

# VENTUREAXESS GROUP LIMITED

ACN 087 426 953

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of the members of VentureAxess Group Limited ABN 42 087 426 953 ("**Company**") will be held at **Wantrup & Associates Lawyers, Level 7, 160 Queen Street Melbourne, Victoria, 3000 at 10.00 am on Monday 30<sup>th</sup> August 2010.**

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## BUSINESS

### General Business

#### 1 APPROVAL OF THE ISSUE OF OPTIONS UNDER THE CONVERTIBLE NOTE FACILITY

To consider and if thought fit to pass, with or without modification, the following resolution:

"That the company grant 30 million options each with an exercise price of 5c and maturing on the fourth anniversary of issue to holders of Notes issued under a Secured Convertible Note Deed made by the Company on 8<sup>th</sup> December 2009

#### 2 APPROVAL OF THE CONVERSION OF THE SECURED CONVERTIBLE NOTES, UNSECURED NOTES AND LOANS TO EQUITY AS AGREED UNDER THE DEED OF COMPANY ARRANGEMENT DEED ACCEPTED BY CREDITORS AND APPROVED BY THE COURT

To consider and if thought fit to pass, with or without modification, the following resolution

That pursuant to the provisions contained in the Deed of Company Arrangement approved by the creditors of the Company on 2 June 2010 –

- (a) the Company issue 168,632,883 fully paid ordinary shares to the holders of Secured Convertible Notes in redemption of their Notes (total of issued Notes is \$250,000.00) and release of the company charge over the assets of the Company.
- (b) the company issue 50,589,868 fully paid ordinary shares in full satisfaction of the outstanding unsecured convertible notes and unsecured loans totalling \$396,018.00

By order of the Board:



Karalyn Day

Company Secretary

## NOTES

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to vote in the place of the member.
2. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise one half of the member's votes.
3. A proxy need not be a member of the Company.
4. The proxy form must be signed by the member or the member's attorney. Proxies given by corporations must be executed under seal or signed under the hand of a duly authorised officer or attorney.
5. To be valid, the enclosed proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be lodged at the registered office of the Company at the registered office of the Company, Level 7 160 Queen Street Melbourne Vic 3000. not later than 10am Friday 27<sup>th</sup> August 2010
6. A person may attend the meeting under an appointment of corporate representative pursuant to section 250D of the Corporations Law or Power of Attorney only if a copy of that appointment or Power of Attorney is provided to the share registrars of the Company before the meeting. Documents can be provided by post or facsimile by faxing it to the offices of VentureAxess Group Limited on fax number 03) 9923 6303

## EXPLANATORY MEMORANDUM

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### Introduction.

The following information provides a detailed explanation on each resolution set out in the Notice of Extraordinary General Meeting.

### **Item 1 – Distribution of Options**

A resolution to issue to the holders of Notes issued under a Secured Convertible Note Deed made by the Company on 8<sup>th</sup> December 2009 [date] of 30 million options at \$0.05 expiring 4 years from the date of issue.. This is a right granted to the Company's secured convertible note holders under the existing Secured Convertible Note Deed. The beneficiaries of the options are Lamont Capital Pty Ltd, Evalon Investments Pty Ltd, K&G Superannuation Fund, Salisbury Cove Superannuation Fund and Custodian Company Pty Ltd. The Secured Convertible Note provided \$250,000 in funding to the Company

### **Item 2 – Conversion of secured unsecured and loans to fully paid ordinary shares**

A resolution that the company issue 168,632,883 fully paid ordinary shares for the conversion of the secured convertible notes of \$250,000 and the release of the debenture charge held over the company , and the issue of 50,589,868 fully paid ordinary shares for the consideration of the conversion of unsecured convertible notes and unsecured loans totalling \$396,018 as approved and agreed under the deed of company arrangement .

The company suffered from the loss of its former Executive Chairman, Mr. Geoff Mullins, with his untimely death delaying finalisation of projects such as the acquisition of Medical Science Australia Limited and preventing completion of its audit. This prevented the company from raising fresh capital which was needed to properly capitalise the Medical Science business and investments.

Your Directors raised some initial capital through a secured convertible note offer, but delays in finalising the audit, including the audit of Medical Science (which had never been audited) caused them to appoint Administrators on 24 April 2010]. A Deed of company Arrangement was proposed and accepted by creditors on 2 June 2010. The creditors of the Company accepted a Deed of Company Arrangement (DOCA) which permitted restructuring of the Company. The DOCA sets out certain requirements which are now being put before the Company at this Extraordinary General Meeting. If passed the Company will then apply for a relisting on NSX.

The secured creditors of the company holding \$250,000 of Secured Convertible Notes following the completion of the DOCA are entitled to be issued shares in the Company on redemption of their Notes such that they will hold 50% of the then fully diluted capital with no one converting Noteholder having a holding exceeding 19.9% of the Company.

Medical Science Australia Pty Ltd (MSA), a wholly owned subsidiary of the Company, has not been subject to administration or been a party to the DOCA but is itself indebted to, and subject to a company charge in favour of, Bendigo Bank. The Company has sought legal advice on the status of the company charge and the conduct of a previous director of MSA. The value of MSA cannot be ascertained as it holds minority interests in a number of investees which have not been audited and the status of the Bendigo Bank debt is uncertain.

The company is presently negotiating to acquire 20% of the outstanding shares of Credit Elect Pty Ltd and a non binding Heads of Agreement for the acquisition has been signed by the administrator on the 4 June 2010. This Extraordinary General Meeting is called as required by the Deed of Company Arrangement in order to consider and if passed by the meeting to redeem the Secured Convertible Notes, to authorise the issue the options to the Convertible Noteholders, and to convert the unsecured loans of \$396,018.00 to fully paid ordinary shares such that they will hold 15% of the then fully diluted capital.

Once these resolutions are passed the administrator will have the authority to pay the funds held by it to the creditors accepted under the DOCA.