the conversion of a New Convertible Note would result in a breach of any law without the approval of a governmental agency or the shareholders of the Company, and such consent or approval is withheld or not forthcoming, then the sole remedy of the note holder will be to demand repayment of the issue price of each New Convertible Note, within 10 days of the date of receipt of any such notice. In the event that the Company fails to repay the issue price, interest at the rate of 20% per annum, calculated daily, will accrue on the amount outstanding, from the date of the default in payment, to the date of repayment in full.</p>
<b>Terms of New Attaching Options</b>	<p>The New Attaching Options will be issued for nil consideration on the date that the New Convertible Notes are issued.</p> <p>Each New Attaching Option will entitle its holder to acquire one Share in Entellect on the following terms:</p> <ul style="list-style-type: none"> <li>▪ Exercise price: \$0.001 (\$0.03 post Consolidation)</li> <li>▪ Expiry date: 31 March 2016.</li> </ul> <p>The Company will not apply to ASX for quotation of the New Attaching Options and the underlying Shares issued upon the exercise of the New Attaching Options will rank equally with all existing Shares on issue in the Company.</p>
<b>Board Recommendation</b>	<p>As stated above, the Directors believe that it is in the best interests of the Company to preserve its 7.1 Capacity in issuing the New Convertible Notes and New Attaching Options. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 6.</p>
<b>Chairman's available proxies</b>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 6.</p>

Resolution 7	Approval of issue of Shares to Dr Nigel Finch in lieu of Director's fees
<p><b>Explanation</b></p>	<p>Dr Nigel Finch is currently entitled to receive cash remuneration of \$36,078.00 for his past services to the Company as Non-Executive Director during May 2014 to February 2015.</p> <p>The Directors previously resolved that due to challenging market conditions and in order to preserve the Company's funds, a portion of Non-Executive Directors fees would not be taken in cash but would instead be accrued and paid in Shares, subject to obtaining the prior approval of Shareholders. This was deemed by the Board as an appropriate and responsible measure to reduce the cash burn rate of the Company, which concurrently sought to further align the interests of the Non-Executive Directors with that of Shareholders.</p> <p>Effective upon the date of his resignation as a Director of the Company on 13 February 2015, the fees which have accrued and are owing to Dr Finch are \$36,078.00.</p> <p>The Share issue proposed under Resolution 7 is the result of the agreement of Dr Finch to forego cash payments for his normal remuneration as a Non-Executive Director of the Company and do not constitute additional payments to him.</p> <p>The Shares proposed to be issued to Dr Finch will be issued at a deemed issue price of \$0.001349 per Share (or \$0.04047 post Consolidation), and the deemed value of the Shares to be issued to Dr Finch will be \$36,078.00. The deemed issue price of \$0.001349 has been calculated on the basis of the volume weighted average price for the Company's shares on a pre-Consolidation basis in the months in which Dr Finch's Directors fees would have otherwise been payable, i.e. May 2014 to February 2015.</p> <p>Where Shareholder approval is received for Resolution 7 and the Company issues the Shares the subject of that resolution to Dr Finch, there will be no outstanding fees owed by the Company to Dr Finch.</p> <p>An alternative to the issue of the Shares to Dr Finch would be to make full payment of his outstanding Directors' fees in cash. However, given the current stage of development of the Company, and the necessity for cash resources to be preserved and directed into the growth of the Company's business, the Board considers the issue of the Shares to be an appropriate cash-free method of remunerating Dr Finch for his commitment and contribution to the Company.</p> <p>The Shares are to be issued to Dr Finch or his nominee(s) in lieu of his outstanding Director's fees, and as such the Shares will be issued for nil consideration and no funds will be raised as a result.</p>
<p><b>Approval not sought under Chapter 2E of the Corporations Act</b></p>	<p>For the purposes of Chapter 2E, Dr Finch is a related party of the Company by virtue of section 228(2) of the Corporations Act.</p> <p>A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act. The exceptions to the general prohibition are where the benefit is given with the approval of shareholders or the benefit is given in one or more of the limited circumstances in which the giving of a financial benefit to a related party of a public company is permitted.</p> <p>One exception to the general rule is where the benefit constitutes "reasonable remuneration" in respect of the duties and responsibilities of the related party in the management of the public company. In the view of the Board, the issue of the Shares to Dr Finch in lieu of his foregone cash fees constitutes "reasonable</p>

