



ASX Release
30 January 2019

**Notice under Section 708A(12C)(e) of the *Corporations Act 2001* (Cth)
and Appendix 3B**

engage:BDR Limited (ASX: EN1 and EN1O) (the **Company**) advises that it has today issued the following securities following the shareholder approval sought at the Company's general meeting of shareholders, held on 29 January 2019:

- 625,000 unlisted convertible notes;
- 1,900,000 fully paid ordinary shares; and
- 8,676,093 unlisted options.

The following documents are attached to this announcement:

- a notice in accordance with section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally inserted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82);
- A notice in accordance with Section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**); and
- An Appendix 3B relating to the issue of the above securities is attached to this announcement.

It is also noted that 106,188 convertible notes were exercised on the day the notes were issued and an Appendix 3B in respect of the 13,471,396 shares issued upon conversion of those notes follows shortly.

Correction to ASX announcement dated 30 January 2019

The Company's announcement of earlier today ("EN1 Secures Additional Growth Capital of up to AUD \$8.2M") incorrectly included the words "average of the two" in the first paragraph on page 2. Those words should be disregarded. The correct information appeared in the table on page 3 of the announcement.

ENDS

On behalf of the Board
Ted Dhanik
Executive Chairman
engage:BDR Limited

engage:BDR Limited (ASX:EN1 and ENO)
ACN 621 160 585

U.S.A Office
engage:BDR
Suite 100, 9220 Sunset Blvd
West Hollywood, CA 90069
USA
t: +1 310 954 0751
e: info@engagebdr.com

Australian Office
Scottish House
Level 4, 90 William Street
Melbourne Victoria 3000
AUSTRALIA
+61 412 111 821
info@engagebdr.com.au



ASX Release
30 January 2019

Notice under Section 708A(12C)(e) of the Corporations Act 2001 (Cth)

1. Cleansing Notice

This notice (**Cleansing Notice**) is given by engage:BDR Limited (ASX: EN1 and EN10) (the **Company**) under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally inserted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82).

This Cleansing Notice is important and should be read in its entirety. Neither ASIC nor ASX take responsibility for the contents of this Cleansing Notice.

2. Background

As approved by shareholders at a General Meeting held on 29 January 2019 (**GM**), the Company has today issued 625,000 convertible notes to CST Investment Fund (**CST** or **Noteholder**) (**Convertible Notes**) to replace the same number of loan notes (**Loan Notes**) issued to the Noteholder in November 2018. A total of 750,000 Loan Notes were issued at a face value of US\$1.00 per Loan Note and an issue price of US\$0.90, in respect of which the Company received net funds of US\$652,500 (A\$900,776) in aggregate at the time of issue. The Convertible Notes will be issued at the same face value, however no additional funds will be paid to the Company for their issue.

125,000 of the Loan Notes have been redeemed since issue.

The issue of 625,000 Convertible Notes (**Convertible Notes Issue**) was completed on 30 January 2019 and the Loan Notes have been cancelled accordingly.

The Convertible Notes have been issued without disclosure under Part 6D.2 of the Corporations Act. This Cleansing Notice is to enable shares issued on conversion of Convertible Notes to be on sold without disclosure to retail investors.

3. Effect of the Convertible Notes Issue on the Company

Shareholders approved the issue of the Convertible Notes Issue and subsequent conversions of the Convertible Notes to fully paid ordinary shares in the Company (**Shares**) at the GM. The notice of meeting and explanatory statement to the GM (**Notice of Meeting**) released to ASX on 28 December 2018 and subsequent announcement by the Company dated 29 January 2019 of the results of the GM set out additional information in respect of the Convertible Notes Issue.

engage:BDR Limited (ASX:EN1 and ENO)
ACN 621 160 585

U.S.A Office
engage:BDR
Suite 100, 9220 Sunset Blvd
West Hollywood, CA 90069
USA
t: +1 310 954 0751
e: info@engagebdr.com

Australian Office
Scottish House
Level 4, 90 William Street
Melbourne Victoria 3000
AUSTRALIA
+61 412 111 821
info@engagebdr.com.au

The Convertible Notes Issue will have the following key effects on the Company:

- (a) the Convertible Notes are being issued to the Noteholder to replace the Loan Notes.
- (b) All Convertible Notes issued have been issued at USD \$0.90 per note with a face value of USD \$1.00 cents per note and are secured until further convertible notes are issued to the Investor to replace loan notes issued on 19 November 2018.
- (c) As the Company has already received A\$900,776 in aggregate for the issue of the Loan Notes, no additional funds will be paid to the Company for the Convertible Notes Issue and there will be no change to the cash position of the Company;
- (d) the Loan Notes have been cancelled; and
- (e) the Noteholder may convert all or part of the Convertible Notes into Shares in accordance with the formula specified in section 6 below. If the Convertible Notes are converted in whole or in part, this will dilute the existing shareholdings in the Company. The potential effect of conversion on the Company's capital structure is shown in section 5 below.

