
ARIZONA LITHIUM LIMITED
ACN 008 720 223
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10 am WST

DATE: 14 July 2022

PLACE: The Offices of the Company, Level 2, 10 Outram Street, West Perth,
Western Australia

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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 Shareholders at 5pm on 12 July 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF NOVEMBER PLACEMENT OPTIONS – LISTING RULE 7.1

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 86,666,709 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF NOVEMBER PLACEMENT SHARES – LISTING RULE 7.1A

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 173,333,332 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF OPTION TO THE JOINT LEAD MANAGERS

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Options to the Joint Lead Managers (or their nominees) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 APRIL PLACEMENT SHARES – LISTING RULE 7.1

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 172,671,111 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 APRIL PLACEMENT SHARES – LISTING RULE 7.1A

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,928,889 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – APPROVAL TO ISSUE TRANCHE 2 APRIL PLACEMENT SHARES

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 74,400,000 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 7 – APPROVAL TO ISSUE APRIL PLACEMENT OPTIONS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 130,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

8. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO THE JOINT LEAD MANAGERS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 25,000,000 Options to the Joint Lead Managers (or their nominees) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

9. RESOLUTION 9 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR BARNABY EGERTON-WARBURTON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 27,500,000 Performance Rights to Mr Barnaby Egerton-Warburton (or his nominee) under the Employee

Securities Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

10. RESOLUTION 10 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR MATTHEW DAVID BLUMBERG

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 24,000,000 Performance Rights to Mr Matthew David Blumberg (or his nominee) under the Employee Securities Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

11. RESOLUTION 11 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR PAUL GEOFFREY LLOYD

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 60,000,000 Performance Rights to Mr Paul Geoffrey Lloyd (or his nominee) under the Employee Securities Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 14 June 2022

By order of the Board



**Oonagh Malone
Company Secretary
Arizona Lithium Limited**

Voting Prohibition Statement:

Resolution 9- Issue of Incentive Performance Rights to Director - Mr Barnaby Egerton-Warburton

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 9 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 9 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 10 – Issue of Incentive Performance Rights to Director - Mr Matthew David Blumberg

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 10 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 10 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 11 – Issue of
Incentive Performance Rights to
Director - Mr Paul Geoffrey Lloyd**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 11 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 11 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Ratification of prior issue of November Placement Options	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 2 - Ratification of Prior Issue of November Placement Shares – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 3 – Ratification of prior issue of Options to the Joint Lead Managers	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Joint Lead Managers) or an associate of that person or those persons.
Resolution 4 - Ratification of Prior Issue of Tranche 1 April Placement Shares – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 5 - Ratification of Prior Issue of Tranche 1 April Placement Shares – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 6 – Approval to issue Tranche 2 April Placement Shares	A person who is 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 holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 7 – Approval to issue April Placement Options	A person who is 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 holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 8 – Approval to issue Options to the Joint Lead Managers	A person who is 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 holder of ordinary securities in the Company) (namely PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd) or an associate of that person (or those persons).
Resolution 9 - Issue of Incentive Performance Rights to Director - Mr Barnaby Egerton-Warburton	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Barnaby Egerton-Warburton) or an associate of that person or those persons.
Resolution 10 – Issue of Incentive Performance Rights to Director - Mr Matthew David Blumberg	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Matthew David Blumberg) or an associate of that person or those persons.
Resolution 11 – Issue of Incentive Performance Rights to Director - Mr Paul Geoffrey Lloyd	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Paul Geoffrey Lloyd) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

- (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 by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6313 3936.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO RESOLUTIONS 1 AND 2 – NOVEMBER PLACEMENT

1.1 General

On 1 November 2021, the Company announced that it had raised \$13,000,000 (before costs) via a placement to professional and sophisticated investors at \$0.075 per Share, with one free attaching quoted Option per two Shares issued (**November Placement**).

On 10 November 2021, the Company issued the following securities pursuant to the November Placement:

- (a) 86,666,709 quoted Options, exercisable at \$0.12 each and expiring 10 November 2022 (**November Placement Options**) under its Listing Rule 7.1 placement capacity; and
- (b) 173,333,332 Shares under its Listing Rule 7.1A placement capacity (**November Placement Shares**)

(together, the **November Placement Securities**).

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rules 7.1 and 7.1A for the issue of the November Placement Options and November Placement Shares respectively.

1.2 Joint Lead Managers

The Company engaged PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd to act as joint lead managers and bookrunners (**Joint Lead Managers**) to the November Placement.

