

Minutes of the Annual General Meeting of

Biofiba Limited

ACN: 137 590 535

Held Wednesday, 26th November 2019 at 10:00 am at the Gosford Race Club.

Present:	Peter McIntyre Paul Sanbrook Richard Johnson	Chairman Managing Director Non-Executive Director
	Allister Sutherland	P M Accounting Solutions
	13 Shareholders 3 Shareholders	In Person By Proxy

Apologies:	Sam Danieli	A D Danieli Audit Pty Ltd (Auditor)
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Chairman	Peter McIntyre introduced the Board and other relevant parties to the meeting.
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Quorum	A quorum being present, the Chairman declared the meeting open at 10:04 am and proceeded with the business matters and resolutions on the agenda.
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Matters Arising from 2018 Minutes/AGM:	The Chairman invited those present to come forward with any matters arising from the 2018 AGM and approval of the 2018 Minutes.
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Two shareholders present approved the motion.
(*Mover: David Mullen. Seconder: Colin Buttel*)

There being no further business from the 2018 AGM, the 2018 minutes were offered for approval by those present.

Motion was carried unanimously.

Item 1: Financial Accounts & Reports	The Chairman called for those present to move and second for the tabling of the 2019 financial statements at the AGM.
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Two shareholders present approved the motion. (*Mover: David Mullen. Seconder: Susan Bonnette*)

The Chairman opened discussion regarding the Audited 2019 Financial Statements, and any questions arising:

1. The Board took the view it needed to impair the assets significantly as to what was considered fair and appropriate values as described in the Director's report. A range of things were done to stop the cash burn in China. Basically had we not stopped China we wouldn't be sitting here now so a number of people did provide some shareholder funding and in particular the 3 of us as Directors provided \$12,500 of funding each to keep the doors open that allowed us to meet certain obligations. One of our most important assets is the Patents and they are expensive to renew each year so we sold the equipment in China to enable sufficient cashflow to be able to clear all debts and have a 2 year runway of being able to renew the Patents and see what opportunities arise to sell or exploit the Patents in the different geographical areas. In previous shareholder updates Laurie talked about the previous contamination of raw materials that created a bad batch that created some breakages in sample pallets so this was all a problem and the question was how do we address this so the Board said that it would be appropriate if we raise some additional funds from existing shareholders and do some further testing to ensure that we had a clean batch of Hemp palletised correctly so that further extrusions of the board would be back to where we had the first batches that were done in the early days with the CSIRO and therefore go through a process of testing with some slightly different profile sizes that would have proven in everybody's mind that we could make this thing work and that it was structurally strong enough and that we could move forward with a commercially viable product. Now unfortunately because of some of these issues it was fairly improbable to go and seek further funding from the market place therefore we said to the existing shareholder base could we raise \$65,000 to be able to do step 1. We had a stepped process where we would test certain things to a certain point and if positive test results were achieved

we would move onto the next phase. In asking for the first phase of loans totalling \$65,000 a number of people including the Directors were prepared to put money in however the threshold of \$65,000 was not reached therefore the testing could not proceed meaning that the Board was left with no alternative but to negotiate a sale of the equipment and seek to shut down the China operation to save the cashflow burn. Selling such specialised equipment in a short time frame was no easy task so the Board entered into negotiations with Telford Smith to purchase that equipment. That transaction has taken place with various agreements entered into that sold the equipment for the equivalent of A\$375,000 + VAT. There was some payment to the Chinese arm Biofiba Environmental for part of the consideration, some payments to Biofiba Limited directly for other equipment and further consideration was Telford Smith Engineering agreeing to waive their loan they were owed from Biofiba Limited for A\$267,000 which was reflected in last years financial statements. The payments to Biofiba Limited and Biofiba Environmental were on an instalment basis and as at the date of this meeting there only remains outstanding payments of A\$25,000. After receipt of these final funds that would leave the company in a position of having some money in the bank. The 3 Directors have decided to relend our \$12,500 to top up the bank account so we would have in the vicinity of about \$50,000 sitting in the bank account to allow us a sufficient runway for 2 years at least through to the 30 June 2021 to see what we can achieve in relation to partnering in different jurisdictions with the patents or selling them outright etc. Laurie is here today and I know Laurie has been working hard in the background in relation to some connections in the USA. We will invite Laurie to talk on what has been going on in the USA and hopefully this is the sort of pathway we want to go down not only with the USA but ultimately the other jurisdictions that we have Patents registered, being Germany, France, UK, Australia and China. The Directors Loans are not payable until 30 June 2021 so that definitely is going to allow us to renew the patents comfortably around June next year. It would become a much more critical

