



ASX Announcement | 11 January 2023

Seafarms Group Limited (ASX:SFG)

SFG ASX Announcement No. 744

Seafarms Group Chairman increases holding in company

Seafarms Group Limited (**Seafarms** or the **Company**) advises it has received a change in substantial shareholding notice from its Chairman, Ian Trahar, noting his associate Avatar Finance Pty Limited ACN 009 034 315 had acquired additional shares in the Company taking his total holding to 29.19%.

Mr Trahar said that following the positive outcomes of the recent assessment of key risks facing Project Sea Dragon he felt a renewed confidence in the future of the company.

"The assessment of the key challenges to Project Sea Dragon found that there is no technical reason why the project should not proceed," Mr Trahar said.

See Form 604 – Notice of Change of Substantial Holder following.

Authorised for release by the Company Secretary

For further information, please contact:

Seafarms Group

Mr. Harley Whitcombe
Company Secretary
P: +61 8 6375 5900

Media / Investor Enquiries

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About Seafarms Group

Seafarms Group Limited (ASX: SFG) is a sustainable aquaculture company, producing the premium Crystal Bay® Prawns and developing the Project Sea Dragon prawn aquaculture project in northern Australia.

Seafarms Group Limited
ABN 50 009 317 846

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Spring Hill, Queensland 4000
Australia

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Australia

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W <https://www.seafarms.com.au>

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme

Seafarms Group Limited

ACN/ARSN

009 317 846

1. Details of substantial holder(1)

Name

Gabor Holdings Pty Ltd (and associates)

ACN/ARSN (if applicable)

009 143 364

There was a change in the interests of the interests of the substantial holder on **09/01/2023**

The previous notice was given to the company on

13/08/2021

The previous notice was dated

13/08/2021

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares	1,316,616,676	27.48% (Note 1)	1,411,603,263	29.19% (Note 2)

Note 1: based on issued capital of 4,790,919,634 fully paid ordinary shares

Note 2: based on issued capital of 4,836,599,179 fully paid ordinary shares

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
9 January 2023	Avatar Finance Pty Limited (ACN 009 034 315)	Avatar Finance Pty Limited (ACN 009 034 315) is to acquire 45,454,545 fully paid ordinary shares in SEAFARMS GROUP LIMITED (ABN 50 009 317 846) pursuant to the two deeds of transfer annexed at Annexure A	\$327,272.72. Please refer to Annexure A for further details.	45,454,545 fully paid ordinary shares in SEAFARMS GROUP LIMITED (ABN 50 009 317 846)	45,454,545

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Gabor Holdings Pty Ltd	Gabor Holdings Pty Ltd	The Tricorp Trust	Shares held in trust for the Tricorp trust	ORD 197,230,722	4.08%
Gabor Holdings Pty Ltd	Gabor Holdings Pty Ltd	Gabor Holdings Pty Ltd	Direct shareholding	ORD 21,016,472	0.43%
Zeppelin Pty Ltd	Zeppelin Pty Ltd	Zeppelin Pty Ltd	Direct shareholding	ORD 1,184,628	0.02%
Arlec Australia Pty Ltd	Arlec Australia Pty Ltd	Gabor Holdings Pty Ltd	Shares held in trust for Gabor Holdings Pty Ltd	ORD 795,748	0.02%
Ian Norman Trahar	Ian Norman Trahar	Ian Norman Trahar	Direct shareholding	ORD 1,668,191	0.03%
Gabor Investments Pty Ltd	Gabor Investments Pty Ltd	Gabor Investments Pty Ltd	Direct shareholding	ORD 828,232	0.02%
Avatar Industries Pty Ltd	Avatar Industries Pty Ltd	Avatar Industries Pty Ltd	Direct shareholding	ORD 867,061,088	17.93%
Avatar Finance Pty Ltd	Avatar Finance Pty Ltd	Avatar Finance Pty Ltd	Direct Shareholding	ORD 321,818,182	6.65%

