



Lithium Australia NL
ACN 126 129 413

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held as follows:

Time and date: 9am (WST) on Monday, 31 January 2022

Location: Level 1, 677 Murray Street, West Perth 6005

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6145 0288

Shareholders are urged to attend or vote by lodging the Proxy Form

Lithium Australia NL
ACN 126 129 413
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Lithium Australia NL will be held at Level 1, 677 Murray Street, West Perth 6005 on Monday, 31 January 2022 at 9am (WST) **(Meeting)**.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.lithium-au.com and the ASX announcement platform.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 5.00pm (WST) on Saturday, 29 January 2022.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Note: there is no requirement for Shareholders to approve the Annual Report.

2 Resolutions

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

'That the Remuneration Report be adopted by Shareholders, on the terms and conditions in the Explanatory Memorandum.'

Note: a vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Election of Director - Phil Thick

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, in accordance with clause 69.2 of the Constitution and Listing Rule 14.4 and for all other purposes, Phil Thick retires as a Director at this Meeting and, being eligible and offering himself for election, is elected as a Director, on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Election of Director - Kristie Young

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, in accordance with clause 69.2 of the Constitution and Listing Rule 14.4 and for all other purposes, Kristie Young retires as a Director at this Meeting and, being eligible and offering herself for election, is elected as a Director, on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Re-election of Director - George Bauk

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, in accordance with article 73.1 of the Constitution and for all other purposes, George Bauk retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Change of company type

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, subject to and conditional on the passing of each of the Inter-Conditional Resolutions, pursuant to and in accordance with section 162(1) of the Corporations Act and for all other purposes, Shareholders approve the conversion of the Company from a public no liability company to a public company limited by shares with effect from the date that ASIC alters the details of the Company's registration, on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Approval of selective capital reduction of Partly Paid Shares

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, subject to and conditional on the passing of each of the Inter-Conditional Resolutions, pursuant to and in accordance with sections 256B and 256C of the Corporations Act and for all other purposes, Shareholders approve a selective capital reduction in respect of up to 68,311,762 partly paid shares, on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 – Approval to issue Exchange Options

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, subject to and conditional on the passing of each of the Inter-Conditional Resolutions, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 68,311,762 Options to the holders of Partly Paid Shares, on the terms and conditions in the Explanatory Memorandum.'

Resolution 9 – Approval to issue Director Exchange Options

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, subject to and conditional on the passing of each of the Inter-Conditional Resolutions, pursuant to and in accordance with Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 7,291,718 Director Exchange Options to Adrian Griffin (or his nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 10 – Change of company name

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, subject to and conditional on the passing of each of the Inter-Conditional Resolutions, pursuant to and in accordance with section 157(1) of the Corporations Act and for all other purposes, Shareholders approve the change of company name to "Lithium Australia Limited" with effect from the date that ASIC alters the details of the Company's registration, on the terms and conditions in the Explanatory Memorandum.'

Resolution 11 – Replacement of Constitution

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, subject to and conditional on the passing of each of the Inter-Conditional Resolutions, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other

purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form of the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from the date that ASIC alters the details of the Company's registration, on the terms and conditions in the Explanatory Memorandum.'

Resolution 12 – Ratification of prior issue of Supplier Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 203,318 Shares under Listing Rule 7.1 to Proactive Investors Australia Pty. Ltd. (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 13 – Ratification of prior issue of German Advisor Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 197,625 Shares under Listing Rule 7.1 to General Research GmbH (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 14 – Ratification of prior issue of Corporate Advisor Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 24,156 Shares under Listing Rule 7.1 to Warrior Strategic Pty Ltd (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 15 – Ratification of prior issue of Employee Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 159,657 Shares under Listing Rule 7.1 to Neil Scholtz on the terms and conditions in the Explanatory Memorandum.'

Resolution 16 – Ratification of prior issue of August Collateral Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes,

Shareholders ratify the issue of 30,000,000 Shares under Listing Rule 7.1 to Acuity Capital (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 17 – Ratification of prior issue of September Collateral Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,975,000 Shares under Listing Rule 7.1A to Acuity Capital (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 2 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Capacity, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons;
- (b) Resolution 8 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Exchange Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (c) Resolution 9 by or on behalf of Adrian Griffin (and his nominees), and any other person who will obtain a material benefit as a result of the issue of the Director Exchange Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (d) Resolution 12 by or on behalf of Proactive Investors Australia (and its nominees), or any of its respective associates.
- (e) Resolution 13 by or on behalf of General Research (and its nominees), or any of its respective associates.
- (f) Resolution 14 by or on behalf of Warrior Strategic (and its nominees), or any of its respective associates.
- (g) Resolution 15 by or on behalf of Neil Scholtz (and its nominees), or any of his respective associates.
- (h) Resolution 16 by or on behalf of Acuity Capital (and its nominees), or any of its respective associates.
- (i) Resolution 17 by or on behalf of Acuity Capital (and its nominees), or any of its respective associates.

The above voting exclusion does not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibitions

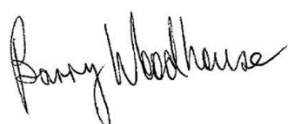
Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

Resolution 7: Pursuant to section 256C(2) of the Corporations Act, no votes may be cast in favour of this Resolution by or on behalf of any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced, or by their respective associates.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD



Barry Woodhouse
Company Secretary
Lithium Australia NL
Dated: 24 December 2021

Lithium Australia NL
ACN 126 129 413
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 1, 677 Murray Street, West Perth 6005 on Monday, 31 January 2022 at 9am (WST) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Approval of 10% Placement Capacity
Section 6	Resolution 3 – Election of Director - Phil Thick
Section 7	Resolution 4 – Election of Director - Kristie Young
Section 8	Resolution 5 – Re-election of Director - George Bauk
Section 9	Resolution 6 – Change of company type
Section 10	Resolution 7 – Approval of selective capital reduction of Partly Paid Shares
Section 11	Resolution 8 – Approval to issue Exchange Options
Section 12	Resolution 9 – Approval to issue Director Exchange Options
Section 13	Resolution 10 – Change of company name
Section 14	Resolution 11 – Replacement of Constitution
Section 15	Resolution 12 – Ratification of prior issue of Supplier Shares
Section 16	Resolution 13 – Ratification of prior issue of German Advisor Shares
Section 17	Resolution 14 – Ratification of prior issue of Corporate Advisor Shares

Section 18	Resolution 15 – Ratification of prior issue of Employee Shares
Section 19	Resolution 16 – Ratification of prior issue of August Collateral Shares
Section 20	Resolution 17 – Ratification of prior issue of September Collateral Shares
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Exchange Options

A Proxy Form is located at the end of the Explanatory Memorandum.

2. **Action to be taken by Shareholders**

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 **Impact of COVID-19 on the Meeting**

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 **Voting in person**

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.3 **Proxies**

Shareholders are encouraged to vote by voting online or by lodging a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form annexed to the Notice of Meeting.

Online: At www.advancedshare.com.au

Personal delivery: Advanced Share Registry Limited, 110 Stirling Highway,
Nedlands WA 6009

By mail: Advanced Share Registry Limited
PO Box 1156, Nedlands, WA 6909

By fax: +61 8 9262 3723 (within Australia)

By email: admin@advancedshare.com.au in pdf form.

2.4 Chair's voting intentions

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, even though Resolution 1 is connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company at info@lithium-au.com by 24 January 2022.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

2.6 Inter-Conditional Resolutions

Resolution 6 to Resolution 11 (inclusive) and the resolution to be put to the holders of the Partly Paid Shares at the Partly Paid Shareholder Meeting are "inter-conditional", meaning that each of these Resolutions will only be passed if each of the other Inter-Conditional Resolutions is passed by the requisite majority of Shareholders and Partly Paid Shareholders (as applicable).

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://lithium-au.com/financial-reports/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. **Resolution 1 – Remuneration Report**

4.1 **General**

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting held on 18 December 2020. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

4.2 **Additional information**

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders regarding this Resolution.