4. Effect of the Convertible Notes Issue on capital structure

The capital structure of the Company as at the date of this Cleansing Notice is set out in the table below:

| Type of Security | Number on issue |
|--------------------|-----------------|
| Shares | 315,604,067 |
| Listed Options | 29,999,993 |
| Convertible Notes* | 625,000 |

* - These are the Convertible Notes which are the subject of this Cleansing Statement

The Convertible Notes are convertible into Shares based on the conversion formula set out in section 6 below. The number of Shares issued to the Noteholder on conversion will therefore depend on a number of factors, including the prevailing exchange rate for USD/AUD as well as the volume weighted average price (**VWAP**) for Shares as at the date of conversion.

The below table shows the potential effect of the conversion of all outstanding Convertible Notes, based on issue prices of:

- A\$0.09 (being the ceiling price under the conversion formula);
- A\$0.011 (being 92% of the lowest daily VWAP of A\$0.0124 during the 10 trading day period to 29 January 2019 for the Shares);

and assuming an exchange rate of US\$0.7166 to A\$1.00. The below table also assumes that no additional Shares are issued prior to conversion of the Convertible Notes, except for 1,900,000 shares issued to CST, issued on the same date as the Convertible Notes. It does not include any shares which may be issued upon the exercise of any of the existing Listed Options or the Options issued to CST. Fractions have been rounded up to the nearest Share for convenience.

The Noteholder is assumed to hold 5,000,000 Shares as at the date of this Cleansing Notice, including the 1,900,000 shares referred to in the preceding paragraph.

| Shareholder | Number of Shares (assuming all Convertible Notes converted at A\$0.09 per Share) | Percentage interest | Number of Shares (assuming all Convertible Notes converted based on market price of \$0.0124 per share) | Percentage interest |
|--|--|------------------------|--|------------------------|
| All existing Shareholders, other than CST | 313,704,067 | 96.44% | 313,704,067 | 79.44% |
| CST - current shareholding | 1,900,000 | | 1,900,000 | |
| CST - new shares issued on Convertible Note conversion | 9,690,973 | | 79,289,773 | |
| Total CST Investment Fund holding | 11,590,973 | 3.56% | 81,189,773 | 20.56%^ |
| TOTAL | 325,295,040 | 100.00% | 394,893,840 | 100.00% |

^ Note: The above illustrates the effect of conversion of all the Convertible Notes as described above. Conversion of notes resulting in any person acquiring or increasing a relevant interest in 20% or more of the Company's then issued voting (ordinary) shares would be subject to compliance with applicable laws at the time of the conversion.

As at the date of this Cleansing Notice the Company has received substantial holders from 3 holders. The effect of the conversion of Convertible Notes (on the basis described above, after issue of the collateral shares), if converted, would be as follows:

| Substantial Holder | Current voting shares | Current relevant interest % | Post conversion relevant interest % Assuming conversion at A\$0.09 per Share | Post conversion relevant interest % Assuming conversion based on market price of \$0.0124 per share) |
|-------------------------|--------------------------|--------------------------------|--|---|
| First Round Capital LLC | 57,681,498 | 18.28% | 17.73% | 14.61% |
| Kurtis Kintala | 36,717,391 | 11.63% | 11.29% | 9.30% |
| Kenneth Kwan | 52,529,242 | 16.64% | 16.15% | 13.30% |

5. Pro-forma Statement of Financial Position

The pro-forma Statement of Financial Position shown in the table below has been prepared on the following basis:

- The 30 June 2018 Reviewed Consolidated Balance Sheet has been used as a base position to illustrate the impact of the Convertible Notes Issue.
- The pro-forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian accounting standards. It has been prepared in accordance with the Company's normal accounting policies.
- The issue of 750,000 Loan Notes raising a total of A\$900,776 (before costs and expenses), with each note issued with a face value of US\$1.00, assuming an exchange rate of US\$0.7244 to A\$1.00, is shown at Step 1 in the table.
- Two Instalment payments in cash, redeeming 125,000 Loan Notes (Step 2 in the table).
- The issue of 625,000 Convertible Notes to replace the remaining 625,000 Loan Notes is shown at Step 3 in the table.