	<p>remuneration" and, as the provision of such benefits is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider the Company is required to seek shareholder approval under Chapter 2E of the Corporations Act in order to give Dr Finch the financial benefit that is inherent in the issue to him of the Shares.</p>														
<p><b>Reason for Resolution 7</b></p>	<p>ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of securities to a related party of the company. Whilst Dr Finch is no longer a director of the Company, he is still considered a related party of the Company as he was a Director of the Company in the past six months, and accordingly Resolution 7 seeks the Shareholder approval required by ASX Listing Rule 10.11 to allow the issue of Shares to Dr Finch.</p> <p>If Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1, and the Shares issued pursuant Resolutions 7 will not be included in the calculation of the Company's 7.1 Capacity.</p>														
<p><b>Specific information required by ASX Listing Rule 10.13</b></p>	<p>In accordance with ASX Listing Rule 10.13, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 10.11, the following information is provided to shareholders:</p> <table border="0" data-bbox="469 882 1420 2011"> <tr> <td data-bbox="469 882 762 972"><b>Maximum no. of securities to be issued</b></td> <td data-bbox="769 882 1420 972">26,744,255 Shares if the Consolidation in Resolution 2 is not approved; or 891,475 Shares if the Consolidation in Resolution 2 is approved.</td> </tr> <tr> <td data-bbox="469 1039 762 1128"><b>Date by which securities will be issued</b></td> <td data-bbox="769 1039 1420 1218">If Shareholder approval is obtained for Resolution 7, the Company will issue the Shares as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 1 month after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).</td> </tr> <tr> <td data-bbox="469 1263 762 1330"><b>Issue price per security</b></td> <td data-bbox="769 1263 1420 1352">The Shares will be issued at nil cash consideration and at a deemed issue price of \$0.001349 (or \$0.04047 post Consolidation).</td> </tr> <tr> <td data-bbox="469 1442 762 1487"><b>Recipient of issue</b></td> <td data-bbox="769 1420 1420 1576">26,744,255 Shares if the Consolidation in Resolution 2 is not approved; or 891,475 Shares if the Consolidation in Resolution 2 is approved, will be issued to Dr Finch or his nominee(s) under Resolution 7.</td> </tr> <tr> <td data-bbox="469 1599 762 1644"><b>Terms of securities</b></td> <td data-bbox="769 1599 1420 1688">The Shares are fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</td> </tr> <tr> <td data-bbox="469 1711 762 1756"><b>Use of funds raised</b></td> <td data-bbox="769 1711 1420 1912">No funds will be raised by the issue of Shares to Dr Finch or his nominee(s), although the Company's liability to Dr Finch in relation to his accrued outstanding Directors' fees will be fully and finally satisfied by the issue of the Shares, thus preserving the Company's cash to that extent.</td> </tr> <tr> <td data-bbox="469 1935 762 2002"><b>Voting Exclusion Statement</b></td> <td data-bbox="769 1935 1420 2002">A voting exclusion statement applies to this item of business, as set out in the Notice.</td> </tr> </table>	<b>Maximum no. of securities to be issued</b>	26,744,255 Shares if the Consolidation in Resolution 2 is not approved; or 891,475 Shares if the Consolidation in Resolution 2 is approved.	<b>Date by which securities will be issued</b>	If Shareholder approval is obtained for Resolution 7, the Company will issue the Shares as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 1 month after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).	<b>Issue price per security</b>	The Shares will be issued at nil cash consideration and at a deemed issue price of \$0.001349 (or \$0.04047 post Consolidation).	<b>Recipient of issue</b>	26,744,255 Shares if the Consolidation in Resolution 2 is not approved; or 891,475 Shares if the Consolidation in Resolution 2 is approved, will be issued to Dr Finch or his nominee(s) under Resolution 7.	<b>Terms of securities</b>	The Shares are fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.	<b>Use of funds raised</b>	No funds will be raised by the issue of Shares to Dr Finch or his nominee(s), although the Company's liability to Dr Finch in relation to his accrued outstanding Directors' fees will be fully and finally satisfied by the issue of the Shares, thus preserving the Company's cash to that extent.	<b>Voting Exclusion Statement</b>	A voting exclusion statement applies to this item of business, as set out in the Notice.