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
The Tricorp Trust	PO Box 7312 Cloisters Square Perth WA 6850
Gabor Holdings Pty Ltd	PO Box 7312 Cloisters Square Perth WA 6850
Zeppelin Pty Ltd	PO Box 7312 Cloisters Square Perth WA 6850
Arlec Australia Pty Ltd	PO Box 7312 Cloisters Square Perth WA 6850
Ian Norman Trahar	PO Box 7312 Cloisters Square Perth WA 6850
Gabor Investments Pty Ltd	PO Box 7312 Cloisters Square Perth WA 6850
Avatar Industries Pty Ltd	PO Box 7312 Cloisters Square Perth WA 6850
Avatar Finance Pty Limited	PO Box 7312 Cloisters Square Perth WA 6850

Signature

print name **Ian Norman Trahar**

capacity **Director**

sign here



date 10/01/2023

Annexure A

This is Annexure A of 31 pages referred to in Form 604 (Notice of change of interests of substantial holder) signed by me and dated 10 January 2023.

A handwritten signature in black ink, appearing to be 'IT', written above a horizontal line.

Ian Norman Trahar
Director
Seafarms Group Limited (ABN 50 009 317 846)

Deed of Transfer

Mick McMahon
Avatar Finance Pty Limited (ACN 009 034 315)

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Parties

- 1 Avatar Finance Pty Limited (ACN 009 034 315) (Buyer)
 - 2 Mick McMahon of 1014 Glen Esk Road Conara TAS 7211 (McMahon)
-

Background

- A McMahon is the registered holder of the Sale Shares and the Sale Options.
- B The parties wish to effect a transfer of Sale Shares and Sale Options on the terms of this deed.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

2 Sale and purchase of Sale Shares and Sale Options

2.1 Sale and purchase

- (a) On Completion, McMahon must sell and the Buyer must buy the Sale Options and Sale Shares held by McMahon free from all Encumbrances.
- (b) The Buyer may by notice in writing prior to Completion nominate one or more other person(s) to buy some or all of the Sale Shares or Sale Options in which case the relevant Sale Shares or Sale Options will be transferred to such person or persons. Such nomination does not relieve the Buyer of any of its obligations under this deed.

2.2 Consideration

The consideration payable by the Buyer to McMahon for the sale and purchase of the Sale Shares and Sale Options held by McMahon is the Purchase Price payable in cash on Completion.

3 Completion

3.1 Time and place of Completion

Completion will take place at 3:00pm Perth time on the date that is five (5) Business Days after the date of this deed at the offices of Gilbert + Tobin, Level 16, Tower 2, 123 St

Georges Terrace, Perth, Western Australia or any other time and place agreed by the parties.

3.2 McMahon's obligations prior to Completion

If any of the Sale Shares held by McMahon are held on CHESS, McMahon must, upon this deed being fully executed by all parties, instruct the controlling participant for the Sale Shares on CHESS to arrange for conversion of the holding to issuer sponsored.

3.3 Buyer obligation at Completion

At Completion, the Buyer must pay the Purchase Price to or at the direction of McMahon.

3.4 McMahon's obligations at Completion

At Completion, McMahon must deliver to the Buyer:

- (a) completed transfer forms for the Sale Shares and Sale Options held by him in favour of the Buyer (or Buyer's nominee) as transferee, duly executed by the registered holder as transferor;
- (b) a notice, signed by him, acknowledging receipt of the Purchase Price;
- (c) a Seller CGT Declaration signed by him; and
- (d) all necessary documents and all necessary instruments to ensure that all right, title and interest in the Sale Shares and Sale Options held by McMahon passes from McMahon to the Buyer free from all Encumbrances.

The Buyer acknowledges and agrees that, on receipt of the Seller CGT Declaration from McMahon under clause 3.4(c), no payment will be required to be made under Subdivision 14-D of Schedule 1 of the Tax Act in respect of McMahon.

3.5 Simultaneous actions at Completion

The obligations of the parties under clauses 3.3 and 3.4 are interdependent and must be performed, as nearly as possible, simultaneously. If any obligation specified in clauses 3.3 or 3.4 is not performed at Completion then, without prejudice to any other rights of the parties, Completion is taken not to have occurred and any documents delivered or payment made under this clause 3 must be returned to the party that delivered it or paid it.