| | Reviewed | Proforma Adjustments | | | Unaudited |
|--------------------------------------|--------------------|----------------------|-----------------|--|---------------------|
| | 30-Jun-18 | Step 1 | Step 2 | Step 3 | Proforma Financials |
| Assets | | | | | |
| Current assets | | | | Conversion of Loan Notes to Convertible Notes | |
| Cash and cash equivalents | 1,529,912 | 900,776 | (91,495) | - | 2,339,194 |
| Trade and other receivable | 3,051,737 | - | - | - | 3,051,737 |
| Prepaid expenses | 399,331 | - | - | - | 399,331 |
| Related party receivables | 2,631,913 | - | - | - | 2,631,913 |
| Investments in equity instruments | 42,782 | - | - | - | 42,782 |
| Total current assets | 7,655,675 | 900,776 | (91,495) | - | 8,464,957 |
| Non-current assets | | | | | |
| Property, plant and equipment | 474,413 | - | - | - | 474,413 |
| Intangibles | 2,203,019 | - | - | - | 2,203,019 |
| Investments in equity instruments | 242,430 | - | - | - | 242,430 |
| Total non-current assets | 2,919,862 | - | - | - | 2,919,862 |
| Total assets | 10,575,537 | 900,776 | (91,495) | - | 11,384,819 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 10,252,246 | - | - | - | 10,252,246 |
| Lease Liability | 285,921 | - | - | - | 285,921 |
| Borrowings | 1,527,284 | 1,035,374 | (59,612) | (855,000) | 1,648,046 |
| Notes issued at discount | - | (103,537) | 8,714 | - | (94,824) |
| Embedded derivative | - | - | - | 855,000 | 855,000 |
| Total current liabilities | 12,065,451 | 931,837 | (50,898) | - | 12,946,390 |
| Non-Current liabilities | | | | | |
| Lease Liability | 159,039 | - | - | - | 159,039 |
| Total non-current liabilities | 159,039 | - | - | - | 159,039 |
| Net liabilities | 12,224,490 | 931,837 | (50,898) | - | 13,105,429 |
| Net assets | (1,648,953) | (31,061) | (40,597) | - | (1,720,610) |
| Equity | | | | | |
| Issued capital | 18,306,438 | - | - | 186,000 | 18,492,438 |
| Accumulated losses | (22,944,140) | (31,061) | (40,596) | (186,000) | (23,201,797) |
| Reserves | 2,988,749 | - | - | - | 2,988,749 |
| Total equity | (1,648,953) | (31,061) | (40,596) | - | (1,720,610) |

6. Rights and liabilities attaching to the Convertible Notes

| | |
|------------------------------------|---|
| Term | Convertible Notes mature on the date that is 12 months after the date of issue of the Loan Notes, being 19 November 2019 (Maturity Date). |
| Face value | Each Convertible Note has a face value of US\$1.00. |
| Issue date | 30 January 2019. |
| Interest | No interest is payable on the Convertible Notes, unless a default event occurs, in which case interest will be payable at 10% per annum. |
| Security | The Convertible Notes are secured until further convertible notes are issued to the Investor to replace loan notes issued on 30 January 2018. The issue of the further convertible notes is subject to shareholder approval). |
| Drawdown Fee | 3% of the aggregate Face Value paid at the time of the issue of the Loan Notes replaced by the Convertible Notes. |
| Instalment Payment | <p>On each monthly anniversary of the date of issue of the Loan Notes (19 November 2019), the Company must redeem the Convertible Notes with an aggregate Face Value of the Instalment Number, by paying the Investor the Instalment Amount in respect of those Convertible Notes. The Instalment Number is the lesser of:</p> <p>(a) the aggregate Face Value of the Loan Notes, divided by 12; and</p> <p>(b) the Amount Outstanding in respect of those Convertible Notes.</p> <p>The Company may pay the Instalment Amount by (at the Company's sole election):</p> <p>(a) paying CST the Instalment Amount in immediately available funds; or</p> <p>(b) (subject to shareholder approval (if required), liquidity and other conditions) issuing Shares to CST, with the number of Shares to be issued determined by dividing the Instalment Amount (either in US\$ or converted into A\$ using the Exchange Rate, as notified to the Company by the Investor, so as to match the currency of the Variable Conversion Price) by the Variable Conversion Price, calculated in accordance with the formula shown in "Conversion" below.</p> |
| Early redemption by Company | <p>The Company may, at any time prior to the maturity date, by giving notice (Early Redemption Notice) to CST, elect to redeem all of the issued Convertible Notes by paying CST an amount (in USD or AUD at the prevailing exchange rate) equal to 105% of the Amount Outstanding. However the Company may not redeem Convertible Notes pursuant to an Early Redemption Notice as follows:</p> <p>(a) Convertible Notes which CST has previously elected to convert; or</p> <p>(b) After being given an Early Redemption Notice but prior to the redemption of the relevant Convertible Notes, the Investor may give the Company Conversion Notices for up to 50% of the Convertible Notes the subject of the Early Redemption Notice. If the Investor does so, those Convertible Notes will be excluded from the Early Redemption Notice.</p> <p>If the Company raises any funds (by way of debt, equity or otherwise) and the amount outstanding (represented by Convertible Notes, other convertible securities and interest thereon) is at least US\$400,000, the Company must, if required by the Investor, apply at least half the funds (up to a cap of US\$300,000) to redeem outstanding convertible securities.</p> |
| Conversion | <p>Prior to the Maturity Date, CST may elect to convert some or all of the issued Convertible Notes. Following such an election, the face value of the Convertible Notes being converted will convert into Shares in accordance with the following formula, rounded up to the next highest whole number:</p> $CS = (N \times V) / CP$ <p>Where:</p> |