5. **Resolution 2 – Approval of 10% Placement Capacity**

5.1 **General**

Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital through placements over a 12 month period after the annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 2 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Capacity during the 10% Placement Period (refer to Section 5.2(f) below).

If Shareholders approve Resolution 2, the number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

If Resolution 2 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in the Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 2 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

5.2 **Listing Rule 7.1A**

(a) **Is the Company an eligible entity?**

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$113.0 million, based on the closing price of Shares on 23 December 2021.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 2 will no longer be effective and will be withdrawn.

(b) **What Equity Securities can be issued?**

Any Equity Securities issued under the 10% Placement Capacity must be in the same

class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities, Shares.

(c) **How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Capacity, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid Shares issued in the 12 months:

- (1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- (2) on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the 12 month period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- (3) under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the 12 month period; or
 - the agreement or issue was approved, or taken under the Listing Rules to be approved, under Listing Rule 7.1 or 7.4; and
- (4) with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;

(B) plus the number of partly paid shares that became fully paid in the 12 months; and

(C) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

(d) What is the interaction with Listing Rule 7.1?

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) At what price can the Equity Securities be issued?

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per Equity Security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 5.2(e)(i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) When can Equity Securities be issued?

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) What is the effect of Resolution 2?

The effect of Resolution 2 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

5.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Capacity:

(a) Final date for issue

The Company will only issue the Equity Securities under the 10% Placement Capacity during the 10% Placement Period (refer to Section 5.2(f) above).

Shareholder approval of the 10% Placement Capacity will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Capacity, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 5.2(e) above).

(c) **Purposes of issues under the 10% Placement Capacity**

The Company may seek to issue Equity Securities under the 10% Placement Capacity for cash consideration in order to raise funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution 2 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the potential dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 5.2(c) above) as at the date of the Notice (**Variable A**), with:

- (iii) two examples where Variable A has increased, by 50% and 100%; and
- (iv) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.055 (50% decrease in issue price)	Funds raised based on issue price of \$0.11 (issue price)	Funds raised based on issue price of \$0.22 (100% increase in issue price)
1,028,573,506 (Current)	102,857,351	\$5,657,154	\$11,314,309	\$22,628,617
1,542,860,259 (50% increase)	154,286,026	\$8,485,731	\$16,971,463	\$33,942,926
2,057,147,012 (100% increase)	205,714,701	\$11,314,309	\$22,628,617	\$45,257,234

Notes:

- The table has been prepared on the following assumptions:
 - The issue price is the current market price (\$0.11), being the closing price of the Shares on ASX on 23 December 2021, being the latest practicable date before this Notice was signed.
 - Variable A is 1,028,573,506 comprising the number of Shares currently on issue. This assumes that the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
 - The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
 - No convertible securities are exercised or converted into Shares before the date of the issue of the Equity Securities.
 - The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 18 December 2020.

On 21 January 2021 and 5 August 2021, the Company issued a total 30,000,000 Equity Securities to Acuity under Listing Rule 7.1A which were subsequently approved by Shareholders at a general meeting on 11 October 2021.

On 13 September 2021, the Company issued 2,975,000 Equity Securities under Listing Rule 7.1A (the Equity Securities the subject of Resolution 17), representing 4.09% of the total number of Equity Securities on issue at the commencement of that 12-month period. Details of the issue are set out as follows:

Date of Issue	Type of Equity Securities	Number issues/ agreed to be issued	Summary of Terms of Equity Securities	Recipient of Equity Securities (or bash they were identified or selected)	Issue Price and discount/premium to closing market price on date of issue/ agreement to issue (if any)	Total cash consideration received, the amount of that cash that has been spent, what it was spent on, and what is the intended use for the remaining amount of that cash (if any)
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21 January 2021	Fully paid ordinary Shares which rank equally in all respects with the existing fully paid ordinary Shares on issue.	15,000,000	Fully paid ordinary Shares which rank equally in all respects with the existing fully paid ordinary Shares on issue.	Sophisticated and professional investors under the placement none of whom is a related party or material investor of the Company.	\$0.1584 per Share. representing a premium of 17.13% of the closing market price on the date of issue.	\$2,376,000 (before costs) as raised of which no funds have yet been expended. The proceeds will be applied towards: • commercialisation of Envirostream's battery recycling business; • enhancement of Envirostream Australia's marketing and collection network; • marketing costs for Soluna Australia's renewable-energy storage systems; and • additional working capital for the Company.
5 August 2021	Fully paid ordinary Shares which rank equally in all respects with the existing fully paid ordinary Shares on issue.	15,000,000	Fully paid ordinary Shares which rank equally in all respects with the existing fully paid ordinary Shares on issue.	Sophisticated and professional investors under the placement none of whom is a related party or material investor of the Company.	\$0.1183 per Share. representing a discount of 4.7% of the closing market price on the date of issue.	\$1,775,000 (before costs) as raised of which no funds have yet been expended. The proceeds will be applied towards: • commercialisation of Envirostream's recycling business; • funding for the VSPC feasibility studies; • funding for the LieNa[®] pilot plant; and • general working capital.

13 September 2021	Fully paid ordinary Shares which rank equally in all respects with the existing fully paid ordinary Shares on issue.	2,975,000	Fully paid ordinary Shares which rank equally in all respects with the existing fully paid ordinary Shares on issue.	Sophisticated and professional investors under the placement none of whom is a related party or material investor of the Company.	\$0.13780 per Share. representing a premium of 10.24% of the closing market price on the date of issue.	\$409,555 (before costs) as raised of which nil has been expended. The proceeds will be applied towards: • commercialisation of Envirostream's recycling business; • funding for the VSPC feasibility studies; • funding for the LieNa[®] pilot plant; and • general working capital.
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5.4 Voting exclusion statement

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 2.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

5.5 Additional information

Resolution 2 is a **special resolution** and therefore requires approval of 75% of the votes cast by Shareholders eligible to vote.

The Board recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Election of Director - Phil Thick

6.1 General

Article 69.2 of the Constitution and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) appointed by the Board to fill a causal vacancy or as an addition to the Board must not hold office without re-election past the next annual general meeting.

A Director who retires in accordance with article 69.2 holds office until the conclusion of the Meeting but is eligible for re-election.

On 1 May 2021, Phil Thick was appointed as a Non-Executive Director of the Company. Accordingly, Mr Thick retires at this Meeting and, being eligible, seeks re-election pursuant to this Resolution 3.

6.2 **Phil Thick**

Mr Thick has over 30 years' experience as a senior executive in oil and gas, mining and chemical processing in large multinational – as well as smaller, ASX-listed and privately owned – companies. In addition, he has extensive experience on many boards, in non-executive director roles, and chaired many of them for extended periods. Mr Thick enjoyed a 20-year career with Shell, both within Australia and overseas; for the last three he was on the board of Shell Australia as downstream director. This was followed by five years as a director and CEO of Coogee Chemicals, then four as CEO of New Standard Energy. During the past four and a half years, Mr Thick headed up Tianqi Lithium Australia, a subsidiary of Tianqi Lithium Corp out of China, one of the world's largest lithium companies. (Tianqi owns 51% of the Greenbushes mine in Western Australia, the world's best hard-rock lithium resource.) Mr Thick was charged with building the world's largest lithium hydroxide plant in Kwinana, south of Perth, an investment of nearly A\$1 billion.

Mr Thick also chairs the boards of the Chamber of Arts and Culture WA and Perth Symphony Orchestra.

If elected, Mr Thick is considered by the Board (with Mr Thick abstaining) to be an independent Director. Mr Thick is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Mr Thick does not currently hold any other material directorships, other than those previously disclosed in this Notice.

The Company confirms that it took appropriate checks into Mr Thick's background and experience and that these checks did not identify any information of concern.