The material terms of the Joint Lead Managers' engagement as with the Company (**November JLM Mandate**) are summarised below:

- (a) **Term:** the November JLM Mandate commenced on 28 October 2021 and will continue until terminated in accordance with its terms.
- (b) **Fees:** in consideration for the provision of services, upon completion of the November Placement the Company agreed to pay the Joint Lead Managers the following fees:
 - (i) a management and selling fee of 6% of the gross proceeds from the November Placement (excluding GST), split equally between the Joint Lead Managers; and
 - (ii) issue the Joint Lead Managers (or their nominees) 20,000,000 quoted Options on the same terms and conditions as the November Placement Options. The Options were to be split equally between the Joint Lead Managers.

Each Joint Lead Manager was responsible for fees and expenses to any co-lead manager, co-manager or broker (if applicable), that is appointed by that Joint Lead Manager.

- (c) **Expenses:** the Company agreed to reimburse the Joint Lead Managers for all reasonable out-of-pocket expenses (including GST) incurred by the Joint Lead Managers in connection with the November Placement. The Joint Lead Managers agreed to seek written approval from the Company prior to incurring any individual expense above \$5,000.
- (d) **Settlement Agent:** the Company agreed to pay the Evolution Capital Pty Ltd (**Settlement Agent**) \$10,000 plus GST for facilitating settlement.
- (e) **Consent:** prior to the allotment of any the securities under the November Placement, the Company agreed not to make any other equity or debt financing of any type without prior consultation with and the consent of the Joint Lead Managers. Further, the Company agreed to not enter into any material agreement or commitment which contains a substantial or onerous obligation without the prior written consent of the Joint Lead Managers.
- (f) **Termination:** the terms of the November JLM Mandate will have immediate effect and will remain in place until the earlier of:
 - (i) the completion of the November Placement; or
 - (ii) 12 months after the date of execution of the November JLM Mandate, unless terminated earlier as provided for in the November JLM Mandate or by mutual written agreement.

The November JLM Mandate otherwise contains provisions considered standard for an agreement of its nature including representations, warranties and confidentiality provisions.

1.3 Use of funds

The proceeds will be applied toward strengthening the Company's balance sheet, placing it in an excellent position to advance the sustainable development of the Big Sandy Lithium Project. The Company will use the proceeds to fast track the metallurgical test work, including the preparation of a processing flow sheet and design of a research facility to process material from the Big Sandy Lithium Project in Arizona, USA and for general working capital. Exploration drilling is now fully funded and will commence immediately after BLM approval is received.

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF NOVEMBER PLACEMENT SECURITIES

2.1 General

Resolutions 1 and 2 seeks Shareholder ratification for the issue of the November Placement Securities. Further details in respect of the November Placement and November Placement Securities are set out at Section 1.

The November Placement Options were issued pursuant to the Company's capacity under Listing Rule 7.1 (being the subject of Resolution 1) and the November Placement Shares (being the subject of Resolution 2) were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 16 November 2021.

2.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 16 November 2021.

The issue of the November Placement Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the November Placement Securities.

2.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the November Placement Securities.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the November Placement Securities.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the November Placement Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the November Placement Securities.

If Resolutions 1 and 2 are not passed, the November Placement Securities will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the November Placement Securities.

2.5 Technical 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 Resolutions 1 and 2:

- (a) the November Placement Securities were issued to professional and sophisticated investors who are clients of the Joint Lead Managers. The

recipients were identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the November Placement from non-related parties of the Company;

- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company, other than the following parties:
 - (A) CS Third Nominees Pty Limited participated in the November Placement and received 37,964,990 November Placement Shares and 18,982,495 November Placement Options, which equated to 2.81% of the issued capital of the Company on the date of completion of the November Placement, being 10 November 2021 (on an undiluted basis);
 - (B) CS Fourth Nominees Pty Limited participated in the November Placement and received 23,219,850 November Placement Shares and 11,609,925 November Placement Options, which equated to 1.72% of the issued capital of the Company on the date of completion of the November Placement, being 10 November 2021 (on an undiluted basis); and
 - (C) HSBC Custody Nominees (Australia) Limited – A/C 2 participated in the November Placement and received 17,133,333 November Placement Shares and 8,566,667 November Placement Options, which equated to 1.27% of the issued capital of the Company on the date of completion of the November Placement, being 10 November 2021 (on an undiluted basis)
- (c) 260,000,041 November Placement Securities were issued on the following basis:
 - (i) 86,666,709 November Placement Options issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1);
 - (ii) 173,333,332 November Placement Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2); and
- (d) the November Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the November Placement Options were quoted Options. The terms of the November Placement Options are set out at Schedule 1;

- (f) the November Placement Shares were issued on 9 November 2021 and the November Placement Options were issued on 10 November 2021;
- (g) the issue price of the Shares was \$0.075 per Share and nil per Option, on the basis that the Options were free attaching to the Shares on a 1:2 basis. The Company has not and will not receive any other consideration for the issue of the November Placement Securities (other than in respect of funds received on exercise of the November Placement Options);
- (h) the purpose of the issue of the November Placement Securities was to raise \$13,000,000 which will be applied towards the activities set out at Section 1.3; and
- (i) the November Placement Securities were not issued under an agreement.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO THE JOINT LEAD MANAGERS

3.1 General

On 11 November 2021, the Company issued an aggregate of 20,000,000 Options to PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd as part consideration for acting as Joint Lead Managers to the November Placement, subject to obtaining Shareholder approval (**November JLM Options**). The November JLM Options were to be issued to the Joint Lead Managers on the same terms and conditions as the November Placement Options.