| | |
|---------------------------------------|--|
| | <p>CS means the number of conversion Shares to be issued;</p> <p>N means the number of Convertible Notes specified in a conversion notice;</p> <p>V means the Face Value of the Convertible Notes, i.e. US\$1.00, converted into AUD (converted at the Exchange Rate at the time); and</p> <p>CP means the conversion price (Conversion Price) being:</p> <p>(a) The Fixed Conversion Price, being the lesser of:</p> <ul style="list-style-type: none"> (i) A\$0.09; and (ii) A\$0.09 converted into US\$ using the Exchange Rate (being the spot exchange displayed for that day on the Reserve Bank of Australia website or as reported by Bloomberg LP (as determined by the Investor) as at the Purchase Date of the Convertible Notes; <p>or</p> <p>(b) if at any time the daily VWAP is less than A\$0.018, then at all times subsequently the Conversion Price shall be the Variable Conversion Price, being the lesser of:</p> <ul style="list-style-type: none"> (i) a price equal to 92% of the lowest daily VWAP over the 10 Trading Day period on which trading in Shares occurred on ASX prior to the conversion date), rounded down to the nearest A\$0.001; and (ii) the Fixed Conversion Price. <p>The Investor may require conversion of some of all of the Convertible Notes at any time before redemption, subject to the limit of 50% of the Convertible Notes the subject of the Early Redemption Notice as described above and compliance with applicable laws. The above Conversion Price formula applies to the conversion.</p> |
| <p>Repayment upon maturity</p> | <p>On the Maturity Date, to the extent not already redeemed, the Company must redeem the outstanding Convertible Notes by paying 105% of the Amount Outstanding in respect of the Convertible Notes to CST in cash.</p> |
| <p>Ability to issue Shares</p> | <p>If and to the extent:</p> <ul style="list-style-type: none"> (a) a Convertible Note is or becomes incapable of being converted into Shares, or any Securities are or become incapable of being issued under; <p>or</p> <ul style="list-style-type: none"> (b) conversion of the Convertible Note will result in a breach of; the Corporations Act the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) any foreign investment policy, other law or the Listing Rules, then the Company can refuse to convert that Convertible Note or issue the Share and that Convertible Note will be regarded as a debt instrument with no share conversion right. |
| <p>Transferability</p> | <p>The Convertible Notes are transferable and assignable in whole or in part provided that an assignee executes a deed of covenant in favour of the Company agreeing to be bound by the terms of this Agreement to the extent of the assignment.</p> |
| <p>Events of Default</p> | <p>Each of the following events is a default event under the agreement pursuant to which the Convertible Notes were issued (and which contains the terms of the Convertible Notes) :</p> <ul style="list-style-type: none"> (a) The Company fails to repay the Amount Outstanding in respect of the Convertible Notes to the Investor in cash on the relevant maturity date. (b) The Company fails to pay 105% of the amount outstanding (less the Face Value of any Convertible Notes the subject of an existing conversion notice) on or before the day which is 5 Business Days after the date on which the Company gives an early redemption notice. (c) The Company breaches or otherwise fails to comply in full with any of its material obligations under any transaction document (and does not cure that breach or failure within 5 business days of notice of it by the Investor) or any event of default (however described) occurs under any transaction document. (d) Any of the materials provided to the Investor by the Company or announcement to ASX is inaccurate, false or misleading in any material |