4 Warranties

4.1 McMahon warranties

McMahon represents and warrants to the Buyer that:

- (a) following Completion, McMahon will not have a Relevant Interest in any Shares or Options.
- (b) McMahon is the sole registered and legal holder of the Sale Shares and Sale Options held by him, free of any Encumbrance;
- (c) the Sale Shares and Sale Options held by McMahon are all the Shares and Options McMahon has a Relevant Interest in as at the date of this deed;

- (d) this deed does not conflict with or result in the breach of or default under any material term or provision of any agreement, deed, writ, order, injunction, rule, judgment, law or regulation to which he is a party or is subject or by which he is bound;
- (e) he has obtained all authorisations and approvals necessary for him to lawfully enter into and perform his obligations under this deed subject to its terms;
- (f) McMahon is entitled to sell and transfer the Sale Shares and Sale Options held by him without the consent of any third party;
- (g) no pre-emptive rights or rights of first refusal apply in respect of the transfer of any of the Sale Shares and Sale Options held by McMahon;
- (h) at Completion, the Buyer will acquire full legal and beneficial title to the Sale Shares and Sale Options held by McMahon; and
- (i) the execution, delivery and performance of this deed does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which he is bound that would prevent him from entering into and performing his obligations under this deed.

4.2 General warranties

Each party warrants to the other that:

- (a) it has the legal right and power to enter into this deed;
- (b) the execution and delivery of this deed has been properly authorised by all necessary corporate action;
- (c) it has full corporate power and lawful authority to execute and deliver this deed and to consummate and perform or cause to be performed its obligations under this deed;
- (d) this deed constitutes a legal, valid and binding obligation on it, enforceable in accordance with its terms; and
- (e) it is aware that the other parties are relying on the warranties it is giving in this clause in executing this deed.

4.3 Repetition of representations and warranties

The representations and warranties given in this clause 4 are regarded as repeated at Completion with regard to the facts and circumstances then subsisting.

4.4 Seller indemnity

McMahon indemnifies the Buyer and must hold the Buyer harmless from and against all liabilities, losses, damages, costs or expenses directly or indirectly incurred or suffered by the Buyer as a result of the breach of any of the representations or warranties in clauses 4.1 or 4.2 and from and against all actions, proceedings, claims or demands made against the Buyer as a result of any such breach.

4.5 Buyer indemnity

Buyer indemnifies McMahon and must hold McMahon harmless from and against all liabilities, losses, damages, costs or expenses directly or indirectly incurred or suffered by McMahon as a result of the breach of any of the representations or warranties in clause 4.2 and from and against all actions, proceedings, claims or demands made against McMahon as a result of any such breach.

5 Notices

- (a) Unless expressly stated otherwise in this deed, a notice, consent or other communication given under this deed:
- (i) must be in legible writing and in English;
 - (ii) must be addressed to the party to whom it is to be given (**Addressee**) at the address or email address set out below or to any other address, or email address as notified by the Addressee for the purposes of this clause 5:
 - (A) if to the Buyer:

Address	133 Forrest Street Peppermint Grove WA 6011
Attention	Ian Trahar
Email	ian@avatarindustries.com.au
 - (A) if to McMahon:

Address	1014 Glen Esk Road Conara TAS 7211
Attention	Mick McMahon
Email	mick@brambletye.com.au
- (i) must be either:
- (A) delivered by hand to the Addressee's address; or
 - (B) sent by email to the Addressee's email address; and
- (ii) is deemed to be received by the Addressee in accordance with clause 5(b).
- (b) Without limiting any other means by which a party may be able to prove that a notice has been received by another party, a notice is deemed to be received:
- (i) if sent by hand, when delivered to the Addressee; or
 - (ii) if sent by email:

- (A) when the sender receives an automated message confirming delivery;
or
- (B) 5 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first, but if the delivery or receipt is on a day which is not a Business Day or is after 4.00pm (Addressee's time) it is regarded as received at 9.00am on the following Business Day.

6 General

6.1 Governing law

The laws of Western Australia govern this deed.

6.2 Jurisdiction

Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

6.3 Cumulative rights

Except as expressly provided in this deed, the rights of a party under this deed are in addition to and do not exclude or limit any other rights or remedies provided by law.

6.4 Assignment, novation and other dealings

A party may not assign this deed or otherwise transfer the benefit of this deed or a right or remedy under it, without the prior written consent of the other party.

6.5 Counterparts

This deed may be executed in any number of counterparts, each of which, when executed, is an original. Those counterparts together make one instrument.