decision can we move forward beyond the 30 June 2021 if we haven't done a deal with any of these patents. I think we have to be realistic here that if nothing can happen with the patents by 2021 we may have to say that it is the end of the road for Biofiba. On that basis the accounts have been impaired down with things like the deferred tax asset being impaired to nil because of the belief that a lot of the tax losses accumulated over the years may not be capable of recovery. Obviously we have written down the plant & equipment because that transaction with Telford Smith has effectively happened after the 30 June but based on the expectations of what we are receiving we have impaired down the investment in China as to how much we are going to get back here in Australia. We as a Board acknowledge that the bottom line net assets have been written down substantially to what we considered to be a more realistic value. Based on doing that the audit report is an unqualified audit report. In the previous year if you look at the audit report the auditors provided a report that put an emphasis on matter where they said there were issues associated with the going concern of this business. What we have done with these accounts by impairing them down by justifying and showing to them that we have got cash in the bank now and we have a pathway particularly over this next 12 month period that we meet the going concern test and they provided an unqualified audit report which is an improvement on last years audit report. So that's a snapshot summary of why the financial statements are as they are. We have a cashflow that provides us with a runway through to the 30 June 2021 and the hope is that that provides us enough time to try and work with either partnering or selling these patents to bolster the net assets of this company to be able to provide at least something back to the shareholders. Can I guarantee you that we are going to get back dollar for dollar? No I cannot, but we are going to be doing our best to try and realise those final remaining important assets being the patents the best way possible to bring money to the table and if need be if we need to enter into a voluntary windup provide a partial return to shareholders.

2. The Chairman having discussed the financials invited shareholders if they had any further questions relating to them. There being no further questions the Chairman asked for a mover and a seconder that the 2019 financial statements be accepted.

(mover: David Mullen seconder: Colin Buttel)

Following this the shareholders unanimously voted to accept the financial statements.

Item 2(a): Re-election of a Director - Paul Sanbrook.

It was proposed by the Chairman that Paul Sanbrook, being a Director of the Company who was appointed by the company at the 2018 Annual General Meeting retires in accordance with the constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.

Two shareholders present approved the motion. *(Mover: Colin Buttel. Secunder: Marshall Parsons)*. 3 Proxies were held by the Chairman in favour of this resolution.

The motion was carried unanimously to re-elect Paul Sanbrook.

Item 2(b): Re-election of a Director – Peter McIntyre

As resolution 2(b) related to the re-election of Peter McIntyre as a Director the Chair was handed to Mr Paul Sanbrook.

It was proposed by the Chairman that Peter McIntyre, being a Director of the Company who was appointed by the company at the 2018 Annual General Meeting retires in accordance with the constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.

Two shareholders present approved the motion. *(Mover: Susan Bonnette. Secunder: David Mullen)*. 3 Proxies were held by the Chairman in favour of this resolution.

The motion was carried unanimously to re-elect Peter McIntyre.

Paul Sanbrook handed the Chair back to Peter McIntyre.

Item 2(c): Re-election of a Director – Richard Johnson.

It was proposed by the Chairman that Richard Johnson, being a Director of the Company who was appointed by the Company's Board of Directors since the 2018 Annual General Meeting retires in accordance with the constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.

Two shareholders present approved the motion. (*Mover: Murray Edwards. Seconder: David Mullen*). 3 Proxies were held by the Chairman in favour of this resolution.

The motion was carried unanimously to re-elect Richard Johnson.

General Business.

The Chairman asked Laurie Dummett to update what is going on with the negotiations with the USA.

Laurie briefed the meeting on how the negotiations are progressing with the USA.

At the conclusion of Laurie's briefing the Chairman asked if there was any further business. There was no further business.

Closure of Meeting

There being no further business the Chairman closed the meeting.