| | |
|--|--|
| | <p>respect (including by omission), as of the date on which it is made or delivered.</p> <ul style="list-style-type: none">(e) The Company or a subsidiary (each a "Group Company") is, admits that it is, is declared by a court of competent jurisdiction to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts as and when they become due.(f) A Group Company is served with a statutory demand (in accordance with Division 2 of Part 5.4 of the Corporations Act) or a foreign equivalent that is not set aside within 10 business days.(g) A controller within the meaning of section 9 of the Corporations Act, administrator or similar officer is appointed over all or any of the assets or undertaking of any Group Company or any formal step preliminary to such appointment is taken.(h) An application or order is made, a proceeding is commenced, a resolution is passed or proposed in a notice of meeting, or an application to a court or other steps are taken, for the winding up or dissolution of any Group Company, or for any Group Company to enter an arrangement, compromise or composition with, or assignment for the benefit of, any of its creditors.(i) A Group Company ceases, suspends, or indicates that it may cease or suspend, the conduct of all or a substantial part of its business; or disposes, or indicates that it may dispose, of a substantial part of its assets.(j) A Group Company takes action to reduce its capital or pass a resolution referred to in section 254N(1) of the Corporations Act.(k) Any convertible securities or Investor's Shares are not issued to the Investor within 1 Business Day of the purchase date or conversion date (as relevant).(l) Any Investor's Shares are not quoted on ASX by the second business day immediately following the date of their issue.(m) The Company fails to comply with the Listing Rules in any material respect.(n) A stop order, suspension of trading, cessation of quotation, or removal of the Company or the Shares from the ASX Official List is requested by the Company or requested or imposed by any governmental authority; except for a suspension of trading not exceeding five trading days in a rolling twelve month period or as agreed to by the Investor.(o) A transaction document or a contemplated transaction has become, or is claimed (other than in a vexatious or frivolous proceeding) by any person other than the Investor or any of its affiliates to be, wholly or partly void, voidable or unenforceable.(p) Any third person commences any action, investigation or proceeding against any person or otherwise asserts any claim which seeks to restrain, challenge, limit, modify or delay the right of the Investor or the Company to enter into any transaction documents or to undertake any of the contemplated transactions (other than in a vexatious or frivolous proceeding).(q) A security interest over an asset of a Group Company is enforced.(r) Any present or future liabilities, including contingent liabilities, of any Group Company for an amount or amounts totalling more than A\$250,000 are not satisfied on time, or become prematurely payable.(s) A Group Company is in default under a document or agreement (including a governmental authorisation) binding on it or its assets which relates to financial indebtedness or is otherwise material.(t) A material adverse effect occurs.(u) The Company does not obtain a shareholder approval to the extent required for the purposes of Listing Rule 7.4 so that a contemplated transaction may proceed without breaching Listing Rule 7.1.(v) Other than the security documents, any Group Company grants any security interest over any of its assets, or a security interest comes into existence over any assets of any Group Company, without the prior written consent of the Investor.(v) The Company does not obtain shareholder approval for the issue of convertible notes to replace the loan notes issued on 30 January 2019 within 60 days. |
|--|--|

| | |
|--------------------|---|
| | <p>(w) The Company does not issue the convertible notes to replace the loan notes issued on 30 January 2019 to the Investor within 2 business days of obtaining shareholder approval.</p> <p>(x) A direct or indirect change of control of the Company (including of more than 50% of voting shares or of more than 50% of the Company's Board) occurs without the prior written consent of the Investor.</p> <p>(y) Any event of default (however described) occurs under the security documents.</p> <p>Upon an event of default occurring (if not remedied within 10 business days of notice from the Investor, if capable of remedy, unless there have been two or more previous events of default) the Investor may:</p> <p>(i) declare 110% of the amount the outstanding and all other amounts payable by the Company under any transaction document (or in the case of item (c), above, 125%) to be immediately due and payable by the Company to the Investor; and/or</p> <p>(ii) terminate the agreement under which the Convertible Notes were issued; and/or</p> <p>(iii) exercise any other right, power or remedy granted to it by the transaction documents and/or otherwise permitted to it by Law, without prejudice any accrued right, power or remedy of the Investor under the agreement as at the date of termination, including its right for specific performance and/or to recover damages from the Company in relation to any breach of the agreement).</p> <p>If an event of default occurs, interest shall be payable on the Convertible Notes at a rate of 10% per annum, which interest shall accrue daily and shall be compounded monthly, from the date of the event of default until the Company discharges the amount outstanding (increased as provided for above) in full.</p> |
| Adjustments | <p>Upon a consolidation (including Share consolidation), subdivision or pro-rata cancellation of the Company's issued capital, or any payment of a dividend in ordinary shares of the Company or distribution of ordinary shares of the Company to holders of its outstanding ordinary shares, other than a rights offering or a bonus issue, proportionate changes will be made to the terms or formulae of or applicable to the Convertible Notes including the Fixed Conversion Price, other prices and collateral shares.</p> <p>If the Company issues or agrees to issue Shares to any person at a per Share price which is less than the Fixed Conversion Price, issues options to acquire Shares to any person with an exercise price which is less than the Fixed Conversion Price, issues any debt, equity or equity-linked securities to any person which are convertible into, exchangeable or exercisable for, or include the right to receive Shares or other securities at a fixed price which is less than the Fixed Conversion Price (all of which prices will be a "Lesser Price") then the Fixed Conversion Price will be reduced to the applicable Lesser Price.</p> |

The Company has also issued 8,676,093 options having the following key terms to the Investor:

| | |
|-------------------------------|--|
| Option Expiration Date | Three calendar years after the date of issue |
| Option Exercise Price | Exercise price of 135% of the 5 day VWAP for the 5 Actual Trading Days immediately prior to the date of issue |
| Options to be issued | That number obtained by dividing 50% of the relevant Purchase Price, by the 5 day VWAP for the 5 Actual Trading Days immediately prior to the date of issue of the relevant Options, rounded upward to the next whole number |

The full terms of the options are as set out in the Notice of the GM referred to above.