Refer to Section 1 and specifically Section 1.2 for further details in respect of the Joint Lead Managers and the November Placement.

3.2 Listing Rule 7.1

A summary of Listing Rule 7.1 and 7.A is set out at Section 2.2 above.

The issue of the November JLM Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the November JLM Options.

A summary of Listing Rule 7.4 is set out at Section 2.3. The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the November JLM Options.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the November JLM Options.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the November JLM Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1, effectively increasing the number of equity securities the Company can issue

without Shareholder approval over the 12 month period following the date of issue of the November JLM Options.

If Resolution 3 is not passed, the November JLM Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the November JLM Options.

3.4 Technical 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 Resolution 3:

- (a) the November JLM Options were issued to PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd, who acted as the joint lead managers to the November Placement;
- (b) 20,000,000 November JLM Options were issued to the Joint Lead Managers as follows:
 - (i) 10,000,000 November JLM Options were issued to PAC Partners Securities Pty Ltd; and
 - (ii) 10,000,000 November JLM Options were issued to Evolution Capital Pty Ltd,and on the terms and conditions as the November Placement Options, as set out in Schedule 1;
- (c) the November JLM Options were issued on 11 November 2021;
- (d) the November JLM Options were issued at a nil issue price, in consideration for lead manager services provided in respect of the November Placement. The Company has not and will not receive any other consideration for the issue of the November JLM Options (other than in respect of funds received on exercise of the November JLM Options); and
- (e) the November JLM Options were issued under the November JLM Mandate and the purpose of the issue of the November JLM Options was to satisfy the Company's obligations under that mandate, a summary of which is included in Section 1.2.

4. BACKGROUND TO RESOLUTIONS 4 TO 7 – APRIL PLACEMENT

4.1 General

On 31 March 2022, the Company announced that it had received firm commitments to raise \$32.5 million (before costs) via a share placement to professional and sophisticated investors of 260,000,000 Shares at an issue price of \$0.125 per Share, together with 130,000,000 free attaching quoted Options on a 1:2 basis (**April Placement**).

The 260,000,000 Shares are proposed to be issued in two tranches as follows:

- (a) 172,671,111 Shares under the Company's Listing Rules 7.1 capacity and 12,928,889 Shares under the Company's Listing Rule 7.1A capacity (**Tranche 1 April Placement Shares**); and
- (b) 74,400,000 Shares (pursuant to Resolution 6), subject to Shareholder approval (**Tranche 2 April Placement Shares**).

On 8 April 2022, the Company issued the Tranche 1 April Placement Shares. Consequently, Resolutions 4 and 5 seek Shareholder ratification for their issue.

Subject to Shareholder approval being obtained at this Meeting, the Company proposes to issue the Tranche 2 April Placement Shares and the 130,000,000 quoted Options (pursuant to Resolution 7) (**April Placement Options**),

Resolutions 6 and 7 seek consequently seek Shareholder approval for the issue of Tranche 2 April Placement Shares and attaching April Placement Options.

4.2 Joint Lead Managers

The Company engaged PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd to act as joint lead managers and bookrunners (**Joint Lead Managers**) to the April Placement.

The material terms of the Joint Lead Managers' engagement with the Company (**April JLM Mandate**) are summarised below:

- (a) **Term:** the April JLM Mandate commenced on 30 March 2022 and will continue until terminated in accordance with its terms.
- (b) **Fees:** in consideration for the provision of services, upon completion of the April Placement the Company shall pay to the Joint Lead Managers the following fees:
 - (i) a management and selling fee of 6% of the gross proceeds from the April Placement (excluding GST), to be split equally between the Joint Lead Managers; and
 - (ii) issue the Joint Lead Managers (or their nominees) 25,000,000 quoted Options on the same terms as the April Placement Options, subject to Shareholder approval (the subject of Resolution 8). The Options are to be split equally between the Joint Lead Managers;

Each Joint Lead Manager will be responsible for fees and expenses to any co-lead manager, co-manager or broker (if applicable), that is appointed by that Joint Lead Manager.