6.6 Waiver

- (a) No waiver of a right or remedy under this deed is effective unless it is in writing and signed by the party granting it.
- (b) A waiver is only effective in the specific instance and for the specific purpose for which it is granted.
- (c) A waiver will not prejudice such party's rights against the other in respect of any subsequent breach.
- (d) A single or partial exercise of a right or remedy under this deed does not prevent a further exercise of that or of any other right or remedy.
- (e) Failure to exercise or delay in exercising a right or remedy under this deed does not operate as a waiver or prevent further exercise of that or any other right or remedy.

6.7 Costs, expenses and duties

Except as expressly provided in this deed, each party must pay its own costs and expenses of negotiating, preparing and executing this deed and any other instrument executed under this deed.

6.8 Further assurances

Each party must, at its own expense, do all things reasonably necessary to give full effect to this deed and the matters contemplated by it.

6.9 Survival and merger

- (a) No term of this deed merges on completion of any transaction contemplated by this deed.
- (b) Clauses 5 and 6 and Schedule 1 survive termination or expiry of this deed together with any other term which by its nature is intended to do so.

6.10 Variation

No variation of this deed is effective unless made in writing and signed by each party.

6.11 Entire agreement

This deed:

- (a) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties;
- (b) supersedes any prior agreement (whether or not in writing) between the parties; and
- (c) is not intended to confer upon any person other than the parties hereto any rights or remedies.

6.12 Invalidity

- (a) If a provision of this deed or a right or remedy of a party under this deed is invalid or unenforceable in a particular jurisdiction:
 - (i) it is read down or severed in that jurisdiction only to the extent of the invalidity or unenforceability; and
 - (ii) it does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions in any jurisdiction.
- (b) This clause is not limited by any other provision of this deed in relation to severability, prohibition or enforceability.

Schedule 1 Dictionary

1 Dictionary

In this deed:

Addressee has the meaning given to that term in clause 5(a).

Business Day means a day on which banks are open for business excluding Saturdays, Sundays and public holidays in Perth, Australia.

CHESS means Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd.

Company means Seafarms Group Limited (ACN 009 317 846).

Completion means the completion of the sale and purchase of the Sale Shares and Sale Options in accordance with clause 3.

Corporations Act means the *Corporations Act 2001* (Cth).

Dictionary has the meaning given to that term in clause 1.1.

Encumbrance means:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or flawed deposit arrangement;
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) third party right or interest or any right arising as consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

Option means an option to subscribe for a Share.

Purchase Price means \$254,545.45.

Relevant Interest has the meaning given in Chapter 6 of the Corporations Act.

Sale Options means the Options specified in Schedule 2.

Sale Shares means the Shares specified in Schedule 2.

Share means a fully paid ordinary share in the capital of the Company.

Seller CGT Declaration means a declaration (in the ATO form NAT 74879-06.2016) from McMahon that either:

- (a) McMahon is a resident of Australia as defined in the Tax Act; or
- (b) its Sale Shares are not indirect Australian real property interests as defined in the Tax Act,

and that covers the time this deed is entered into and the time of Completion.

Tax Act means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) or the *Taxation Administration Act 1953* (Cth), as the context requires.

2 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;
 - (vi) this deed includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of an applicable financial market and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (ix) a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) in determining the time of day, where relevant to this deed, the relevant time of day is:

- (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this deed, the time of day in the place where the party required to perform an obligation is located; and
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it.

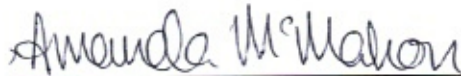
Schedule 2 Sale Shares and Sale Options

Name of registered shareholder in the Company	Number & class of securities
McMahon	36,363,636 Shares
	21,818,181 unlisted Options issued on 22/09/2021 expiring 13/08/2024, exercise price \$0.0975

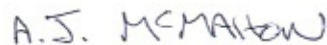
Execution page

Executed as a deed.

Signed, sealed and delivered by **Mick McMahon**
in the presence of:



Signature of witness



Name of witness (print)


Signature of **Mick McMahon**

Signed, sealed and delivered by **Avatar Finance
Pty Limited (ACN 009 034 315)** in accordance
with section 127 of the *Corporations Act 2001*
(Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Execution page

Executed as a deed.