<b>Maximum no. of securities to be issued</b>	26,744,255 Shares if the Consolidation in Resolution 2 is not approved; or 891,475 Shares if the Consolidation in Resolution 2 is approved.														
<b>Date by which securities will be issued</b>	If Shareholder approval is obtained for Resolution 7, the Company will issue the Shares as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 1 month after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).														
<b>Issue price per security</b>	The Shares will be issued at nil cash consideration and at a deemed issue price of \$0.001349 (or \$0.04047 post Consolidation).														
<b>Recipient of issue</b>	26,744,255 Shares if the Consolidation in Resolution 2 is not approved; or 891,475 Shares if the Consolidation in Resolution 2 is approved, will be issued to Dr Finch or his nominee(s) under Resolution 7.														
<b>Terms of securities</b>	The Shares are fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.														
<b>Use of funds raised</b>	No funds will be raised by the issue of Shares to Dr Finch or his nominee(s), although the Company's liability to Dr Finch in relation to his accrued outstanding Directors' fees will be fully and finally satisfied by the issue of the Shares, thus preserving the Company's cash to that extent.														
<b>Voting Exclusion Statement</b>	A voting exclusion statement applies to this item of business, as set out in the Notice.														

<b>Board Recommendation</b>	As stated above, the Directors believe that it is in the best interests of the Company to preserve its 7.1 Capacity. The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 7.

<b>Resolution 8</b>	<b>Approval of issue of Pebble Bay Professional Services Shares</b>												
<b>Explanation</b>	Resolution 8, which is an ordinary resolution, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 40,500,000 Shares if the Consolidation in Resolution 2 is not approved, or 1,350,000 Shares if the Consolidation in Resolution 2 is approved, to Pebble Bay Capital Pte Ltd in lieu of fees payable to Pebble Bay Capital for professional services provided to the Company, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.												
<b>Reason for Resolution 8</b>	The effect of Resolution 8 will be to allow the Company to issue the Pebble Bay Professional Services Shares during the period of 3 months after the Extraordinary General Meeting (or a longer period if allowed by ASX) without using the Company's 7.1 Capacity.												
<b>Specific information required by ASX Listing Rule 7.3</b>	<p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders:</p> <table border="0"> <tr> <td><b>Maximum no. of securities to be issued</b></td> <td>40,500,000 Shares if the Consolidation in Resolution 2 is not approved, or 1,350,000 Shares if the Consolidation in Resolution 2 is approved.</td> </tr> <tr> <td><b>Date by which securities will be issued</b></td> <td>If Shareholder approval is obtained for Resolution 8, the Company will issue the Pebble Bay Professional Services Shares as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).</td> </tr> <tr> <td><b>Issue price per security</b></td> <td>The Pebble Bay Professional Services Shares will be issued at nil cash consideration and at a deemed issue price of \$0.001 (\$0.03 post Consolidation).</td> </tr> <tr> <td><b>Recipient of issue</b></td> <td>The Pebble Bay Professional Services Shares will be issued to Pebble Bay Capital Pte Ltd.</td> </tr> <tr> <td><b>Terms of securities</b></td> <td>The Pebble Bay Professional Services Shares are fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</td> </tr> <tr> <td><b>Use of funds raised</b></td> <td>No funds will be raised from the issue of the Pebble Bay Professional Services Shares as they are being issued for nil cash consideration but as consideration for the services provided by Pebble Bay Capital Pte Ltd.</td> </tr> </table>	<b>Maximum no. of securities to be issued</b>	40,500,000 Shares if the Consolidation in Resolution 2 is not approved, or 1,350,000 Shares if the Consolidation in Resolution 2 is approved.	<b>Date by which securities will be issued</b>	If Shareholder approval is obtained for Resolution 8, the Company will issue the Pebble Bay Professional Services Shares as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).	<b>Issue price per security</b>	The Pebble Bay Professional Services Shares will be issued at nil cash consideration and at a deemed issue price of \$0.001 (\$0.03 post Consolidation).	<b>Recipient of issue</b>	The Pebble Bay Professional Services Shares will be issued to Pebble Bay Capital Pte Ltd.	<b>Terms of securities</b>	The Pebble Bay Professional Services Shares are fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.	<b>Use of funds raised</b>	No funds will be raised from the issue of the Pebble Bay Professional Services Shares as they are being issued for nil cash consideration but as consideration for the services provided by Pebble Bay Capital Pte Ltd.