Mr Thick has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

6.3 **Board recommendation**

The Board (other than Mr Thick who has a personal interest in the outcome of this Resolution) supports the election of Mr Thick for the following reasons:

- (a) The Board considers Mr Thick's various roles as a senior executive in the resources industry as well as his experience on many boards, including acting as chair for many of them, to be highly valuable to the governance and management of the Company.
- (b) On the basis of Mr Thick's skills, qualifications and experience and his continued contributions to the Board's activities, the Board (other than Mr Thick) recommends Shareholders vote in favour of the election of Mr Thick .

6.4 **Additional information**

Resolution 3 is an ordinary resolution.

The Board (other than Mr Thick who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of this Resolution.

7. Resolution 4 – Election of Director - Kristie Young

7.1 General

Article 69.2 of the Constitution and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) appointed by the Board to fill a causal vacancy or as an addition to the Board must not hold office without re-election past the next annual general meeting.

A Director who retires in accordance with article 69.2 holds office until the conclusion of the Meeting but is eligible for re-election.

On 21 December 2020, Kristie Young was appointed as a Non-Executive Director of the Company. Accordingly, Ms Young retires at this Meeting and, being eligible, seeks re-election pursuant to this Resolution 4.

7.2 Kristie Young

Ms Young's varied background includes more than 20 years' experience across a range of sectors, including technical engineering, project evaluation, strategy, business development, growth, marketing, commercial, client management, governance and human resources.

Most recently, Ms Young held senior growth and business development executive roles with leading professional services firms PwC and Ernst & Young. She is non-executive Chair with ChemX Materials and sits on the boards of Wesley College and the Energy Club of WA.

Ms Young holds a Bachelor of Engineering (Mining) Hons from the University of Queensland and a Post Graduate Diploma of Education (Mathematics & IT) from the University of Western Australia. She is a graduate of the Australian Institute of Company Directors and holds a CertIV HR from the Australian HR Institute.

Ms Young does not currently hold any other material directorships, other than those previously disclosed in this Notice.

If elected, Ms Young is considered to be an independent Director. Ms Young is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

The Company confirms that it took appropriate checks into Ms Young's background and experience and that these checks did not identify any information of concern.

Ms Young has acknowledged to the Company that she will have sufficient time to fulfil her responsibilities as a Director.

7.3 Board recommendation

The Board (other than Ms Young who has a personal interest in the outcome of this Resolution) supports the election of Ms Young for the following reasons:

- (a) Ms Young's experience in project evaluation and business development is complimentary and valuable to the Board's existing skills and experience.
- (b) On the basis of Ms Young's skills, qualifications and experience and her continued contributions to the Board's activities, the Board (other than Ms Young) recommends Shareholders vote in favour of the election of Ms Young.

7.4 **Additional information**

Resolution 4 is an ordinary resolution.

The Board (other than Ms Young who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of this Resolution.

8. **Resolution 5 – Re-election of Director - George Bauk**

8.1 **General**

Clause 73.2 of the Constitution provides that the person who has been a Director the longest without re-election must retire and stand for re-election.

Clause 73.4 of the Constitution provides that a retiring Director is eligible for re-election.

George Bauk was last elected at the annual general meeting held on 18 December 2020 and has held office the longest since that election.

Accordingly, Mr Bauk, retires at this Meeting and, being eligible and offering himself for re-election, seeks re-election pursuant to Resolution 5.

8.2 **George Bauk**

Mr Bauk has more than 30 years' experience in the resource industry and 15+ years as a listed company director, involved in mining exploration and production both within Australia and overseas. With qualifications that include a Bachelor of Business (Accounting and Finance) from Edith Cowan University and an MBA from the University of New England, he has held global operational and corporate roles with Northern Minerals, WMC Resources and Western Metals. A Fellow of the Certified Practising Accountant, Mr Bauk also boasts a strong background in strategic management, business planning, team building, finance and capital/debt raising (more than \$350 million), and his expertise encompasses a variety of commodities; in particular, critical minerals such as rare earths, lithium, graphite, gold and uranium. During his time as managing director of Northern Minerals, Mr Bauk led that company's rapid development from greenfields heavy-rare-earth explorer to one of the few global producers of high-value dysprosium outside of China.

Mr Bauk has previously held senior positions within the Chamber of Minerals and Energy, including as its vice-president, and continues to be a passionate contributor to the Western Australian resources sector.

Mr Bauk is Non-Executive Chairman of BlackEarth Minerals NL (ASX: BEM) and Gascoyne Resources Limited (ASX: GCY), Executive Director of PVW Resources Limited (ASX: PVW) and Executive Chairman of Valor Resources Limited (ASX: VAL).

Mr Bauk does not currently hold any other material directorships, other than those disclosed in this Notice.

If elected, Mr Bauk is considered to be an independent Director. Mr Bauk is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Mr Bauk has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

8.3 **Board recommendation**

The Board (other than Mr Bauk who has a personal interest in the outcome of this Resolution) supports the re-election of Mr Bauk for the following reasons:

- (a) Mr Bauk brings to the Board extensive leadership, governance and risk management skills.
- (b) Mr Bauk's experience in finance and accounting is complimentary and valuable to the Board's existing skills and experience.
- (c) On the basis of Mr Bauk's skills, qualifications and experience, the Board (with Mr Bauk abstaining) recommends Shareholders vote in favour of the re-election of Mr Bauk.

8.4 **Additional information**

Resolution 5 is an ordinary resolution.

The Board (other than Mr Bauk who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 5.

9. **Resolution 6 – Change of company type**

9.1 **General**

Resolution 6 seeks Shareholder approval for the Company to change its status from a public no liability company to a public company limited by shares.

Pursuant to section 162 of the Corporations Act, a public no liability company may convert to a public company limited by shares by passing a special resolution resolving to change its type, and provided that all of the issued shares are fully paid up. Subject to Shareholder approval of Resolution 7, Resolution 8 and Resolution 9 and the approval of the resolution to be put to the holders of the Partly Paid Shares at the Partly Paid Shareholder Meeting, the Company will not have any partly paid shares on issue.

9.2 **Key differences between a public no liability company and a public company limited by shares**

The table below outlines the key differences between a public no liability company and a public company limited by shares.

	Public no liability company	Public company limited by shares
Business activities	Limited to mining activities	No limitation on activities
Calls on shares	Holders of partly paid shares have no contractual liability to pay up the unpaid proportion of the issue price of those shares, although the shares may be subject to forfeiture if a call on the shares is not paid	Holders of partly paid shares have a contractual obligation to pay the amounts unpaid on their shares, as and when those amounts are called up, and any balance owing after the shares have been forfeited and disposed of for non-payment of a call remains a debt due and payable to the company by the shareholder
Dividends	Dividends are payable to shareholders in proportion to the shares held by them respectively, irrespective of the amounts paid up on those shares	Dividends are generally payable in proportion to the amounts paid up on shares
Surplus assets (on winding-up)	Surplus assets available for distribution to shareholders on a winding up of the company are distributed to the shareholders in proportion to the shares held by them respectively, irrespective of the amounts paid up on those shares	Any surplus assets available for distribution in a winding up is generally distributed to the shareholders in proportion to the amounts paid up on their shares

9.3 Background

The Company was incorporated as a "no liability" company (then called "Midwinter Resources NL" and later "Cobre Montana NL") on 22 June 2007, as an exploration company focused on exploring and potentially developing gold deposits in the east Kimberley and Eastern Goldfields of Western Australia.

Notwithstanding the Company's continuing interest in exploration activities as described above, its main undertaking has evolved gradually since 2014 to comprise the development of lithium processing and recycling technologies.

This evolution occurred organically. Whilst the Company was conducting its lithium exploration activities, it identified inefficiencies in the lithium-ion batteries (**LIB**) supply chain. These inefficiencies were due to, amongst other things, the technologies and practices used to extract lithium having been refined for the supply of lithium for industries unrelated to LIB industry. The Company considered that in order to derive maximum value from its exploration interests and internal expertise, it was incumbent on it to invest in the development of lithium processing technologies. This started with L-Max® then SiLeach® and LieNA® (described further below) which are slightly downstream to raw materials but then advanced more downstream into battery pre-cursors and battery recycling. This was all pursued in parallel to exploration.

