



**QEM Limited**  
**ACN 167 966 770**

## **Notice of General Meeting**

**The General Meeting of the Company will be held at  
at Suite 6A, Level 6, 50 Appel Street, Surfers Paradise, Queensland on Friday,  
12 August 2022 at 10:00am (AEST).**

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

***Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary, David Palumbo, by telephone on +61 8 9481 0389.***

**Shareholders are encouraged to vote by lodging the proxy form attached to the Notice**

**QEM Limited**  
**ACN 167 966 770**  
**(Company)**

## **Notice of General Meeting**

Notice is given that the general meeting of QEM Limited will be held at Suite 6A, Level 6, 50 Appel Street, Surfers Paradise, Queensland on 12 August 2022 at 10:00am (AEST) (**Meeting**).

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

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

## **Agenda**

### **1 Resolutions**

#### **Resolution 1 Ratification of prior issue of Placement Shares**

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

*'That the issue of 8,206,829 Placement Shares at \$0.205 per Share is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'*

#### **Resolution 2 Approval to issue Placement Shares to Director**

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

*'That the issue of up to 3,463,415 Placement Shares at \$0.205 per Share to Mr David Fitch (or his nominee) is approved under and for the purposes of Listing Rule 10.11 on the terms and conditions in the Explanatory Memorandum.'*

#### **Resolution 3 Approval of Director's options**

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

*'That the issue of:*

- (a) *up to 600,000 Options to Mr John Foley (or his nominee/s);*
- (b) *up to 2,000,000 Options to Mr Gavin Loyden (or his nominee/s);*
- (c) *up to 600,000 Options to Mr Daniel Harris (or his nominee/s);*
- (d) *up to 1,000,000 Options to Mr David Fitch (or his nominee/s); and*

(e) up to 600,000 Options to Mr John Henderson (or his nominee/s),

*is approved under and for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'*

## Voting exclusions

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

- (a) Resolution 1 by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates;
- (b) Resolution 2 by or on behalf of Mr David Fitch, his nominee and any other person who will obtain a material benefit as a result of the issue of the Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (c) Resolution 3 by or on behalf of the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

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

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with 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, 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.

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

## Voting prohibitions

Resolution 3: 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 the resolutions comprising Resolution 3 if:

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

However, 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.

**BY ORDER OF THE BOARD**



David Palumbo  
**Company Secretary**  
**QEM Limited**  
Dated: 6 July 2022

**QEM Limited**  
**ACN 167 966 770**  
**(Company)**

## **Explanatory Memorandum**

### **1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 6A, Level 6, 50 Appel Street, Surfers Paradise, Queensland on 12 August 2022 at 10:00am (AEST) **(Meeting)**.

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

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

|            |                                                                |
|------------|----------------------------------------------------------------|
| Section 2  | Voting and attendance information                              |
| Section 3  | Resolution 1 – Ratification of prior issue of Placement Shares |
| Section 4  | Resolution 2 – Approval to issue Placement Shares to Director  |
| Section 5  | Resolution 3 – Approval of Director's Options                  |
| Schedule 1 | Definitions                                                    |
| Schedule 2 | Terms of Director Options                                      |

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

### **2. Voting and attendance information**

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

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

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

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

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

## **2.2 Voting in person**

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

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

## **2.3 Voting by proxy**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00am (AEST) on Wednesday, 10 August 2022, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **2.4 Chair's voting intentions**

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

Subject to the following paragraph, if the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

### 3. **Resolution 1 – Ratification of prior issue of Placement Shares**

#### 3.1 **General**

On 4 May 2022 the Company announced that it had received binding commitments for a placement to raise \$2,392,400 before costs (**Placement**) by the issue of 11,670,244 Shares at \$0.205 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

Company Director Mr David Fitch intends to participate in the Placement and has agreed to subscribe for 3,463,415 Placement Shares to raise \$710,000. Mr Fitch's participation is the subject of Resolution 2.

On 10 May 2022, the Company issued 8,206,829 Placement Shares to unrelated Placement Participants using the Company's placement capacity under Listing Rule 7.1 to raise \$1,682,399 (before costs).

Resolution 1 seeks approval of the Shareholders to ratify the issue of 8,206,829 Placement Shares to the unrelated Placement Participants under and for the purposes of Listing Rule 7.4.

#### 3.2 **Listing Rules 7.1 and 7.4**

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 shares it had on issue at the start of that period.

The issue of 8,206,829 Placement Shares to unrelated Placement Participants does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Placement Shares to unrelated Placement Participants.