- (c) **Expenses:** the Company agrees to reimburse the Joint Lead Managers for all reasonable out-of-pocket expenses (including GST) incurred by the Joint Lead Managers in connection with the April Placement. The Joint Lead Managers agree to seek written approval from the Company prior to incurring any individual expense above \$5,000.
- (d) **JLM Consent:** prior to the allotment of any the securities under the April Placement, the Company agrees not to make any other equity or debt financing of any type without prior consultation with and the consent of the Joint Lead Managers. Further, the Company agrees to not enter into any material agreement or commitment which contains a substantial or

onerous obligation without the prior written consent of the Joint Lead Managers.

- (e) **Termination:** the terms of the April JLM Mandate will have immediate effect and will remain in place until the earlier of:
 - (i) the completion of the April Placement; or
 - (ii) 6 months after the date of execution of the April JLM Mandate; unless terminated earlier as provided for in the April JLM Mandate or by mutual written agreement.

The April JLM Mandate otherwise contains provisions considered standard for an agreement of its nature including representations, warranties and confidentiality provisions.

4.3 Use of funds

The proceeds will be applied toward strengthening the Company's balance sheet, placing it in an excellent position to advance the sustainable development of the Big Sandy Lithium Project. The Company will use the proceeds to the design and construction of a research facility to process material from the Big Sandy Lithium Project in Arizona, USA, land acquisition, exploration drilling, a pre-feasibility study and for general working capital. Exploration drilling is now fully funded and will commence immediately after BLM approval is received.

5. RESOLUTIONS 4 AND 5– RATIFICATION OF TRANCHE 1 APRIL PLACEMENT SHARES

5.1 General

Resolutions 4 and 5 seek Shareholder ratification for the issue of Tranche 1 April Placement Shares. Further details in respect of the April Placement and Tranche 1 April Placement Shares are set out at Section 4.

172,671,111 of the Tranche 1 April Placement Shares (being the subject of Resolution 4) were issued pursuant to the Company's Listing Rule 7.1 capacity and 12,928,889 of the Tranche 1 April Placement Shares (being the subject of Resolution 5) were issued under the Company's Listing Rule 7.1A mandate which was approved by Shareholders at the annual general meeting held on 16 November 2021.

5.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rule 7.1 and 7.1A is set at Section 2.2. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 16 November 2021.

The issue of the Tranche 1 April Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 April Placement Shares.

5.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 April Placement Shares.

Resolutions 4 and 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 April Placement Shares.

5.4 Technical information required by Listing Rule 14.1A

If Resolutions 4 and 5 are passed, the Tranche 1 April Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 April Placement Shares.

If Resolutions 4 and 5 are not passed, the Tranche 1 April Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 April Placement Shares.

5.5 Technical 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 Resolutions 4 and 5:

- (a) the Tranche 1 April Placement Shares were issued to professional and sophisticated investors who are clients of the Joint Lead Managers. The recipients were identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the April Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company, other than the following parties:
 - (A) CS Third Nominees Pty Limited participated in the April Placement and received 37,376,985 Tranche 1 April Placement Shares, which equated to 1.61% of the issued capital of the Company on the date of

completion of Tranche 1 of the April Placement, being 8 April 2022 (on an undiluted basis);

(B) CS Fourth Nominees Pty Limited participated in the April Placement and received 34,364,560 Tranche 1 April Placement Shares, which equated to 1.48% of the issued capital of the Company on the date of completion of Tranche 1 of the April Placement, being 8 April 2022 (on an undiluted basis); and

(C) HSBC Custody Nominees (Australia) Limited – A/C 2 participated in the April Placement and received 28,839,384 Tranche 1 April Placement Shares, which equated to 1.24% of the issued capital of the Company on the date of completion of Tranche 1 of the April Placement, being 8 April 2022 (on an undiluted basis);

(c) 172,671,111 Shares were issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 4);

(d) 12,928,889 Shares were issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 5); and

(b) the Tranche 1 April Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(c) the Tranche 1 April Placement Shares were issued on 8 April 2022;

(d) the issue price of the Tranche 1 April Placement Shares was \$0.125 per Share. The Company has not and will not receive any other consideration for the issue of the Tranche 1 April Placement Shares;

(e) the purpose of the issue of the Tranche 1 April Placement Shares was to raise \$23,200,000 to contribute to the overall fund raising of \$32.5 million under the April Placement which will be applied towards the activities set out at Section 4.3; and

(f) the Tranche 1 April Placement Shares were not issued under an agreement.

6. RESOLUTIONS 6 AND 7– APPROVAL TO ISSUE TRANCHE 2 APRIL PLACEMENT SECURITIES

6.1 General

Resolutions 6 and 7 seek Shareholder approval for the issue of the Tranche 2 April Placement Shares and attaching April Placement Options (together, the **Tranche 2 April Placement Securities**). Further information in respect of the Tranche 2 April Placement Securities and the April Placement is set out at Section 4.