The evolution of the Company's main undertaking commenced alongside its exploration activities in 2014. On 9 September 2014, the Company announced its foray into lithium in regards to the Ravensthorpe Option Agreement. Then, on 26 September 2014, the Company announced that it had entered into a technical assistance and cooperation agreement with Strategic Metallurgy Pty Ltd (**Strategic Metallurgy**), a Perth based metallurgical consulting group. The purpose of this agreement was to investigate the hydrometallurgical extraction of lithium and rare metals from a range of silicate minerals hosted by (lithium mica) deposits under examination by the Company. The Company would review the Strategic Metallurgy process with respect to the materials under examination by the Company with a view of entering into a longer-term licensing arrangement. On 11 November 2014, the Company announced that it had acquired a 25 year licence option which remains in place today known as L-Max licences.

This initial arrangement with Strategic Metallurgy formed the start of the Company's gradual transition into the development and application of technologies to the processing and recovery of lithium from exploration properties owned by Lithium Australia. An update regarding the Company's strategy in this regard was announced on 3 December 2014.

The first technology developed by the Company itself was the SiLeach® technology, which has formed part of the Company's business since 2016. On 22 February 2016, the Company first disclosed the successful development of the SiLeach® process, which is now best described as fluoride accelerated acid leach from lithium mica minerals and confirmed by the Supreme Court of WA to not be an improvement of L-Max®.

The second technology developed by the Company itself was the LieNA® technology, which in addition to the SiLeach® technology, has formed part of the Company's business since 2016. The Company first announced the development of the LieNA® technology, which is a caustic digestion process, on 3 August 2016. The current stage of the LieNA® development path is early pre-feasibility study (PFS) with the focus on the construction of a semi-continuous pilot plant. Once the pilot plant activities have completed this will be followed by the PFS engineering review.

The Company has kept Shareholders consistently informed as to the status and development of the L-Max®, SiLeach® and LieNA® technologies by way of quarterly and annual reports, as well as various investor presentations and other ASX market announcements.

Arising from the lessons of SiLeach® and continuing on this technological development theme as a result of old LIB technology, Lithium Australia turned its attention further downstream with its next logical step into the vertically integrated battery metal industry. On 31 August 2017, Lithium Australia announced the proposed acquisition of Very Small Particle Company Ltd (**VSPC**). Lithium Australia relevantly disclosed in the announcement that:

- (a) VSPC was a researcher and developer of some of the world's most innovative and respected new-era cathode material for lithium-ion batteries; and
- (b) should the acquisition proceed, the Company would achieve strategic 'full-circle' capability in terms of lithium extraction, processing and cathode production from unconventional source materials, and would be positioned as a market-leading recycler of discarded, end-of-use lithium-ion batteries.

Shareholders approved the issue of the consideration securities pursuant to the acquisition of VSPC in accordance with Listing Rule 7.1, and for all other purposes at the annual general

meeting held on 30 November 2017. The consideration securities were offered pursuant to a prospectus dated 26 February 2018 and the acquisition was completed shortly thereafter.

The Company's most recent technology-based acquisition was that of Envirostream Australia Pty Ltd (**Envirostream**), which recycles and reprocesses lithium-ion batteries (amongst other things). The Company first announced the agreement to acquire an 18.9% interest in Envirostream on 4 April 2019. Shareholders approved the issue of shares in relation to this transaction at the 2019 AGM with the details of the acquisition supplied in the Explanatory Memorandum provided for that AGM in accordance with Listing Rule 7.4 and for all other purposes.

The Company gradually increased its interest in Envirostream to:

- (a) 23.9% as announced on 16 October 2019;
- (b) 73.7% as announced on 26 November 2019; and
- (c) 90% as announced on 6 December 2019.

The acquisition of an interest in Envirostream was complementary to the development of the Company's own recycling technologies, which have been the subject of ASX disclosures since early 2019.

The Company has not made any material acquisitions of any other technology business or asset since the last increase of its holding in Envirostream on 6 December 2019.

On 27 October 2021, the Company announced that it (through its wholly owned subsidiary, VSPC) had entered into a collaboration agreement with an industry partner, Advanced Battery Technologies Pty Ltd, pursuant to which the Company will fund research and development for solid-state lithium metal battery technology (up to \$250,000 over three years). This is considered part of the strategic plan of the Company, but not a material transaction.

In light of the Company's interest in the L-Max®, LieNa® & SiLeach® technologies and Envirostream, as well as other complementary interests it has acquired, the Company considers that although it remains an exploration entity, its "sole object" may no longer be considered to be mining. Accordingly, it is considered necessary to seek Shareholder approval by this Resolution 6 to convert from a "no liability" company into a public company.

9.4 **Additional information**

Subject to Shareholders approving Resolution 6 and each of the other Inter-Conditional Resolutions, the change of company type will take effect on and from the date that ASIC alters the details of the Company's registration.

Resolution 6 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 6.

10. **Resolution 7 – Approval of selective capital reduction of Partly Paid Shares**

10.1 **General**

The background to the rationale for the proposed cancellation of the Partly Paid Shares is summarised in Section 9 above.

As at 24 December 2021, being the latest practicable date before finalising this Notice (**Latest Practicable Date**), the Company had 68,311,762 partly paid shares (**Partly Paid Shares**) on issue.

The Partly Paid Shares were issued for nil upfront cash consideration, either as part of:

- (a) bonus issues to certain eligible Shareholders under a prospectus dated 12 May 2015;
- (b) bonus issues under a prospectus dated 1 April 2016;
- (c) the consideration payable for the acquisition of Very Small Particle Company Ltd as completed and announced on 28 February 2018; or
- (d) an issue prior to the Company's admission to the official list of ASX in 2007.

The Partly Paid Shares have a total issue price of \$0.06 and have been paid to \$0.0101. In order for the Partly Paid Shares to become fully paid Shares, holders would have been required to pay the balance of \$0.0499 per Share pursuant to calls made by the Company.

As the Company is a 'no liability' company, when a call is made, a holder of a Partly Paid Share is not under any contractual obligation to pay a call in respect of the unpaid amount of a Partly Paid Share. However, if a call is not paid, the Partly Paid Share would be liable to forfeiture and may be sold by the Company via public auction in accordance with the Company's Constitution.

Resolution 7 seeks Shareholder approval for the Company to undertake a selective capital reduction in respect of the Partly Paid Shares by cancelling the uncalled amount on each of the Partly Paid Shares, with no distribution or return of capital being made as a result of that reduction of capital (**Cancellation**). Holders of Partly Paid Shares will be issued new Options exercisable at \$0.0499 each (equal to the amount unpaid on each of the Partly Paid Shares) in exchange for the Partly Paid Shares on a 1-for-1 basis (**Exchange Options**), subject to the receipt of Shareholder approval under Resolution 8 and the other Inter-Conditional Resolutions. The Options will be offered under a disclosure document issued in accordance with Part 6D.2 of the Corporations Act.

The purpose of the Cancellation is to enable the Company to convert to a public company limited by shares. Under section 162 of the Corporations Act, a public no liability company may convert to a public company limited by shares so long as all of its issued shares are fully paid up.

If Resolution 7 is passed the Company will be able to proceed with the Cancellation and, subject to the other Inter-Conditional Resolutions being passed, convert to a public company limited by shares.

If Resolution 7 is not passed, the Company will not be able to proceed with the Cancellation and, in turn, convert to a public company limited by shares.

10.2 Listing Rule 7.24.2

Listing Rule 7.24.2 provides that a listed entity which has partly paid shares on issue may only reorganise its capital if, in respect of the partly paid shares, the reorganisation does not involve the cancellation or reduction of the total amount payable and unpaid by the holder.

The Company has sought a waiver of Listing Rule 7.24.2 from ASX such that it may, to the extent necessary, permit it to undertake a selective capital reduction in respect of the Partly Paid Shares to cancel the uncalled amount on each of the Partly Paid Shares and issue the holders of those Partly Paid Shares one Option for every Partly Paid Share cancelled.