The Company has also issued 5,000,000 collateral shares to CST. 3.1 million collateral shares were issued at the time of issue of the Loan Notes in November 2018. The balance of 1.9 million collateral shares were issued after receipt of shareholder approval at the GM. The Investor may freely deal with the collateral shares. The Investor may use collateral shares to wholly or partially satisfy any obligation of the Company to issue shares to it. If it does so, the Company must if requested by the Investor (and subject to shareholder approval, if required), issue replacement collateral shares to maintain the minimum number of collateral shares.

The Investor will not (without the consent of the Company), on any trading day sell Shares in excess of the greater of:

- (i) 20% of the volume of Shares traded on ASX on that trading day;
- (ii) an aggregate sale price exceeding US\$20,000 (provided that the Investor may only have recourse to the greater sale limit under this paragraph on a maximum of 4 out of every 5 trading days in any calendar week).

The Investor has agreed that until 12 February 2019 it will not:

- (i) sell Shares in excess of 20% of the volume of Shares traded on ASX during that period;
- (ii) give more than one further conversion notice (and any such conversion notice will not be for more than 22,500,000 shares).

The terms of the Convertible Notes include provisions of the kind commonly found in agreements of this type, including undertakings, covenants, representations, warranties and indemnities by the Company. The Investor's legal costs are payable by the Company. The terms of the Convertible Notes are governed by the laws of Western Australia.

An Appendix 3B in respect of the options and 1.9 million collateral shares is being released to ASX at or about the same time as this Cleansing Notice.

7. Rights and liabilities attaching to the Shares issued on conversion of the Convertible Notes

Shares issued on conversion of the Convertible Notes will rank equally in all respects with other Shares on issue and will be quoted on the ASX. The following is a broad summary of the rights attaching to the Shares.

| | |
|------------------------------------|--|
| Variation of rights | The rights of Shares may only be varied by consent in writing of the holders of 75% of issued Shares, or by the passing of a special resolution. |
| General meetings and notice | Each shareholder has the right to receive notice of and to attend and vote at general meetings of the Company. |
| Dividends | Dividends may be paid to shareholders as declared by the Board at its discretion. |
| Rights on winding up | If the Company is wound up, the Shares attract the right to participate equally in the distribution of the assets of the Company (both capital and surplus), subject to unpaid amounts on the Share. |
| Transfer | Shareholders may transfer Shares subject to the requirements of the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board may do anything it considers necessary or desirable and which is permitted by the Corporation Act, the ASX Listing Rules or the ASX Settlement Operating Rules to facilitate the participation by the Company in any computerised or electronic system established or recognised by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules |

| | |
|--------------------------|--|
| | for the purposes of facilitating dealings in Shares. The Board may refuse to register any transfer of Shares if permitted or required to do so by the ASX Listing Rules. |
| ASX Listing Rules | To the extent of any inconsistency, the ASX Listing Rules prevail over the Company's constitution. |

8. Compliance with continuous disclosure

The Company is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations. These obligations require the Company to notify ASX of information above specified events and matters as they arise for the purposes of making that information available to the market.

As at the date of this Cleansing Notice, the Company has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and
- (b) section 674 of the Corporations Act, as it applies to the Company.

Copies of any documents in relation to the company which are lodged with ASIC may be obtained from, or inspected at, an ASIC office. The Company will provide a copy of the following to any person on request free of charge:

- (a) the annual financial report most recently lodged with ASIC by the Company;
- (b) any half-year report lodged with ASIC after lodgement of that annual financial report and before lodgement of this Cleansing Notice; and
- (c) any continuous disclosure notices given after the lodgement of that annual financial report and before lodgement of this Cleansing Notice.

9. No excluded information

As at the date of this notice, other than as set out in this Cleansing Notice, there is no information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the listing rules of the prescribed financial market whose operator was given the notice; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and
 - (ii) the rights and liabilities attaching to the Convertible Notes or Shares.

ENDS

On behalf of the Board

Ted Dhanik
Executive Chairman
engage:BDR Limited



ASX Release
30 January 2019

Section 708A Notice

This notice is given by engage:BDR Limited (**Company**) under Section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Company hereby confirms that it has issued 1,900,000 fully paid ordinary shares (**Shares**) in accordance with the financing agreement with CST Investments Fund with a deemed issue price of \$0.06 (6 cents) per share.