<b>Maximum no. of securities to be issued</b>	40,500,000 Shares if the Consolidation in Resolution 2 is not approved, or 1,350,000 Shares if the Consolidation in Resolution 2 is approved.												
<b>Date by which securities will be issued</b>	If Shareholder approval is obtained for Resolution 8, the Company will issue the Pebble Bay Professional Services Shares as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).												
<b>Issue price per security</b>	The Pebble Bay Professional Services Shares will be issued at nil cash consideration and at a deemed issue price of \$0.001 (\$0.03 post Consolidation).												
<b>Recipient of issue</b>	The Pebble Bay Professional Services Shares will be issued to Pebble Bay Capital Pte Ltd.												
<b>Terms of securities</b>	The Pebble Bay Professional Services Shares are fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.												
<b>Use of funds raised</b>	No funds will be raised from the issue of the Pebble Bay Professional Services Shares as they are being issued for nil cash consideration but as consideration for the services provided by Pebble Bay Capital Pte Ltd.												

	<p><b>Voting Exclusion Statement</b>      A voting exclusion statement applies to this item of business, as set out in the Notice.</p>										
<b>Resolution 9</b>	<b>Approval of issue of Consolidated Investments Professional Services Shares</b>										
<b>Explanation</b>	Resolution 9, which is an ordinary resolution, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 10,000,000 Shares and 10,000,000 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is not approved, or 333,333 Shares and 333,333 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is approved, to Consolidated Investments Pty Ltd in lieu of fees payable to Consolidated Investments Pty Ltd for professional services provided to the Company, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.										
<b>Reason for Resolution 9</b>	The effect of Resolution 9 will be to allow the Company to issue the Consolidated Investments Professional Services Shares during the period of 3 months after the Extraordinary General Meeting (or a longer period if allowed by ASX) without using the Company's 7.1 Capacity.										
<b>Specific information required by ASX Listing Rule 7.3</b>	<p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders:</p> <table border="0"> <tr> <td><b>Maximum no. of securities to be issued</b></td> <td>10,000,000 Shares and 10,000,000 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is not approved, or 333,333 Shares and 333,333 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is approved.</td> </tr> <tr> <td><b>Date by which securities will be issued</b></td> <td>If Shareholder approval is obtained for Resolution 9, the Company will issue the Consolidated Investments Professional Services Shares and free Consolidated Investments Professional Services Attaching Options as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).</td> </tr> <tr> <td><b>Issue price per security</b></td> <td>The Consolidated Investments Professional Services Shares will be issued for \$0.001 per Share (\$0.03 post Consolidation). The Proposed Placement Attaching Options will be issued for nil cash consideration as free attaching Options to the Consolidated Investments Professional Services Shares on a 1-for-1 basis.</td> </tr> <tr> <td><b>Recipient of issue</b></td> <td>The Consolidated Investments Professional Services Shares will be issued to Consolidated Investments Pty Ltd.</td> </tr> <tr> <td><b>Terms of securities</b></td> <td>The Consolidated Investments Professional Services Shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</td> </tr> </table>	<b>Maximum no. of securities to be issued</b>	10,000,000 Shares and 10,000,000 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is not approved, or 333,333 Shares and 333,333 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is approved.	<b>Date by which securities will be issued</b>	If Shareholder approval is obtained for Resolution 9, the Company will issue the Consolidated Investments Professional Services Shares and free Consolidated Investments Professional Services Attaching Options as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).	<b>Issue price per security</b>	The Consolidated Investments Professional Services Shares will be issued for \$0.001 per Share (\$0.03 post Consolidation). The Proposed Placement Attaching Options will be issued for nil cash consideration as free attaching Options to the Consolidated Investments Professional Services Shares on a 1-for-1 basis.	<b>Recipient of issue</b>	The Consolidated Investments Professional Services Shares will be issued to Consolidated Investments Pty Ltd.	<b>Terms of securities</b>	The Consolidated Investments Professional Services Shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.