On 20 December 2021, ASX granted the Company a waiver from Listing Rule 7.24.2.

10.3 Sections 256B and 256C of the Corporations Act

Section 256B of the Corporations Act provides that a company may reduce its share capital in a way that is not otherwise authorised by law if the reduction:

- (a) is fair and reasonable to the company's shareholders as a whole;
- (b) does not materially prejudice the company's ability to pay its creditors; and
- (c) is approved by shareholders under section 256C.

Section 256C(2) of the Corporations Act provides that a company may, by special resolution passed in a general meeting, undertake a selective reduction of its issued securities provided that no votes are cast in favour of the resolution by any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced, or by their associates.

Additionally, the Company is required to obtain, by special resolution, the approval of those Shareholders who hold Partly Paid Shares to be cancelled at a separate meeting. The Company proposes to hold this meeting (the Partly Paid Shareholder Meeting) at the later of the conclusion of the Meeting, and 9.30am on Monday, 31 January 2022.

10.4 Effect on the capital structure of the Company

The Company's capital structure as at the Latest Practicable Date is as follows:

Security	Number
Fully paid ordinary shares	1,028,573,506
Partly Paid Shares	68,311,762
Options ¹	1,833,333
Performance Rights	10,500,000

Note 1: Exercisable at \$0.055 each and expiring 28 February 2023.

As outlined above, the Company has 68,311,762 Partly Paid Shares currently on issue, apportioned as follows:

Holder	Number	%
Adrian Griffin (Managing Director)	7,291,718	10.7%
Non-related party Shareholders	61,020,044	89.3%
TOTAL	68,311,762	100%

The Board believes that the Cancellation is fair and reasonable to the Company's Shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors. This is because, subject to Shareholder approval of Resolution 7 (and the other Inter-Conditional Resolutions), the Company proposes to issue Options in exchange for the Partly Paid Shares on a 1-for-1 basis, with each Option exercisable at \$0.0499 representing the amount unpaid on each of the Partly Paid Shares (the subject of Resolution 8 and Resolution 9). Accordingly, the Board considers that:

- (a) the Cancellation will not offer a significant advantage or detriment to a particular class of Shareholders; and
- (b) the economic interest of existing fully paid ordinary Shares in the Company will not be materially impacted.

10.5 Additional information

Resolution 7 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board (other than Adrian Griffin who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 7.

11. Resolution 8 – Approval to issue Exchange Options

11.1 General

The background to the proposed issue of the Exchange Options is in Section 10.1 above.

Resolution 8 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 68,311,762 Options to the holders of Partly Paid Shares.

11.2 Listing Rule 7.1

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

The effect of Shareholders passing Resolution 8 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The effect of Shareholders passing Resolution 8 will be to allow the Company to issue the Exchange Options and, subject to the other Inter-Conditional Resolutions being passed, convert to a public company limited by shares.

If Resolution 8 or any of the other Inter-Conditional Resolutions are not passed, the Company will not be able to proceed with the issue of the Exchange Options to holders of Partly Paid Shares and, in turn, convert to a public company limited by shares.

11.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Exchange Options:

- (a) The Exchange Options will be issued to the holders of Partly Paid Shares.
- (b) Up to a maximum of 68,311,762 Exchange Options will be issued.
- (c) The Exchange Options will be exercisable at \$0.0499 each and will expire 3 years from the date of issue, and otherwise subject to the terms and conditions in Schedule 2.
- (d) The Exchange Options will be issued no later than 3 months after the date of the Meeting.
- (e) The Exchange Options are proposed to be issued for nil cash consideration as they will be issued in exchange for the cancellation of the Partly Paid Shares on a 1-for-1 basis. Accordingly, no funds will be raised from the issue of the Exchange Options.
- (f) There are no other material terms to the agreement for the issue of the Exchange Options.
- (g) A voting exclusion statement is included in the Notice.

11.4 **Additional information**

Resolution 8 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 8.

12. **Resolution 9 – Approval to issue Director Exchange Options**

12.1 **General**

The background to the proposed issue of the Director Exchange Options is in Section 10.1 above.

Resolution 9 seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the proposed issue of the Director Exchange Options to Adrian Griffin (or his nominees).

12.2 **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a

listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

Adrian Griffin is a related party of the Company by virtue of being a Director. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Directors (other than Adrian Griffin who has a personal interest in the outcome of this Resolution) that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Exchange Options as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Exchange Options to Adrian Griffin (or his nominee) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 9 will be to allow the Company to issue the Director Exchange Options and, subject to the other Inter-Conditional Resolutions being passed, convert to a public company limited by shares.

If Resolution 9 or any of the other Inter-Conditional Resolutions are not passed, the Company will not be able to proceed with the issue of the Director Exchange Options and, in turn, convert to a public company limited by shares.

12.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Exchange Options:

- (a) The Director Exchange Options will be issued to Adrian Griffin (or his nominee).
- (b) Adrian Griffin falls into the category stipulated by Listing Rule 10.11.1 by virtue of being a Director of the Company.
- (c) Up to a maximum of 7,291,718 Director Exchange Options will be issued to Adrian Griffin (or his nominee).

- (d) The Director Exchange Options will be exercisable at \$0.0499 each and will expire 3 years from the date of issue, and otherwise subject to the terms and conditions in Schedule 2.
- (e) The Director Exchange Options will be issued no later than one month after the date of the Meeting.
- (f) The Director Exchange Options are proposed to be issued for nil cash consideration as they will be issued in exchange for the cancellation of the Partly Paid Shares on a 1-for-1 basis. Accordingly, no funds will be raised from the issue of the Director Exchange Options.
- (g) The proposed issue of the Director Exchange Options are not intended to remunerate or incentivise Adrian Griffin.
- (h) There are no other material terms to the proposed issue of the Director Exchange Options.
- (i) A voting exclusion statement is included in the Notice.

12.4 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (c) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (d) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of the Director Exchange Options constitutes giving a financial benefit to related parties of the Company.

The Board (other than Adrian Griffin who has a personal interest in the outcome of this Resolution) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Exchange Options because the Options will be issued on the same terms as the Options issued to non-related Partly Paid Shareholders (the subject of Resolution 8) and as such the giving of the financial benefit is on arm's length terms.

12.5 **Additional information**

Resolution 9 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board (other than Adrian Griffin who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 9.

13. Resolution 10 – Change of company name

13.1 General

Section 157(1) of the Corporations Act provides that a company may change its name by passing a special resolution to change its name.

Resolution 10 seeks Shareholder approval for the Company to change its name from "*Lithium Australia NL*" to "*Lithium Australia Limited*".

In connection with converting from a public no liability company to a public company limited by shares (the subject of Resolution 6), the Company will need to remove "*NL*" from its name and replace it with "*Limited*". Under section 148 of the Corporations Act, a limited public company must have the word "*Limited*" at the end of its name unless sections 150 or 151 of the Corporations Act applies.

The Board also proposes this change of name on the basis that it more accurately reflects the current and proposed future operations of the Company.

If Resolution 10 is not passed, the Company will not be able to change its name and, in turn, convert to a public company limited by shares.

13.2 Additional information

Subject to Shareholders approving Resolution 10, the change of company name will take effect on and from the date that ASIC alters the details of the Company's registration.

Resolution 10 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 10.

14. Resolution 11 – Replacement of Constitution

14.1 General

Section 136(2) of the Corporations Act provides that a company may modify or repeal its constitution, or a provision of its constitution, by passing a special resolution.

In connection with converting from a public no liability company to a public company limited by shares (the subject of Resolution 6), the Company will need to adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares. The Board believes that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution incorporates amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted. The Proposed Constitution is broadly consistent with the provisions of the existing Constitution and many of the proposed changes are administrative or minor in nature. In addition to replacing the rules specific to public no liability companies with the necessary rules applicable to listed public companies limited by shares, the Proposed Constitution has also been modernised where appropriate. The

Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

14.2 **Summary of the material proposed changes**

(a) **Restricted Securities (article 2.7)**

ASX introduced a number of changes to the escrow regime in the Listing Rules in December 2019 to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient for issuers and for ASX.