6.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set at Section 2.2. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 16 November 2021.

The proposed issue of the Tranche 2 April Placement Securities does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 25% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

6.3 Technical information required by Listing Rule 14.1A

If Resolutions 6 and 7 are passed, the Company will be able to proceed with the issue of the Tranche 2 April Placement Securities. In addition, the issue of the Tranche 2 April Placement Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 6 and 7 are not passed, the Company will not be able to proceed with the issue of the Tranche 2 April Placement Securities. Resolutions 6 and 7 consequently seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 April Placement Securities.

6.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 6 and 7 :

- (a) the Tranche 2 April Placement Securities will be issued to professional and sophisticated investors who are clients of the Joint Lead Managers. The recipients were identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the April Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company, other than the following parties:
 - (A) CS Third Nominees Pty Limited participated in the April Placement and is anticipated to receive 10,839,326 Tranche 2 April Placement Shares and 24,108,155 April Placement Options, which will equate to 1.36% of the issued capital of the Company on the date of completion of Tranche 2 of the April Placement (on an undiluted basis);
 - (B) CS Fourth Nominees Pty Limited participated in the April Placement and is anticipated to receive 9,965,722 Tranche 2 April Placement Shares and 22,165,141 April Placement Options, which will equate to 1.25% of the issued capital of the Company on the date of completion of Tranche 2 of the April Placement (on an undiluted basis); and

- (C) HSBC Custody Nominees (Australia) Limited – A/C 2 participated in the April Placement and is anticipated to receive 8,363,421 Tranche 2 April Placement Shares and 18,691,403 April Placement Options, which will equate to 1.06% of the issued capital of the Company on the date of completion of Tranche 2 of the April Placement (on an undiluted basis);
- (c) the maximum number of Tranche 2 April Placement Shares to be issued is 74,400,000 and the maximum number of April Placement Options to be issued is 130,000,000. The Options will be issued free attaching with the Tranche 1 and Tranche 2 April Placement Shares on a 1:2 basis;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the April Placement Options will be issued on the terms and conditions set out in Schedule 2;
- (f) the Tranche 2 April Placement Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 April Placement Securities will occur on the same date;
- (g) the issue price will be \$0.125 per Share and nil per April Placement Options as the Options will be issued free attaching with the Shares on a 1:2 basis. The Company will not receive any other consideration for the issue of the Tranche 2 April Placement Securities (other than in respect of funds received on exercise of the April Placement Options);
- (h) the purpose of the issue of the Tranche 2 April Placement Securities is to raise \$9,300,000 (on an undiluted basis) that will be contributed to the overall fund raising of \$32.5 million under the April Placement which will be applied towards the activities set out at Section 4.3; and
- (i) the Tranche 2 April Placement Securities are not being issued under an agreement;
- (j) the Tranche 2 April Placement Securities are not being issued under, or to fund, a reverse takeover.

7. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO THE JOINT LEAD MANAGERS

7.1 General

The Company has agreed to issue 25,000,000 Options to PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd as part consideration for acting as Joint Lead Managers to the April Placement, subject to obtaining Shareholder approval (**April JLM Options**). The April JLM Options will be issued to the Joint Lead Managers on the same terms and conditions as the April Placement Options.

Refer to Section 4 and specifically Section 4.2 for further details in respect of the Joint Lead Managers and the April Placement.

7.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out at Section 2.2.

The proposed issue of the April JLM Options falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

7.3 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the April JLM Options. In addition, the issue of the April JLM Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the April JLM Options.

7.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the April JLM Options will be issued to PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd, who were engaged to act as the joint lead managers to the Company in respect of the April Placement;
- (b) 25,000,000 April JLM Options are proposed to be issued to the Joint Lead Managers as follows:
 - (i) 12,500,000 April JLM Options are proposed to be issued to PAC Partners Securities Pty Ltd; and
 - (ii) 12,500,000 April JLM Options are proposed to be issued to Evolution Capital Pty Ltd,and on the terms and conditions as the April Placement Options, as set out in Schedule 2;
- (c) the April JLM Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the April JLM Options will occur on the same date;
- (d) the April JLM Options will be issued at a nil issue price, in consideration for lead manager services provided in respect of the April Placement;
- (e) the purpose of the issue of the April JLM Options is to satisfy the Company's obligations under the JLM Mandate;
- (f) the April JLM Options are being issued to the Joint Lead Managers under the JLM Mandate. Refer to Section 4.2 for a summary of the material terms and condition of the JLM Mandate; and
- (g) the April JLM Options are not being issued under, or to fund, a reverse takeover.