<b>Maximum no. of securities to be issued</b>	10,000,000 Shares and 10,000,000 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is not approved, or 333,333 Shares and 333,333 free Consolidated Investments Professional Services Attaching Options if the Consolidation in Resolution 2 is approved.										
<b>Date by which securities will be issued</b>	If Shareholder approval is obtained for Resolution 9, the Company will issue the Consolidated Investments Professional Services Shares and free Consolidated Investments Professional Services Attaching Options as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).										
<b>Issue price per security</b>	The Consolidated Investments Professional Services Shares will be issued for \$0.001 per Share (\$0.03 post Consolidation). The Proposed Placement Attaching Options will be issued for nil cash consideration as free attaching Options to the Consolidated Investments Professional Services Shares on a 1-for-1 basis.										
<b>Recipient of issue</b>	The Consolidated Investments Professional Services Shares will be issued to Consolidated Investments Pty Ltd.										
<b>Terms of securities</b>	The Consolidated Investments Professional Services Shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.										

	<p>The Consolidated Investments Professional Services Attaching Options will be exercisable at \$0.002 (\$0.06 post Consolidation) each on or before 31 March 2016; the Company will not apply to ASX for quotation of the Options. The underlying shares issued upon the exercise of the Options will rank equally with all existing Shares on issue in the Company.</p>
<b>Use of funds raised</b>	No funds will be raised from the issue of the Consolidated Investments Professional Services Shares or the free Consolidated Investments Professional Services Attaching Options as they are being issued for nil cash consideration but as consideration for the services provided by Consolidated Investments Pty Ltd.
<b>Voting Exclusion Statement</b>	A voting exclusion statement applies to this item of business, as set out in the Notice.

<b>Resolution 10</b>	<b>Approval of issue of Proposed Placement Securities under Proposed Placement</b>								
<b>Explanation</b>	Resolution 10, which is an ordinary resolution, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 1,000,000,000 Proposed Placement Shares if the Consolidation in Resolution 2 is not approved, or 33,333,333 Proposed Placement Shares if the Consolidation in Resolution 2 is approved, under the Proposed Placement, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.								
<b>Reason for Resolution 10</b>	The effect of Resolution 10 will be to allow the Company to raise funds of \$1 million via the issue of the Proposed Placement Securities during the period of 3 months after the Extraordinary General Meeting (or a longer period if allowed by ASX) without using the Company's 7.1 Capacity.								
<b>Specific information required by ASX Listing Rule 7.3</b>	<p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders:</p> <table border="0"> <tr> <td><b>Maximum no. of securities to be issued</b></td> <td>1,000,000,000 Shares (post-Consolidation 33,333,333).</td> </tr> <tr> <td><b>Date by which securities will be issued</b></td> <td>If Shareholder approval is obtained for Resolution 10, the Company will issue the Proposed Placement Securities as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).</td> </tr> <tr> <td><b>Issue price per security</b></td> <td>The Proposed Placement Shares will be issued for \$0.001 (post Consolidation \$0.03) per Share.</td> </tr> <tr> <td><b>Recipient of issue</b></td> <td>The Directors intend that the Proposed Placement Securities be issued and allotted to various sophisticated investors and professional investors introduced to the Company by the Company's</td> </tr> </table>	<b>Maximum no. of securities to be issued</b>	1,000,000,000 Shares (post-Consolidation 33,333,333).	<b>Date by which securities will be issued</b>	If Shareholder approval is obtained for Resolution 10, the Company will issue the Proposed Placement Securities as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).	<b>Issue price per security</b>	The Proposed Placement Shares will be issued for \$0.001 (post Consolidation \$0.03) per Share.	<b>Recipient of issue</b>	The Directors intend that the Proposed Placement Securities be issued and allotted to various sophisticated investors and professional investors introduced to the Company by the Company's
<b>Maximum no. of securities to be issued</b>	1,000,000,000 Shares (post-Consolidation 33,333,333).								