Amongst these, ASX introduced a two-tier escrow regime where ASX can and will require certain more significant holders of Restricted Securities (as defined by the Listing Rules) and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of Restricted Securities and to simply give a notice to the holder of Restricted Securities in the form of a new Appendix 9C advising them of those restrictions.

Under article 2.7 of the Proposed Constitution, holders of Restricted Securities will be taken to have agreed in writing that those Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the applicable escrow period. Holders of Restricted Securities will also not be entitled to participate in any return of capital on those Securities during the applicable escrow period, except as permitted by the Listing Rules or ASX.

(b) **Minimum Shareholdings (article 2.6 and schedule 4)**

Article 2.6 and schedule 4 of the Proposed Constitution outline how the Company can manage shareholdings which represent 'less than a marketable parcel' of Shares, being a shareholding that is less than \$500.00 based on the closing price of the Company's Shares on ASX as at the relevant time (**Minimum Shareholding**).

The Proposed Constitution is in line with the requirements for dealing with Minimum Shareholdings outlined in the Corporations Act and Listing Rules such that where the Company elects to undertake a sale of Minimum Shareholdings, the Company is only required to give one notice to holders of Minimum Shareholdings to elect to retain their shareholding before the Minimum Shareholdings can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Schedule 4 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with Minimum Shareholdings.

(c) **Dividends (article 13)**

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the updated requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

(d) **Fee for registration of off-market transfers (article 4.4)**

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a 'reasonable fee' for registering paper-based transfers, sometimes referred to as 'off-market transfers'.

Article 4.4 of the Proposed Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(e) **Deemed notice to uncontactable Shareholders (article 14.5)**

Article 14.5 of the Proposed Constitution provides that a document will be deemed to have been served to a Shareholder if the document is exhibited in the registered office of the Company for 48 hours in the event that:

- (iv) a Shareholder does not have an address in the register of Shareholders, and has not nominated an alternative address; or
- (v) the Company reasonably believes that a Shareholder is not known at the Shareholder's address in the register of Shareholders or any alternative address provided.

(f) **Proportional takeover bid approval provisions (article 4.9 and schedule 5)**

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act and the Proposed Constitution.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

14.3 Specific information required by section 648G of the Corporations Act

(j) Effect of the proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(k) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(l) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(m) Potential advantages and disadvantages of proportional takeover bid provisions

The Directors consider that the proportional takeover bid provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;

- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (v) proportional takeover bids may be discouraged;
- (vi) lost opportunity to sell a portion of their Shares at a premium; and
- (vii) the likelihood of a proportional takeover bid succeeding may be reduced.

(n) **Recommendation of Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provisions in the Proposed Constitution is in the interests of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 11.

14.4 **Additional information**

Resolution 11 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 11.

15. **Resolution 12 – Ratification of prior issue of Supplier Shares**

15.1 **General**

On 13 September 2021, the Company issued a total of 203,318 Shares to Proactive Investors Australia Pty. Ltd. (**Supplier**) as consideration for digital media pack services pursuant to the Company's placement capacity under Listing Rule 7.1 (**Supplier Shares**). The Supplier Shares were issued pursuant to a service agreement between the Company and the Supplier dated 13 September 2021 (**Supplier Agreement**), a summary of which is contained in Section 15.2 below.

Resolution 12 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Supplier Shares.

15.2 **Summary of Supplier Agreement**

On 13 September 2021, the Company entered into the Supplier Agreement for the provision of digital media pack services for a period of 12 months.

Pursuant to the Supplier Agreement, the digital media pack services to be provided by the Supplier to the Company are as follows:

- (a) ongoing, unlimited editorial coverage of the Company press releases, analyst commentary, conference calls, and any material supplied by the Company deemed newsworthy by the Supplier;
- (b) interview-based feature articles and other special content as may be determined from time to time by the Company and the Supplier;
- (c) build and maintain a profile page on the Supplier's websites populated with the Supplier's editorial content, content supplied by the Company and select material in the public domain related to the Company;
- (d) articles covering major corporate developments to be featured in the Supplier's daily and weekly news summaries, sent to double opt-in subscribers; and
- (e) Promotion of all content through social media,

(together, **Supplier Services**).

The Supplier Shares were issued to the Supplier in consideration for the Supplier Services.

The Supplier Agreement payment terms are summarised as follows:]

- (a) \$25,000.00, payable by the Company to the Supplier in Shares; and
- (b) a GST payment of \$2,500.00, payable by the Company to the Supplier in cash.

The duration of the Supplier Agreement is for a total of 12 months, ending on 24 September 2022.

The Supplier Agreement may be terminated by the Company providing at least 90 days' notice to the Supplier.

The Supplier Agreement contains additional provisions which are considered customary for agreements of this nature.

15.3 **Listing Rules 7.1 and 7.4**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The issue of the Supplier Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's

capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Supplier Shares.

Listing Rule 7.4 provides an exception to Listing Rules 7.1. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

The effect of Shareholders passing Resolution 12 will be to restore the Company's ability to issue further Equity Securities, to the extent of 203,318 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

If Resolution 12 is passed, the Supplier Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Supplier Shares.

If Resolution 12 is not passed, the Supplier Shares will continue to be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Supplier Shares.

15.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Supplier Shares:

- (a) The Supplier Shares were issued to the Supplier (or its nominees) in consideration for the Supplier Services for a period of 12 months.
- (b) 203,318 Supplier Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The Supplier Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Supplier Shares were issued on 13 September 2021.
- (e) The Supplier Shares were issued at \$0.1276 per Share.
- (f) No funds were raised from the issue of the Supplier Shares as they were issued consideration for the Supplier Services.
- (g) There are no other material terms to the issue of the Supplier Shares. A summary of the material terms of the Supplier Agreement are contained in Section 15.2 above.
- (h) A voting exclusion statement is included in the Notice.

15.5 Additional information

Resolution 12 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 12.

16. **Resolution 13 – Ratification of prior issue of German Advisor Shares**

16.1 **General**

On 13 September 2021, the Company issued a total of 197,625 Shares to General Research GmbH (**General Research**) as consideration for corporate advisory services in respect of the Company's German assets, pursuant to the Company's placement capacity under Listing Rule 7.1 (**German Advisor Shares**). The German Advisor Shares were issued pursuant to the consultancy agreement between the Company and the General Research dated 5 January 2016 (**German Advisory Agreement**), a summary of which is contained in Section 16.2 below.

Resolution 13 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the German Advisor Shares.

16.2 **Summary of German Advisory Agreement**

On 5 January 2016, the Company entered into the German Advisory Agreement for the provision of corporate advisory services in respect of the Company's German assets.

Pursuant to the German Advisory Agreement, the corporate advisory services in respect of the Company's German assets to be provided by General Research to the Company are as follows:

- (a) initiate discussions in regard to German assets;
- (b) advise the company in a potential deal structure whether it is licensing its lithium processing technologies or other forms of co-operation, such as merger, joint venture or other forms; and
- (c) identify other potential applicants of the lithium processing technologies in Germany and then Europe,

(together, **German Advisory Services**).

The German Advisor Shares were issued to General Research in consideration for the German Advisory Services.

The German Advisory Agreement payment terms are summarised as follows:

- (a) \$3,000 monthly payment payable by the Company to the German Advisor;
- (b) A success fee of 1% in respect to any form of co-operation whereby the lithium processing technologies of the Company are licenced to a potential applicant.

The duration of the German Advisory Agreement has an initial term of 6 months and which may be extended by mutual agreement between the Company and General Research.

The German Advisory Agreement may be terminated by the Company in writing at any time in the case that the General Research has no interest in any form of application of the lithium processing technologies or any other form of co-operation.

The German Advisory Agreement contains additional provisions which are considered customary for agreements of this nature.