8. RESOLUTIONS 9 TO 11– ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTORS

8.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 111,500,000 Performance Rights to all Directors, comprising Mr Paul Geoffrey Lloyd, Mr Barnaby Egerton-Warburton and Mr Matthew David Blumberg (or their respective nominees) (**Related Parties**) pursuant to the Employee Securities Incentive Plan (**Incentive Plan**) and on the terms and conditions set out below (**Incentive Performance Rights**).

8.2 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a “material personal interest” are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that each of the Directors comprising the Board have a material personal interest in the outcome of Resolutions 9 to 11 as an issue of Incentive Performance Rights is proposed for each Director. If each Director does have such an interest, then in accordance with section 195(4) a quorum could not be formed to consider the matters contemplated by Resolutions 9 to 11 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for the purposes of section 195(4) of the Corporations Act for the issue of Incentive Performance Rights to each Director pursuant to Resolutions 9 to 11.

8.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company’s members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) 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 issue of the Incentive Performance Rights to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Incentive Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Incentive Performance Rights. Accordingly, Shareholder approval for the issue of Incentive Performance Rights to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

8.4 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Performance Rights to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 9 to 11 seek the required Shareholder approval for the issue of the Incentive Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

8.5 Technical information required by Listing Rule 14.1A

If Resolutions 9 to 11 are passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Incentive Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 9 to 11 are not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Incentive Plan and the Company will endeavour to find alternative forms of equity-based remuneration for its Directors.

8.6 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 9 to 11 :

- (a) the Incentive Performance Rights will be issued to the following persons:
 - (i) Mr Barnaby Egerton-Warburton (or their nominee) pursuant to Resolution 9;
 - (ii) Mr Matthew David Blumberg (or their nominee) pursuant to Resolution 10; and
 - (iii) Mr Paul Geoffrey Lloyd (or their nominee) pursuant to Resolution 11;

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;

- (b) the maximum number of Incentive Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 111,500,000 comprising:
 - (i) 27,500,000 Incentive Performance Rights to (Mr Barnaby Egerton-Warburton (or his nominee) pursuant to Resolution 9, comprising:
 - (A) 5,000,000 Class A Performance Rights;
 - (B) 7,500,000 Class B Performance Rights; and
 - (C) 7,500,000 Class C Performance Rights; and
 - (D) 7,500,000 Class D Performance Rights,
 - (ii) 24,000,000 Incentive Performance Rights to Mr Matthew David Blumberg (or his nominee) pursuant to Resolution 10, comprising
 - (A) 6,000,000 Class A Performance Rights;
 - (B) 6,000,000 Class B Performance Rights; and
 - (C) 6,000,000 Class C Performance Rights; and
 - (D) 6,000,000 Class D Performance Rights,
 - (iii) 60,000,000 Incentive Performance Rights to Mr Paul Geoffrey Lloyd (or his nominee) pursuant to Resolution 11, comprising:
 - (A) 15,000,000 Class A Performance Rights;
 - (B) 15,000,000 Class B Performance Rights; and
 - (C) 15,000,000 Class C Performance Rights; and
 - (D) 15,000,000 Class D Performance Rights,
- (c) no Performance Rights have previously been issued to the Directors under Company's existing the incentive plan;
- (d) a summary of the material terms and conditions of the Incentive Performance Rights is set out in Schedule 4;
- (e) the Incentive Performance Rights are unquoted securities. The Company has chosen to issue Incentive Performance Rights to the Related Parties for the following reasons:
 - (i) the Incentive Performance Rights are unquoted; therefore, the issue of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the vesting conditions attaching to the Incentive Performance Rights will align the interests of the Related Parties with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights on the terms proposed;

- (f) the number of Incentive Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights upon the terms proposed;

the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Director	FY21	FY22 ⁸
Paul Lloyd	\$219,000 ²	\$300,000 ³
Matthew Blumberg	N/A	\$45,000 ⁴
Barnaby Egerton-Warburton	\$65,700 ⁶	\$84,000 ⁷

Notes:

1. Comprising \$205,896 in salary, \$19,000 in post-employment benefits / superannuation and \$8,554 in share-based payments.
2. Comprising \$200,000 in salary and \$19,000 in post-employment benefits / superannuation.
3. Comprising \$272,727 in salary and \$27,273 in post-employment benefits / superannuation.
4. Comprising \$40,909 in salary and \$4,091 in post-employment benefits / superannuation.
5. Comprising \$54,795 in salary, \$5,205 in post-employment benefits / superannuation and \$5,498 in share-based payments.
6. Comprising \$60,000 in salary and \$5,700 in post-employment benefits / superannuation.
7. Comprising \$76,364 in salary and \$7,636 in post-employment benefits / superannuation.
8. The Company notes that the FY22 remuneration does not include valuations for option issues to Directors.