<b>Date by which securities will be issued</b>	If Shareholder approval is obtained for Resolution 10, the Company will issue the Proposed Placement Securities as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).								
<b>Issue price per security</b>	The Proposed Placement Shares will be issued for \$0.001 (post Consolidation \$0.03) per Share.								
<b>Recipient of issue</b>	The Directors intend that the Proposed Placement Securities be issued and allotted to various sophisticated investors and professional investors introduced to the Company by the Company's								



	<p>advisors and/or invited by the Company to participate in the Proposed Placement.</p> <p><b>Terms of securities</b> The Proposed Placement Shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</p> <p><b>Use of funds raised</b> The Company will raise \$1 million from the issue of the Proposed Placement Shares, and intends to apply \$300,000 of these funds to the redemption of convertible notes and \$700,000 to enhancement and marketing of the Company's KNeoWORLD products in the US and Asia.</p> <p><b>Voting Exclusion Statement</b> A voting exclusion statement applies to this item of business, as set out in the Notice.</p>
<p><b>Board Recommendation</b></p>	<p>As stated above, the Directors believe that it is in the best interests of the Company to preserve its 7.1 Capacity whilst raising funds to support the working capital requirements of the Company. The Directors unanimously recommend that Shareholders vote in favour of Resolution 10.</p>
<p><b>Chairman's available proxies</b></p>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 10.</p>

<b>Definitions</b>	
<b>7.1 Capacity</b>	Means the Company's capacity to issue Shares under ASX Listing Rule 7.1.
<b>ASX</b>	Means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Closely Related Party</b>  (of a member of KMP of an entity)	Has the definition given to it by section 9 of the <i>Corporations Act</i> , and means: <ul style="list-style-type: none"> <li>a) a spouse or child of the member; or</li> <li>b) a child of the member's spouse; or</li> <li>c) a dependant of the member or of the member's spouse; or</li> <li>d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or</li> <li>e) a company the member controls; or</li> </ul> <p>a person prescribed by the regulations for the purposes of this definition (nothing at this stage).</p>
<b>Consolidated Investments Professional Services Attaching Options</b>	Means 10,000,000 Options (or 333,333 Options post Consolidation), the subject of Resolution 9, which are proposed to be issued to Consolidated Investments with an exercise price of \$0.002 (or \$0.06 post Consolidation).
<b>Consolidated Investments Professional Services Shares</b>	Means 10,000,000 Shares if the Consolidation in Resolution 2 is not approved, or 333,333 Shares if the Consolidation in Resolution 2 is approved, the subject of Resolution 9, which are proposed to be issued to Consolidated Investments at a deemed issue price of \$0.001 (or \$0.03 post Consolidation) in lieu of fees for services provided to the Company.
<b>Company or Entellect</b>	Means Entellect Limited ACN 009 221 783
<b>Conversion Share Entitlement</b>	Means Shares which existing holders of convertible notes in the Company would be entitled to receive upon the conversion of their convertible notes.
<b>Corporations Act</b>	Means the Corporations Act 2001 (Cth)
<b>December Attaching Options</b>	Means the Options issued to the December Convertible Note Holders as free attaching Options to the December Convertible Notes, as follows: <ul style="list-style-type: none"> <li>(a) On a pre-Consolidation basis – 100,000,000 Options exercisable at \$0.002 each on or before 31 October 2015; or</li> <li>(b) On a post-Consolidation basis – 3,333,333 Options exercisable at \$0.06 each on or before 31 October 2015.</li> </ul>

<b>December Convertible Notes</b>	Means 4 convertible notes the subject of Resolution 3 issued to the December Convertible Note Holders on 24 December 2015.
<b>December Convertible Note Holders</b>	Mean the following sophisticated or professional investors: Linda Hutchinson; Shean Sft Pty Ltd ACN 125 934 705 as trustee for Shean Family Superannuation Fund; Trifern Pty Ltd ACN 002 217 647; and Hereford Securities Management S.A.