Signed, sealed and delivered by **Mick McMahon**
in the presence of:

Signature of witness

Signature of **Mick McMahon**

Name of witness (print)

Signed, sealed and delivered by **Avatar Finance
Pty Limited (ACN 009 034 315)** in accordance
with section 127 of the *Corporations Act 2001*
(Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Deed of Transfer

Ian Brannan
Avatar Finance Pty Limited (ACN 009 034 315)

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Date: 9 January 2023

Parties

- 1 Avatar Finance Pty Limited (ACN 009 034 315) (Buyer)
 - 2 Ian Brannan of 3 Karloo Parade Newport NSW 2106 (Brannan)
-

Background

- A Brannan is the registered holder of the Sale Shares and the Sale Options.
- B The parties wish to effect a transfer of Sale Shares and Sale Options on the terms of this deed.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

2 Sale and purchase of Sale Shares and Sale Options

2.1 Sale and purchase

- (a) On Completion, Brannan must sell and the Buyer must buy the Sale Options and Sale Shares held by Brannan free from all Encumbrances.
- (b) The Buyer may by notice in writing prior to Completion nominate one or more other person(s) to buy some or all of the Sale Shares or Sale Options in which case the relevant Sale Shares or Sale Options will be transferred to such person or persons. Such nomination does not relieve the Buyer of any of its obligations under this deed.

2.2 Consideration

- (a) The consideration payable by the Buyer to Brannan for the sale and purchase of the Sale Options and Sale Shares held by Brannan is the Purchase Price payable in cash on Completion.
-

3 Completion

3.1 Time and place of Completion

Completion will take place at 3:00pm Perth time on the date that is five (5) Business Days after the date of this deed at the offices of Gilbert + Tobin, Level 16, Tower 2, 123 St

Georges Terrace, Perth, Western Australia or any other time and place agreed by the parties.

3.2 Brannan's obligations prior to Completion

If any of the Sale Shares held by Brannan are held on CHESS, Brannan must, upon this deed being fully executed by all parties, instruct the controlling participant for the Sale Shares on CHESS to arrange for conversion of the holding to issuer sponsored.

3.3 Buyer obligation at Completion

At Completion, the Buyer must pay the Purchase Price to or at the direction of Brannan.

3.4 Brannan's obligations at Completion

At Completion, Brannan must:

- (a) deliver to the Buyer:
 - (i) completed transfer forms for the Sale Shares and Sale Options held by him in favour of the Buyer (or Buyer's nominee) as transferee, duly executed by the registered holder as transferor;
 - (ii) a notice, signed by him, acknowledging receipt of the Purchase Price;
 - (iii) a Seller CGT Declaration signed by him; and
 - (iv) all necessary documents and all necessary instruments to ensure that all right, title and interest in the Sale Options and Sale Shares held by Brannan passes from Brannan to the Buyer free from all Encumbrances.

The Buyer acknowledges and agrees that, on receipt of the Seller CGT Declaration from Brannan under clause 3.4(a), no payment will be required to be made under Subdivision 14-D of Schedule 1 of the Tax Act in respect of Brannan.

3.5 Simultaneous actions at Completion

The obligations of the parties under clauses 3.3 and 3.4 are interdependent and must be performed, as nearly as possible, simultaneously. If any obligation specified in clauses 3.3 or 3.4 is not performed at Completion then, without prejudice to any other rights of the parties, Completion is taken not to have occurred and any documents delivered or payment made under this clause 3 must be returned to the party that delivered it or paid it.

4 Warranties

4.1 Brannan warranties

Brannan represents and warrants to the Buyer that:

- (a) following Completion, Brannan will not have a Relevant Interest in any Shares or Options;
- (b) Brannan is the sole registered and legal holder of the Sale Options and Sale Shares held by him, free of any Encumbrance;

- (c) the Sale Shares and Sale Options held by Brannan are all the Shares and Options Brannan has a Relevant Interest in as at the date of this deed;
- (d) this deed does not conflict with or result in the breach of or default under any material term or provision of any agreement, deed, writ, order, injunction, rule, judgment, law or regulation to which he is a party or is subject or by which he is bound;
- (e) he has obtained all authorisations and approvals necessary for him to lawfully enter into and perform his obligations under this deed subject to its terms;
- (f) Brannan is entitled to sell and transfer the Sale Shares and Sale Options held by him without the consent of any third party;
- (g) no pre-emptive rights or rights of first refusal apply in respect of the transfer of any of the Sale Shares and Sale Options held by Brannan;
- (h) at Completion, the Buyer will acquire full legal and beneficial title to the Sale Shares and Sale Options held by Brannan; and
- (i) the execution, delivery and performance of this deed does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which he is bound that would prevent him from entering into and performing his obligations under this deed.