The Company hereby confirms that:

- (a) the Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) the Company is providing this notice under paragraph 5(e) of section 708A of the Corporations Act;
- (c) as at the date of this notice the Company, as a disclosing entity under the Corporations Act, has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act as it applies to the Company; and
- (d) as at the date of this announcement, there is no excluded information of the type referred to in Section 708A(7) and 708A(8) of the Corporations Act.

ENDS

On behalf of the Board

Ted Dhanik
Executive Chairman
engage:BDR Limited

engage:BDR Limited (ASX:EN1 and ENO)
ACN 621 160 585

U.S.A Office
engage:BDR
Suite 100, 9220 Sunset Blvd
West Hollywood, CA 90069
USA
t: +1 310 954 0751
e: info@engagebdr.com

Australian Office
Scottish House
Level 4, 90 William Street
Melbourne Victoria 3000
AUSTRALIA
+61 412 111 821
info@engagebdr.com.au

Appendix 3B

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

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

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

Name of entity

engage:BDR Limited

ACN

621 160 585

We (the entity) give ASX the following information.

Part 1 - All issues

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

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | <ul style="list-style-type: none">(1) Unlisted convertible notes(2) Fully paid ordinary shares(3) Unlisted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ul style="list-style-type: none">(1) 625,000(2) 1,900,000(3) 8,676,093 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ul style="list-style-type: none">(1) Unlisted convertible notes issued at USD\$0.90 per Note with a face value of USD\$1.00 per Note. Notes are secured with a Maturity date of 19 November 2019. The Notes are convertible at the lesser of \$0.09 converted into USD using the Exchange Rate as at the Purchase Date and \$0.09 (9 cents) per share or, if at any time the daily VWAP for the Company's shares is less than \$0.035, the lower of:<ul style="list-style-type: none">- The lesser of \$0.09 converted into USD using the Exchange Rate as at the Purchase Date \$0.09 (9 cents); or- 92% of the lowest daily VWAP during the 10 days prior to notice of conversion being given.(2) Fully paid ordinary shares(3) Unlisted Options, exercisable at \$0.052, expiring 29 January 2022. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | |
|--|---|
| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>(1) No – The unlisted convertible notes are not quoted.</p> <p>Upon conversion of the convertible notes, the ordinary shares issued will rank equally with fully paid shares currently on issue.</p> <p>(2) Yes</p> <p>(3) No – upon conversion of the unquoted options, the ordinary shares issued will rank equally with fully paid shares currently on issue.</p> |
| <p>5 Issue price or consideration</p> | <p>(1) Issue price of USD\$0.90 per Note</p> <p>(2) Deemed issue price of \$0.06 (6 cents) per share</p> <p>(3) Nil</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>(1) Issue of unlisted convertible notes pursuant to Resolution 7 of the Company’s Notice of General Meeting, approved by shareholders on 29 January 2019.</p> <p>(2) Issue of fully paid ordinary shares pursuant to Resolution 8 of the Company’s Notice of General Meeting, approved by shareholders on 29 January 2019.</p> <p>(3) Issue of unlisted options in accordance with Resolution 9 of the Company’s Notice of General Meeting, approved by shareholders on 29 January 2019.</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p> | <p>Yes</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>31 May 2018</p> |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p> | <p>Nil</p> |
| <p>6d Number of +securities issued with security holder approval under rule 7.1A</p> | <p>Nil</p> |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | (1) 625,000 unlisted convertible notes – 29/1/19 (2) 1,900,000 fully paid ordinary shares – 29/1/19 (3) 8,676,093 unlisted options – 29/1/19 | | | | | | | | | | |
|-------------|--|---|--|---------|--|-------------|----------------------------|------------|--|-------|--|------------|
| 6f | Number of securities issued under an exception in rule 7.2 | Nil | | | | | | | | | | |
| 6g | If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. | N/A | | | | | | | | | | |
| 6h | If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A | | | | | | | | | | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">LR 7.1</td> <td style="width: 10%;"></td> <td style="width: 30%; text-align: right;">39,60,897</td> </tr> <tr> <td>LR 7.1A</td> <td style="border-top: 1px solid black;"></td> <td style="text-align: right; border-top: 1px solid black;">3,628,015</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;">43,488,912</td> </tr> </table> | | LR 7.1 | | 39,60,897 | LR 7.1A | | 3,628,015 | Total | | 43,488,912 |
| LR 7.1 | | 39,60,897 | | | | | | | | | | |
| LR 7.1A | | 3,628,015 | | | | | | | | | | |
| Total | | 43,488,912 | | | | | | | | | | |
| 7 | Dates of entering +securities into uncertificated holdings or despatch of certificate | 30 January 2019 | | | | | | | | | | |
| 8 | Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable) | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Number</th> <th style="width: 40%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">315,604,067</td> <td style="vertical-align: top;">Ordinary fully paid shares</td> </tr> <tr> <td style="vertical-align: top;">29,999,993</td> <td style="vertical-align: top;">Listed Options exercisable at \$0.25 (25 cents) per option by 22 December 2020 (ENiO).</td> </tr> </tbody> </table> | | Number | +Class | 315,604,067 | Ordinary fully paid shares | 29,999,993 | Listed Options exercisable at \$0.25 (25 cents) per option by 22 December 2020 (ENiO). | | | |
| Number | +Class | | | | | | | | | | | |
| 315,604,067 | Ordinary fully paid shares | | | | | | | | | | | |
| 29,999,993 | Listed Options exercisable at \$0.25 (25 cents) per option by 22 December 2020 (ENiO). | | | | | | | | | | | |
| 9 | Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable) | <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 60%; vertical-align: top;">625,000</td> <td style="width: 40%; vertical-align: top;">Unlisted convertible notes issued at USD\$0.90 per Note with a face value of USD\$1.00 per Note. Notes are secured with a Maturity date of 19 November 2019.</td> </tr> <tr> <td style="vertical-align: top;">8,676,093</td> <td style="vertical-align: top;">Unlisted options</td> </tr> </tbody> </table> | | 625,000 | Unlisted convertible notes issued at USD\$0.90 per Note with a face value of USD\$1.00 per Note. Notes are secured with a Maturity date of 19 November 2019. | 8,676,093 | Unlisted options | | | | | |
| 625,000 | Unlisted convertible notes issued at USD\$0.90 per Note with a face value of USD\$1.00 per Note. Notes are secured with a Maturity date of 19 November 2019. | | | | | | | | | | | |
| 8,676,093 | Unlisted options | | | | | | | | | | | |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | N/A | | | | | | | | | | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|-----|
| 11 | Is security holder approval required? | N/A |
| 12 | Is the issue renounceable or non-renounceable? | N/A |
| 13 | Ratio in which the +securities will be offered | N/A |
| 14 | +Class of +securities to which the offer relates | N/A |
| 15 | +Record date to determine entitlements | N/A |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/A |
| 17 | Policy for deciding entitlements in relation to fractions | N/A |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | N/A |
| 19 | Closing date for receipt of acceptances or renunciations | N/A |
| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | N/A |
| 23 | Fee or commission payable to the broker to the issue | N/A |