16.3 Listing Rules 7.1 and 7.4

Listing Rules 7.1 and 7.4 are summarised in Section 15.3 above.

The issue of the German Advisor Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the German Advisor Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

The effect of Shareholders passing Resolution 13 will be to restore the Company's ability to issue further Equity Securities, to the extent of 197,625 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

If Resolution 13 is passed, the German Advisor Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the German Advisor Shares.

If Resolution 13 is not passed, the German Advisor Shares will continue to be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the German Advisor Shares.

16.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the German Advisor Shares:

- (a) The German Advisor Shares were issued to General Research (or its nominees) in consideration for the German Advisory Services.
- (b) 197,625 German Advisor Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The German Advisor Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The German Advisor Shares were issued on 13 September 2021.
- (e) The German Advisor Shares were issued at \$0.1276 per Share.

- (f) No funds were raised from the issue of the German Advisor Shares as they were issued consideration for the German Advisory Services.
- (g) There are no other material terms to the issue of the German Advisor Shares. A summary of the material terms of the German Advisory Agreement are contained in Section 16.2 above.
- (h) A voting exclusion statement is included in the Notice.

16.5 **Additional information**

Resolution 13 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 13.

17. **Resolution 14 – Ratification of prior issue of Corporate Advisor Shares**

17.1 **General**

On 13 September 2021, the Company issued a total of 24,156 Shares to Warrior Strategic Pty Ltd (**Warrior Strategic**) as consideration for corporate advisory services pursuant to the Company's placement capacity under Listing Rule 7.1 (**Corporate Advisor Shares**). The Corporate Advisor Shares were issued pursuant to a consultancy agreement between the Company and the Warrior Strategic dated 3 March 2021 (**Corporate Advisory Agreement**), a summary of which is contained in Section 17.1 below.

Resolution 14 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Corporate Advisor Shares.

17.2 **Summary of Corporate Advisory Agreement**

On 3 March 2021, the Company entered into the Corporate Advisory Agreement for the provision of corporate advisory services.

Pursuant to the Corporate Advisory Agreement, the corporate advisory services to be provided by Warrior Strategic includes:

- (a) commercial and corporate advisory advice to the Company;
- (b) assistance in strategy and corporate planning; and
- (c) investor engagement with both retail and institutional investors.

(together, **Corporate Advisory Services**).

The Corporate Advisor Shares were issued to Warrior Strategic in consideration for the Corporate Advisory Services.

Pursuant the Corporate Advisory Agreement, the Company must pay to Warrior Strategic a \$150.00 consulting fee payable on an hourly basis, 30% of which (\$45) is to be paid in Shares.

The duration of the Corporate Advisory Agreement is for a period of one month. The Company may extend the Corporate Advisory Agreement by giving notice in writing to Warrior Strategic at least 5 business days before the end of the term of the Corporate Advisory Agreement

The Company may at its sole discretion terminate the Corporate Advisory Agreement by providing 14 days' notice to Warrior Strategic.

Warrior Strategic may terminate the Corporate Advisory Agreement by providing 30 days' notice to the Company.

The Corporate Advisory Agreement contains additional provisions which are considered customary for agreements of this nature.

17.3 Listing Rules 7.1 and 7.4

Listing Rules 7.1 and 7.4 are summarised in Section 15.3 above.

The issue of the Corporate Advisor Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Corporate Advisor Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

The effect of Shareholders passing Resolution 14 will be to restore the Company's ability to issue further Equity Securities, to the extent of 24,156 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

If Resolution 14 is passed, the Corporate Advisor Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Corporate Advisor Shares.

If Resolution 14 is not passed, the Corporate Advisor Shares will continue to be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Corporate Advisor Shares.

17.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Corporate Advisor Shares:

- (a) The Corporate Advisor Shares were issued to Warrior Strategic Pty Ltd (or its nominees) in consideration for the Corporate Advisory Services.
- (b) 24,156 Corporate Advisor Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The Corporate Advisor Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.

- (d) The Corporate Advisor Shares were issued on 13 September 2021.
- (e) The Corporate Advisor Shares were issued at \$0.1276 per Share.
- (f) No funds were raised from the issue of the Corporate Advisor Shares as they were issued consideration for the Corporate Advisory Services.
- (g) There are no other material terms to the issue of the Corporate Advisor Shares. A summary of the material terms of the Corporate Advisory Agreement are contained in Section 17.2 above.
- (h) A voting exclusion statement is included in the Notice.

17.5 **Additional information**

Resolution 14 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 14.

18. **Resolution 15 – Ratification of prior issue of Employee Shares**

18.1 **General**

On 13 September 2021, the Company issued a total of 159,657 Shares to Neil Scholtz (**Employee**) as part of a redundancy package, pursuant to the Company's placement capacity under Listing Rule 7.1 (**Employee Shares**). The Employee Shares were issued pursuant to an employment agreement between the Company and the Employee dated 9 March 2016 (**Employment Agreement**), a summary of which is contained in Section 18.2 below

Resolution 15 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Employee Shares.

18.2 **Summary of Employment Agreement**

On 9 March 2016, the Company entered into the Employment Agreement with the Employee for the provision of services generally provided by an exploration geologist.

Pursuant to the Employment Agreement, the services to be provided by the Employee to the Company included:

- (a) maintaining company tenements;
- (b) sourcing of projects; and
- (c) management of exploration projects.

The Employee Shares were issued to the Employee as part of a redundancy package pursuant the Employment Agreement.

The Employment Agreement redundancy payment terms are summarised as follows:

- (a) Redundancy, termination notice period, outstanding superannuation and leave entitlements owing in accordance with employment law.

- (b) An ex-gratia payment of \$25,289.60.
- (c) The termination of the Employment Agreement was effective on 31 August 2021.

The Employment Agreement contains additional provisions which are considered customary for agreements of this nature.

18.3 **Listing Rules 7.1 and 7.4**

Listing Rules 7.1 and 7.4 are summarised in Section 15.3 above.

The issue of the Employee Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Employee Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

The effect of Shareholders passing Resolution 15 will be to restore the Company's ability to issue further Equity Securities, to the extent of 159,657 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

If Resolution 15 is passed, the Employee Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Employee Shares.

If Resolution 15 is not passed, the Employee Shares will continue to be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Employee Shares.

18.4 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Employee Shares:

- (a) The Employee Shares were issued to Neil Scholtz (or its nominees) as part of a redundancy package.
- (b) 159,657 Employee Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The Employee Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Employee Shares were issued on 13 September 2021.
- (e) The Employee Shares were issued at \$0.1276 per Share.
- (f) No funds were raised from the issue of the Employee Shares as they were issued as part of a redundancy package.

- (g) There are no other material terms to the redundancy package.
- (h) There are no other material terms to the issue of the Employee Shares. A summary of the material terms of the Corporate Advisory Agreement are contained in Section 18.2 above.
- (i) A voting exclusion statement is included in the Notice.

18.5 **Additional information**

Resolution 15 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 15.

19. **Resolution 16 – Ratification of prior issue of August Collateral Shares**

19.1 **General**

On 5 August 2021, the Company announced it had utilised its "Controlled Placement Agreement" (**CPA**) with Acuity Capital Investment Management Pty Ltd (**Acuity**). The utilisation of the CPA provided for a \$25,000,000 capital facility drawable at the Company's election at times, issue prices and numbers chosen by the Company. A summary of the CPA is contained in Section 19.2 below.

Pursuant the CPA issued a total of 30,000,000 Shares to Acuity Capital Pty Ltd (**Acuity**) as collateral for the ability to refresh the Company's capacity to draw down, at its election, on the facility provided under the CPA, pursuant to the Company's placement capacity under Listing Rule 7.1 (**August Collateral Shares**).

Resolution 16 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the August Collateral Shares.

19.2 **Summary of CPA**

As previously announced on 31 July 2017, 17 October 2017, 31 October 2017, 14 November 2017, 13 February 2018, 10 December 2019, 3 February 2020 and 22 January 2021, the CPA provided the Company with up to \$12,500,000 of standby equity capital (see announcements above). The Company and Acuity Capital have agreed to increase the CPA facility to \$25,000,000. The Company has previously utilised the CPA to raise approximately \$12,000,000. Following the increase of the CPA limit to \$25,000,000, the remaining standby equity capital available to the Company under the CPA is approximately \$13,000,000.