4.2 General warranties

Each party warrants to the other that:

- (a) it has the legal right and power to enter into this deed;
- (b) the execution and delivery of this deed has been properly authorised by all necessary corporate action;
- (c) it has full corporate power and lawful authority to execute and deliver this deed and to consummate and perform or cause to be performed its obligations under this deed;
- (d) this deed constitutes a legal, valid and binding obligation on it, enforceable in accordance with its terms; and
- (e) it is aware that the other parties are relying on the warranties it is giving in this clause in executing this deed.

4.3 Repetition of representations and warranties

The representations and warranties given in this clause 4 are regarded as repeated at Completion with regard to the facts and circumstances then subsisting.

4.4 Seller indemnity

Brannan indemnifies the Buyer and must hold the Buyer harmless from and against all liabilities, losses, damages, costs or expenses directly or indirectly incurred or suffered by the Buyer as a result of the breach of any of the representations or warranties in clauses 4.1 or 4.2 and from and against all actions, proceedings, claims or demands made against the Buyer as a result of any such breach.

4.5 Buyer indemnity

Buyer indemnifies Brannan and must hold Brannan harmless from and against all liabilities, losses, damages, costs or expenses directly or indirectly incurred or suffered by Brannan as a result of the breach of any of the representations or warranties in clause 4.2 and from and against all actions, proceedings, claims or demands made against Brannan as a result of any such breach.

5 Notices

(a) Unless expressly stated otherwise in this deed, a notice, consent or other communication given under this deed:

- (i) must be in legible writing and in English;
- (ii) must be addressed to the party to whom it is to be given (**Addressee**) at the address or email address set out below or to any other address, or email address as notified by the Addressee for the purposes of this clause 5:

(A) if to the Buyer:

Address	133 Forrest Street Peppermint Grove WA 6011
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Attention	Ian Trahar
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Email	ian@avatarindustries.com.au
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(A) if to Brannan:

Address	3 Karloo Parade Newport NSW 2106
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Attention	Ian Brannan
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Email	ibrannan@ymail.com
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(i) must be either:

(A) delivered by hand to the Addressee's address; or

(B) sent by email to the Addressee's email address; and

(ii) is deemed to be received by the Addressee in accordance with clause 5(b).

(b) Without limiting any other means by which a party may be able to prove that a notice has been received by another party, a notice is deemed to be received:

(i) if sent by hand, when delivered to the Addressee; or

(ii) if sent by email:

- (A) when the sender receives an automated message confirming delivery;
or
- (B) 5 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first, but if the delivery or receipt is on a day which is not a Business Day or is after 4.00pm (Addressee's time) it is regarded as received at 9.00am on the following Business Day.

6 General

6.1 Governing law

The laws of Western Australia govern this deed.

6.2 Jurisdiction

Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

6.3 Cumulative rights

Except as expressly provided in this deed, the rights of a party under this deed are in addition to and do not exclude or limit any other rights or remedies provided by law.

6.4 Assignment, novation and other dealings

A party may not assign this deed or otherwise transfer the benefit of this deed or a right or remedy under it, without the prior written consent of the other party.

6.5 Counterparts

This deed may be executed in any number of counterparts, each of which, when executed, is an original. Those counterparts together make one instrument.

6.6 Waiver

- (a) No waiver of a right or remedy under this deed is effective unless it is in writing and signed by the party granting it.
- (b) A waiver is only effective in the specific instance and for the specific purpose for which it is granted.
- (c) A waiver will not prejudice such party's rights against the other in respect of any subsequent breach.
- (d) A single or partial exercise of a right or remedy under this deed does not prevent a further exercise of that or of any other right or remedy.
- (e) Failure to exercise or delay in exercising a right or remedy under this deed does not operate as a waiver or prevent further exercise of that or any other right or remedy.