- (g) the value of the Incentive Performance Rights and the pricing methodology is set out in Schedule 3;
- (h) the Incentive Performance Rights will be issued to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;

- (i) the issue price of the Incentive Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;
- (j) the purpose of the issue of the Incentive Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (k) a summary of the material terms and conditions of the Incentive Plan is set out in Schedule 5;
- (l) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Performance Rights;
- (m) details of any Performance Rights issued under the Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Incentive Plan after Resolutions 9 to 11 are passed and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;

the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Director	Shares	Options	Performance Rights
Paul Lloyd	28,682,689 Shares ¹	40,000,000 unquoted options ²	Nil
Matthew Blumberg	300,000 Shares ³	20,000,000 unquoted options ⁴	Nil
Barnaby Egerton-Warburton	4,570,000 Shares ⁵	34,250,000 unquoted options ⁶	Nil

Notes:

1. 28,682,689 Shares held indirectly through Coral Brook Pty Ltd ATF The Lloyd Superannuation Fund, of which Paul Lloyd is the sole director and shareholder.
2. 40,000,000 unquoted Options held directly by Mr Lloyd, exercisable at \$0.06 each, and expiring on 11 October 2024 (ASX: AZLAE).
3. 300,000 Shares held directly by Mr Blumberg.
4. 20,000,000 unquoted Options held directly by Mr Blumberg, exercisable at \$0.06 each, and expiring on 11 October 2024 (ASX: AZLAE).
5. Comprising:

- (a) 600,000 Shares held indirectly through Whistler Street Pty Ltd <Warburton Discretionary A/C>; and
 - (b) 3,970,000 Shares held indirectly through Whistler Street Pty Ltd <E-W Superannuation Fund A/C>.
- 6. 30,000,000 unquoted Options held indirectly through Whistler Street Pty Ltd <Warburton Discretionary A/C>, exercisable at \$0.06 each, and expiring on 11 October 2024 (ASX: AZLAE).
- (o) if the vesting conditions attaching to the Incentive Performance Rights issued to the Related Parties are met and the Incentive Performance Rights are converted, a total of 111,500,000 Shares would be issued. This will increase the number of Shares on issue from 2,224,316,839 (being the total number of Shares on issue as at the date of this Notice) to 2,335,816,839 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.8%, comprising 1.2% by Mr Egerton-Warburton, 1.0% by Mr Blumberg and 2.6% by Mr Lloyd;
- (p) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (\$AUD)	Date
Highest	0.265	5 April 2022
Lowest	0.022	29 June 2021
Last	0.100	14 June 2022

- (q) each Director has a material personal interest in the outcome of Resolutions 9 to 11 on the basis that all of the Directors (or their nominees) are to be issued Incentive Performance Rights should Resolutions 9 to 11 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 9 to 11 of this Notice; and
- (r) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 9 to 11.

GLOSSARY

\$ means Australian dollars.

April JLM Mandate has the meaning given in Section 4.2.

April JLM Options has the meaning given in Section 7.1.

April Placement has the meaning given in Section 4.1.

April Placement Options has the meaning given in Section 4.1.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Arizona Lithium Limited (ACN 008 720 223).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Incentive Performance Rights means the Performance Rights to be issued to the Related Parties under Resolutions 9 to 11 and on the terms set out in Schedule 4.

Incentive Plan or **Plan** means the Company's Employee Securities Incentive Plan as summarised in Schedule 5.

Joint Lead Managers mean PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd.

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.

Market Value means the volume weighted average market price (as that term is defined in the Listing Rules) per Share during the previous five trading days.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

November JLM Mandate has the meaning given in Section 1.2.

November JLM Options has the meaning given in Section 3.1.

November Placement Options has the meaning given in Section 1.1.

November Placement Securities has the meaning given in Section 1.1.

November Placement Shares has the meaning given in Section 1.1.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Related Parties has the meaning given in Section 8.1.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Tranche 1 April Placement Shares has the meaning given in Section 4.1.

Tranche 2 April Placement Shares has the meaning given in Section 4.1.

Tranche 2 April Placement Securities has the meaning given in Section 6.1.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF NOVEMBER PLACEMENT OPTIONS

The following is a summary of the terms and conditions of the November Placement Options:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.12 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before 10 November 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period 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.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of 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**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) 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;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) 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.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **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 Shares holders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – TERMS AND CONDITIONS OF APRIL PLACEMENT OPTIONS

The following is a summary of the terms and conditions of the April Placement Options:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.18 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before the date that is two years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period 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.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of 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**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) 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;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) 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.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) 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 Shares holders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3– VALUATION OF INCENTIVE PERFORMANCE RIGHTS

The Incentive Performance Rights to be issued to the Related Parties pursuant to Resolutions 9 to 11 have been valued by internal management.