The August Collateral Shares were issued to Acuity (or its nominees) as consideration for the Company's ability to refresh its capacity to draw down, at its election, on the facility provided under the CPA.

Pursuant the CPA, the Company must pay Acuity a transaction fee of \$20,000.

The CPA contains additional provisions which are considered customary for agreements of this nature.

19.3 **Listing Rules 7.1 and 7.4**

Listing Rules 7.1 and 7.4 are summarised in Section 15.3 above.

The issue of the August Collateral Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the August Collateral Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

The effect of Shareholders passing Resolution 16 will be to restore the Company's ability to issue further Equity Securities, to the extent of 30,000,000 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

If Resolution 16 is passed, the August Collateral Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the August Collateral Shares.

If Resolution 16 is not passed, the August Collateral Shares will continue to be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the August Collateral Shares.

19.4 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the August Collateral Shares:

- (a) The August Collateral Shares were issued to Acuity (or its nominees) as consideration for the Company's ability to refresh its capacity to draw down, at its election, on the facility provided under the CPA.
- (b) 30,000,000 August Collateral Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The August Collateral Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The August Collateral Shares were issued on 5 August 2021.
- (e) The August Collateral Shares were issued at \$0.012500 per Share.
- (f) No funds were raised from the issue of the August Collateral Shares as they were issued as part payment of a transaction fee pursuant to the CPA.
- (g) There are no other material terms to the issue of the August Collateral Shares. A summary of the material terms of the CPA are contained in Section 19.2 above.
- (h) A voting exclusion statement is included in the Notice.

19.5 **Additional information**

Resolution 16 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 16.

20. **Resolution 17 – Ratification of prior issue of September Collateral Shares**

20.1 **General**

In addition to the issue of the August Collateral Shares to Acuity, a summary of which is contained in Section 19.1, pursuant the CPA, the Company issued a total of 2,975,000 Shares to Acuity Capital Pty Ltd (**Acuity**) as collateral for the ability to refresh the Company's capacity to draw down, at its election, on the facility provided under the CPA, pursuant to the Company's placement capacity under Listing Rule 7.1A (**September Collateral Shares**).

20.2 Resolution 17 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the September Collateral Shares.

20.3 **Listing Rules 7.1A and 7.4**

A summary of Listing Rules 7.1A and 7.4 are contained in Sections 5.2 and 15.3 above, respectively.

The issue of the September Collateral Shares do not fit within any of the exceptions to Listing Rule 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's additional 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the September Collateral Shares.

Listing Rule 7.4 provides an exception to Listing Rule 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rule 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1A.

The effect of Shareholders passing Resolution 17 will be to restore the Company's ability to issue further Equity Securities, to the extent of 2,975,000 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

If Resolution 17 is passed, the September Collateral Shares will be excluded in calculating the Company's additional 10% placement capacity in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the September Collateral Shares.

If Resolution 17 is not passed, the September Collateral Shares will continue to be included in calculating the Company's additional 10% limit in Listing Rule 7.1, effectively decreasing the

number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the September Collateral Shares.

20.4 **Summary of CPA**

A summary of the material terms of the CPA are contained in Section 19.2 above.

20.5 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the September Collateral Shares:

- (a) The September Collateral Shares were issued to Acuity (or its nominees) as consideration for the Company's ability to refresh its capacity to draw down, at its election, on the facility provided under the CPA.
- (b) 2,975,000 September Collateral Shares were issued within the additional 10% annual limit permitted under Listing Rule 7.1A, without the need for Shareholder approval.
- (c) The September Collateral Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The September Collateral Shares were issued on 13 September 2021.
- (e) The September Collateral Shares were issued at \$0.1378 per Share.
- (f) No funds were raised from the issue of the September Collateral Shares as they were issued as part payment of a transaction fee pursuant to the CPA.
- (g) There are no other material terms to the issue of the September Collateral Shares. A summary of the material terms of the CPA are contained in Section 19.2 above.
- (h) A voting exclusion statement is included in the Notice.

20.6 **Additional Information**

Resolution 16 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 16.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
10% Placement Capacity	has the meaning given in Section 5.1.
10% Placement Period	has the meaning given in Section 5.2(f).
Acuity	means Acuity Capital Pty Ltd (ACN 160 054 811).
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
August Collateral Shares	means the 30,000,000 Shares the subject of Resolution 16.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
Company	means Lithium Australia NL (ACN 126 129 413).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
Corporate Advisory Agreement	has the meaning given in Section 17.1.
Corporate Advisory Services	has the meaning given in Section 17.2.
Corporate Advisor Shares	means the 24,156 Shares, the subject of Resolution 14.
CPA	has the meaning given in Section 19.1

Director	means a director of the Company.
Director Exchange Options	means the 7,291,718 Options the subject of Resolution 9.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities contained in the Annual Report.
Employment Agreement	has the meaning given in Section 18.1.
Employee Shares	means the 159,657 Shares the subject of Resolution 15.
Envirostream	has the meaning given in Section 9.3.
Equity Security	has the same meaning as in the Listing Rules.
Exchange Options	means up to the 68,311,762 Options subject of Resolution 8.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
General Research	means General Research GmbH.
German Advisor Agreement	has the meaning given in Section 16.1.
German Advisory Services	has the meaning given in Section 16.2.
German Advisor Shares	means the 197,625 Shares the subject of Resolution 13.
Inter-Conditional Resolutions	means Resolutions 6 to 11 (inclusive) and the resolution to be put to the holders of the Partly Paid Shares at the Partly Paid Shareholder Meeting.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Shareholding	has the meaning given in Section 14.2(b).

Notice	means this notice of annual general meeting.
Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Partly Paid Shareholder Meeting	means the meeting of the holders of the Partly Paid Shares intended to be held at the later of the conclusion of the Meeting, and 9.30am on Monday, 31 January 2022.
Partly Paid Shares	means the 68,311,762 partly paid shares currently on issue in the capital of the Company.
Proactive Investors Australia	means Proactive Investors Australia Pty. Ltd. (ACN 132 787 654).
Proposed Constitution	means the proposed new constitution of the Company, a copy of which may be sent to Shareholders upon request to the Company Secretary, which is the subject of Resolution 11.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company.
September Collateral Shares	means the 2,975,000 Shares the subject of Resolution 17.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strategic Metallurgy Pty Ltd	means Strategic Metallurgy Pty Ltd (ACN 619 979 001).
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Supplier Agreement	has the meaning given in Section 15.1.
Supplier Services	has the meaning given in Section 15.2.
Supplier Shares	means the 203,318 Shares the subject of Resolution 12.

Trading Day	means a day determined by ASX to be a trading day and notified to market participants being: (a) a day other than: (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and (ii) any other day which ASX declares and publishes is not a trading day; and notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.
VWAP	means the volume weighted average price of Shares traded on ASX.
Warrior Strategic	means Warrior Strategic Pty Ltd (ACN 109 337 920).
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and Conditions of Exchange Options

The terms and conditions of the Exchange Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
3. **(Exercise Price)**: The Options have an exercise price of \$0.0499 per Option **(Exercise Price)**.
4. **(Expiry Date)**: The Options expire at 5.00 pm (WST) on three years from date of issue **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options)**: It is the Company's current intention to seek quotation of the Options. There is no certainty that quotation of the Options will be granted. The quotation of the Options will be subject to the Company offering the Options under a prospectus prepared in accordance with Chapter 6D of *the Corporations Act 2001* (Cth) and lodged with ASIC and satisfying the quotation conditions set out in the Listing Rules.
7. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 1,000 must be exercised on each occasion.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.

8. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will:
 - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
9. **(Transferability)**: The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws and paragraph 10.

10. **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph 8(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
12. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
13. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
14. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
15. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.