6.7 Costs, expenses and duties

Except as expressly provided in this deed, each party must pay its own costs and expenses of negotiating, preparing and executing this deed and any other instrument executed under this deed.

6.8 Further assurances

Each party must, at its own expense, do all things reasonably necessary to give full effect to this deed and the matters contemplated by it.

6.9 Survival and merger

- (a) No term of this deed merges on completion of any transaction contemplated by this deed.
- (b) Clauses 5 and 6 and Schedule 1 survive termination or expiry of this deed together with any other term which by its nature is intended to do so.

6.10 Variation

No variation of this deed is effective unless made in writing and signed by each party.

6.11 Entire agreement

This deed:

- (a) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties;
- (b) supersedes any prior agreement (whether or not in writing) between the parties; and
- (c) is not intended to confer upon any person other than the parties hereto any rights or remedies.

6.12 Invalidity

- (a) If a provision of this deed or a right or remedy of a party under this deed is invalid or unenforceable in a particular jurisdiction:
 - (i) it is read down or severed in that jurisdiction only to the extent of the invalidity or unenforceability; and
 - (ii) it does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions in any jurisdiction.
- (b) This clause is not limited by any other provision of this deed in relation to severability, prohibition or enforceability.

Schedule 1 Dictionary

1 Dictionary

In this deed:

Addressee has the meaning given to that term in clause 5(a).

Business Day means a day on which banks are open for business excluding Saturdays, Sundays and public holidays in Perth, Australia.

CHESS means Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd.

Company means Seafarms Group Limited (ACN 009 317 846).

Completion means the completion of the sale and purchase of the Sale Shares and Sale Options in accordance with clause 3.

Corporations Act means the *Corporations Act 2001* (Cth).

Dictionary has the meaning given to that term in clause 1.1.

Encumbrance means:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or flawed deposit arrangement;
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) third party right or interest or any right arising as consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

Option means an option to subscribe for a Share.

Purchase Price means \$72,727.27.

Relevant Interest has the meaning given in Chapter 6 of the Corporations Act.

Sale Options means the Options specified in Schedule 2.

Sale Shares means the Shares specified in Schedule 2.

Share means a fully paid ordinary share in the capital of the Company.

Seller CGT Declaration means a declaration (in the ATO form NAT 74879-06.2016) from Brannan that either:

- (a) Brannan is a resident of Australia as defined in the Tax Act; or
- (b) its Sale Shares are not indirect Australian real property interests as defined in the Tax Act,

and that covers the time this deed is entered into and the time of Completion.

Tax Act means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) or the *Taxation Administration Act 1953* (Cth), as the context requires.

2 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;
 - (vi) this deed includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of an applicable financial market and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (ix) a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) in determining the time of day, where relevant to this deed, the relevant time of day is:

- (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this deed, the time of day in the place where the party required to perform an obligation is located; and
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it.

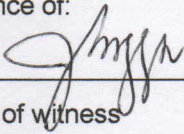
Schedule 2 Sale Shares and Sale Options

Name of registered shareholder in the Company	Number & class of securities
Ian Brannan	9,090,909 Shares
	5,454,545 unlisted Options issued on 22/09/2021 expiring 13/08/2024, exercise price \$0.0975.

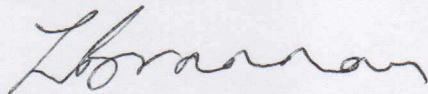
Execution page

Executed as a deed.

Signed, sealed and delivered by **Ian Brannan** in
the presence of:



Signature of witness



Signature of **Ian Brannan**

JENNIFER V. BARAYUGA

Name of witness (print)

Signed, sealed and delivered by **Avatar Finance
Pty Limited (ACN 009 034 315)** in accordance
with section 127 of the *Corporations Act 2001*
(Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Execution page

Executed as a deed.

Signed, sealed and delivered by **Ian Brannan** in
the presence of:

Signature of witness

Signature of **Ian Brannan**

Name of witness (print)

Signed, sealed and delivered by **Avatar Finance
Pty Limited (ACN 009 034 315)** in accordance
with section 127 of the *Corporations Act 2001*
(Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)