Based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

Item	Total	Class A	Class B	Class C	Class D
Value of the underlying Shares	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14
Valuation date	16/05/2022	16/05/2022	16/05/2022	16/05/2022	16/05/2022
Commencement of performance/vesting period	Date of issue	Date of issue	Date of issue	Date of issue	Date of issue
Performance measurement/vesting date	On satisfaction of relevant Vesting Condition	On satisfaction of relevant Vesting Condition	On satisfaction of relevant Vesting Condition	On satisfaction of relevant Vesting Condition	On satisfaction of relevant Vesting Condition
Expiry date		3 years from the date of issue	3 years from the date of issue	4 years from the date of issue	5 years from the date of issue
Term of the Performance Right		3 years	3 years	4 years	5 years
Total Value of Incentive Performance Rights	\$15,610,000				
- Mr Barnaby Egerton-Warburton (Resolution 9)	\$3,850,000	\$700,000	\$1,050,000	\$1,050,000	\$1,050,000
- Mr Matthew David Blumberg (Resolution 10)	\$3,360,000	\$840,000	\$840,000	\$840,000	\$840,000
- Mr Paul Geoffrey Lloyd (Resolution 11)	\$8,400,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000

Note: The valuation noted above is not necessarily the market price that the Incentive Performance Rights could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 4 – TERMS AND CONDITIONS OF INCENTIVE PERFORMANCE RIGHTS

The terms and conditions attaching to the Performance Rights are set out below:

1. The terms and conditions of the Performance Rights

(a) Vesting Conditions

The Performance Rights shall convert to Shares upon the Company achieving the applicable Vesting Condition for that Class of Rights, prior to the applicable expiry date of that Class of Rights.

The Vesting Conditions and Expiry Dates for each Class of Rights is set out in section 2 below.

(b) Notification to holder

The Company shall notify the holder in writing when the Vesting Condition has been satisfied.

(c) Conversion

Subject to paragraph (m), upon vesting, each Performance Right will, within three (3) months from vesting, convert into one (1) Share.

(d) Share ranking

All Shares issued upon the vesting of Performance Rights will upon issue rank *pari passu* in all respects with other Shares.

(e) Application to ASX

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(f) Transfer of Performance Rights

The Performance Rights are not transferable.

(g) Lapse of a Performance Right

If the Vesting Condition attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.

(h) Participation in new issues

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(i) Reorganisation of capital

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the

applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(j) **Adjustment for bonus issue**

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) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(k) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(l) **Change in Control**

Subject to paragraph (m), upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder.
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Vesting Condition, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(m) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (c) or (l) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will

not result in any person being in contravention of the General Prohibition; and

- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) **Plan**

The Performance Rights were issued under and are subject to the terms and conditions of the Company's employee securities incentive plan (**Plan**).

(q) **Amendments required by ASX**

Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Performance Rights granted under the Plan including giving any amendment retrospective effect.

2. **Conversion of the Performance Rights**

(a) **Vesting Conditions and Expiry Dates**

Subject to paragraph 1(m), a Performance Right shall be subject to the following **Vesting Conditions** and shall have the following **Expiry Dates**:

Tranche	Vesting Condition	Exercise Price	Expiry Date
Class A	Successful commercial operation of the research facility in Phoenix, Arizona to process ore from the Big Sandy Lithium Project and produce lithium to a market acceptable standard with a minimum production of 20kgs of LCE per month for two consecutive months.	Nil	3 years from the date of issue
Class B	Completion of a successful Scoping Study for the Big Sandy Lithium Project	Nil	3 years from the date of issue

Class C	Announcement to the ASX of the completion of a profitable Preliminary Feasibility Study for the Big Sandy Lithium Project	Nil	4 years from the date of issue
Class D	Announcement to the ASX of the completion of a profitable Bankable Feasibility Study for the Big Sandy Lithium Project	Nil	5 years from the date of issue

(each referred to as a **Vesting Condition**).

(b) **After Conversion**

The Shares issued on conversion of the Performance Rights will, as and from 5:00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

SCHEDULE 5 – TERMS AND CONDITIONS OF INCENTIVE PLAN

The Company has established an employee securities incentive plan (**Plan**). The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below.

1. Eligible Participant

Eligible Participant means a person that:

- (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. Eligibility, invitation and application

- (a) The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- (b) On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.
- (c) If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

6. Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or willfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

12. Rights attaching to Plan Shares

All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

17. Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on

a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **10:00am (AWST) on Tuesday, 12 July 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
Email Address:		
Contact Daytime Telephone		
Date (DD/MM/YY)		

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).