<b>Entitlements</b>	Means Conversion Share Entitlements and Free Attaching Option Entitlements
<b>February Attaching Options</b>	Means the Options the subject of Resolution 5B, proposed to be issued to the February Convertible Note Holders (and/or their nominees) as free attaching options to the February Convertible Notes, as follows: <ul style="list-style-type: none"> <li>(a) On a pre-Consolidation basis – 200,000,000 Options exercisable at \$0.001 each on or before 31 March 2016; or</li> <li>(b) On a post-Consolidation basis – 6,666,667 Options exercisable at \$0.03 each on or before 31 March 2016.</li> </ul>
<b>February Convertible Notes</b>	Means 4 convertible notes the subject of Resolution 5A issued to the February Convertible Note Holders on 17 February 2015 for an aggregate subscription price of \$200,000.
<b>February Convertible Note Holders</b>	Means Karantzias Investment Trust, Karantzias Super Fund and Matthew Hayne.
<b>Free Attaching Option Entitlement</b>	Means free attaching Options which certain existing holders of convertible notes in the Company would be entitled to receive upon the conversion of their convertible notes to Shares.
<b>January Attaching Options</b>	Means the Options issued to the January Convertible Note Holder as free attaching options to the January Convertible Note, as follows: <ul style="list-style-type: none"> <li>(a) On a pre-Consolidation basis – 25,000,000 Options exercisable at \$0.002 each on or before 31 March 2016; or</li> <li>(b) On a post-Consolidation basis – 833,333 Options exercisable at \$0.06 each on or before 31 March 2016.</li> </ul>
<b>January Convertible Note</b>	Means 1 convertible note the subject of Resolution 4 issued to the January Convertible Note Holder on 30 January 2015 for a subscription price of \$50,000.
<b>January Convertible Note Holder</b>	Means Tactant Pty Ltd.
<b>Key Management Personnel or KMP</b>	Means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

<b>New Attaching Option</b>	Means the Options the subject of Resolution 6, proposed to be issued to the New Convertible Note Holders (and/or their nominees) as free attaching Options to the New Convertible Notes, as follows:  (a) On a pre-Consolidation basis – 100,000,000 Options exercisable at \$0.001 each on or before 31 March 2016; or  (b) On a post-Consolidation basis – 3,333,333 Options exercisable at \$0.03 each on or before 31 March 2016.
<b>New Convertible Notes</b>	Means the convertible notes issued under Resolution 6.
<b>New Conversion Share</b>	Means Shares which the New Convertible Note Holders (and/or their nominees) would be entitled to receive upon the conversion of their New Convertible Notes issued under Resolution 6, being:  (a) On a pre-Consolidation basis – 100,000,000 Shares; or  (b) On a post-Consolidation basis – 3,333,333 Shares.
<b>New Convertible Note Holders</b>	Means Matthew Hayne and Alpha Securities Pty Ltd
<b>Option</b>	Means an Option to acquire a fully paid ordinary share in the Company
<b>Pebble Bay Professional Services Shares</b>	Means 40,500,000 Shares if the Consolidation in Resolution 2 is not approved, or 1,350,000 Shares if the Consolidation in Resolution 2 is approved, the subject of Resolution 8, which are proposed to be issued to Pebble Bay Pte Ltd at a deemed issue price of \$0.001 (or \$0.03 post Consolidation) in lieu of fees for professional services provided to the Company.
<b>Proposed Placement</b>	Means the capital raising placement the subject of Resolution 10 which the Company proposes to undertake, under which the Company will issue 1,000,000,000 Shares (33,333,333 Shares on a post-Consolidation basis) at an issue price of \$0.001 (post Consolidation \$0.03) per Share.
<b>Proposed Placement Shares</b>	Means the 1,000,000,000 Shares (33,000,000 Shares on a post-Consolidation basis) to be issued under the Proposed Placement.
<b>Share</b>	Means a fully paid ordinary share in the capital of Entellect.
<b>Shareholder</b>	Means a holder of Shares