+ See chapter 19 for defined terms.

| | | |
|----|---|-----|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | N/A |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | N/A |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/A |
| 28 | Date rights trading will begin (if applicable) | N/A |
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Despatch date | N/A |

Part 3 - Quotation of securities

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

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

(b) All other securities

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

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

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

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

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

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

| | | |
|----|---|-----|
| 40 | <p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ol style="list-style-type: none"> 1. the date from which they do 2. the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment 3. the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | N/A |
|----|---|-----|

| | | |
|----|--|-----|
| 41 | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p> | N/A |
|----|--|-----|

| 42 | <p>Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 40px;"></td> <td></td> </tr> </tbody> </table> | Number | +Class | | |
|--------|--|---|--------|--------|--|--|
| Number | +Class | | | | | |
| | | | | | | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

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

2 We warrant the following to ASX.

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

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

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

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

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

Sign here  Date: 30 January 2019
(Director)

Print name: Ted Dhanik
=====

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

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

Introduced 01/08/12

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|--|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue | 249,699,858 |
| Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <i>Note:</i> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | 12,500,000 – 10 May 2018 2,250,000 – 10 May 2018 1,290,625 - 15 June 2018 3,750 - 31 August 2018 4,548,498 – 31 August 2018 6,523,453 – 31 August 2018 5,458,200 – 12 September 2018 3,100,000 – 30 November 2018 1,900,000 – 30 January 2019 |
| Subtract the number of fully paid ordinary securities cancelled during that 12 month period | - |
| “A” | 287,274,384 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | |
|---|---|
| Step 2: Calculate 15% of “A” | |
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | 43,091,157 |
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | |
| <p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | <p>2,745,721 – 27 February 2018 484,539 – 15 June 2018</p> |
| “C” | 3,230,260 |
| Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1 | |
| “A” x 0.15 <i>Note: number must be same as shown in Step 2</i> | 43,091,157 |
| Subtract “C” <i>Note: number must be same as shown in Step 3</i> | 3,230,260 |
| Total [“A” x 0.15] – “C” | 39,860,897 <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|---|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 287,274,384 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 28,727,438 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | 25,099,423 – 25 January 2019 |
| “E” | 25,099,423 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A | |
|--|------------------|
| "A" x 0.10 <i>Note: number must be same as shown in Step 2</i> | 28,727,438 |
| Subtract "E" <i>Note: number must be same as shown in Step 3</i> | 25,099,423 |
| Total ["A" x 0.10] – "E" | 3,628,015 |

+ See chapter 19 for defined terms.