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 Listing Rule 7.1.

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

To this end, Resolution 1 seeks Shareholder approval to ratify the issue of 8,206,829 Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the issue of 8,206,829 Placement Shares to unrelated Placement Participants will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

If Resolution 1 is not passed, the Placement Shares to unrelated Placement Participants will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining

Shareholder approval over the 12 month period following the issue of those Placement Shares.

### 3.3 Specific information required by Listing Rule 7.5

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) 8,206,829 Placement Shares were issued to the unrelated Placement Participants, being sophisticated and professional investors to whom a disclosure document does not need to be provided under the Corporations Act;
- (b) none of the Placement Participants is a related party of the Company, with the exception of Mr David Fitch. The Company is seeking Shareholder approval separately for Mr Fitch to participate in the Placement under Resolution 2;
- (c) a total of 8,206,829 Placement Shares were issued on 10 May 2022;
- (d) the Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (e) the Placement Shares were issued at \$0.205 per Share;
- (f) the proceeds from the issue of the Placement Shares are intended to be used towards the development of the Julia Creek Vanadium-Oil Project, as well as for costs of the Placement and general working capital;
- (g) there are no additional material terms with respect to the agreements for the issue of the Placement Shares; and
- (h) a voting exclusion statement is included in the Notice.

### 3.4 Board recommendation

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

## 4. Resolution 2 – Approval to issue Placement Shares to Director

### 4.1 General

Mr David Fitch is a non-executive director of the Company (the **Related Party Participant**) and wishes to participate in the Placement, subject to Shareholder approval being obtained.

Resolution 2 seeks the approval of Shareholders for the issue of up to 3,463,415 Shares to the Related Party Participant (or his nominee) arising from his participation in the Placement (**Participation**) under and for the purposes of Listing Rule 10.11.

### 4.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

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

unless it obtains the approval of its shareholders.

The proposed issue of Shares to the Related Party Participant (or his nominee) falls within Listing Rule 10.11.1 and do not fall within any of the exceptions in Listing Rule 10.12. That proposed issue therefore requires the approval of Shareholders under Listing Rule 10.11.

If Resolution 2 is passed, the Company will be able to proceed with the issue of 3,463,415 Placement Shares to the Related Party Participant (or his nominee) and the Company will raise up to a total of \$710,000 from the Related Party Participant (or his nominee).

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of 3,463,415 Placement Shares to the Related Party Participant (or his nominee) and the Company may need to raise additional funds through debt financing, joint ventures, licensing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and projects may result in delay and indefinite postponement of development of the Julia Creek Project. In turn, this could affect the Company's ability to operate as a going concern. There can be no assurance that additional finance will be available when needed or, if available, that the terms of the financing will be favourable to the Company.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of 3,463,415 Placement Shares to the Related Party Participant will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

#### 4.3 **Specific information required by Listing Rule 10.13**

Under and for the purposes of Listing Rule 10.13, the following information is provided in relation to the proposed Participation:

- (a) the 3,463,415 Placement Shares will be issued to Director Mr David Fitch (or his nominee);
- (b) Mr David Fitch is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.11.1. In the event the 3,463,415 Placement Shares are issued to his nominee, that person will fall into the category stipulated by Listing Rule 10.11.4;

- (c) the maximum number of Placement Shares to be issued to the Related Party Participant (or his nominee) is 3,463,415;
- (d) the 3,463,415 Placement 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 3,463,415 Placement Shares will be issued to the Related Party Participant (or his nominee) no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the issue price will be \$0.205 per Share, being the same issue price as all other Shares issued under the Placement;
- (g) the funds raised will be used for the same purposes as all other funds raised under the Placement (as set out in Section 3.3(f));
- (h) the Participation is not intended to remunerate or incentivise the Related Party Participant;
- (i) there are no additional material terms with respect to the agreements for the proposed issue of the 3,463,415 Placement Shares; and
- (j) a voting exclusion statement is included in the Notice.

#### 4.4 **Chapter 2E of the Corporations Act**

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

- (a) obtain Shareholder approval in the manner set out in section 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 Participation will result in the issue of Shares which constitutes giving a financial benefit and the Related Party Participant is a related party of the Company by virtue of being Directors.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to the Related Party Participant on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

#### 4.5 **Board recommendation**

Resolution 2 is an ordinary resolution.

The Board (other than Mr David Fitch who has a material personal interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 2.

### 5. **Resolution 3 Approval of Director's Options**

#### 5.1 **General**

The Company is proposing, subject to Shareholder approval, to issue:

- (a) up to 600,000 unquoted Options to Mr John Foley (or his nominee/s);
- (b) up to 2,000,000 unquoted Options to Mr Gavin Loyden (or his nominee/s);
- (c) up to 600,000 unquoted Options to Mr Daniel Harris (or his nominee/s);
- (d) up to 600,000 unquoted Options to Mr John Henderson (or his nominee/s); and
- (e) up to 1,000,000 unquoted Options to Mr David Fitch (or his nominee/s) (together, the **Director Options**).

Issuing Director Options will further align the efforts of Mr Foley, Mr Loyden, Mr Harris, Mr Henderson and Mr Fitch (together, the **Directors or Related Parties**) with the growth of the Company and its Share price. This form of incentive will also help conserve the Company's available cash reserves. The Board believes that issuing Director Options is pivotal to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Resolution 3 seeks the approval of Shareholders for the issue of the Director Options to Directors or their nominees under and for the purposes of Listing Rule 10.11.

#### 5.2 **Listing Rule 10.11**

A summary of Listing Rule 10.11 is provided at Section 4.2.

The proposed issue of Director Options to the Directors (or their nominees) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 3 seeks the required Shareholder approval to the proposed issues of Director Options under and for the purposes of Listing Rule 10.11.

If the resolutions comprising Resolution 3 are passed, the Company will be able to proceed with the issue of the Director Options to the Directors (or their nominees) and they will be remunerated accordingly.

If the resolutions comprising Resolution 3 are not passed, the Company will not be able to proceed with the issue of the Director Options to Directors (or their nominees) and the Company may need to consider other forms of incentive remuneration, including by the payment of cash.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Director Options will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

### 5.3 Specific information required by Listing Rule 10.13

Under and for the purposes of Listing Rule 10.13, the following information is provided in relation to the proposed issue of Director Options:

- (a) a maximum of 4,800,000 Director Options will be issued to Directors (or their nominees) as per the schedule set out in Section 5.1;
- (b) the Directors are a related party of the Company by virtue of being a Director and fall into the category stipulated by Listing Rule 10.11.1. In the event the Director Options are issued to a nominee of any Director, that person will fall into the category stipulated by Listing Rule 10.11.4;
- (c) the Director Options will be exercisable at a 50% premium to the share price on the day of the General Meeting and expire on 12 August 2025, and otherwise be issued on the terms and conditions set out in Schedule 2;
- (d) the Director Options will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (e) the Director Options will be issued for nil cash consideration as they will be issued as part of the Directors remuneration packages, and therefore no funds will be raised as a result of the issue. Funds raised upon any exercise of the Director Options are intended to be used for general working capital purposes;
- (f) the current total remuneration package for each of the Related Parties (excluding statutory superannuation) is set out below:

| Director          | Remuneration<br>(per annum) |
|-------------------|-----------------------------|
| Mr Gavin Loyden   | \$275,000                   |
| Mr David Fitch    | \$30,000                    |
| Mr Daniel Harris  | \$30,000                    |
| Mr John Henderson | \$30,000                    |
| Mr John Foley     | \$30,000                    |
| <b>TOTAL</b>      | <b>\$395,000</b>            |

- (g) a voting exclusion statement is included in the Notice.

#### 5.4 **Chapter 2E of the Corporations Act**

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

- (a) obtain Shareholder approval in the manner set out in section 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 Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Director Options due to the exception in section 211 of the Corporations Act as the issue of the Director Options is considered reasonable remuneration and is supported by an independent report confirming the proposed issue is within acceptable market norms.

#### 5.5 **Corporations Act Section 195(4)**

Section 195(4) of the Corporations Act allows directors to call a general meeting if there are not enough directors to form a quorum for a directors' meeting. As each of the Directors have a material personal interest in the matter of the issuance of the Director Options, the Directors accordingly have exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

#### 5.6 **Board recommendation**

The resolutions comprising Resolution 3 are each an ordinary resolution.

As the Directors each have a material personal interest in the outcome of the resolutions comprising Resolution 3 it is inappropriate to make a recommendation.

## Schedule 1 – Definitions

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

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>\$ or A\$</b>                | means Australian Dollars.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>AEST</b>                     | means Eastern Standard Time, being the time in Surfers Paradise, Queensland.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>ASX</b>                      | means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Board</b>                    | means the board of Directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Chair</b>                    | means the person appointed to chair the Meeting of the Company convened by the Notice.                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Closely Related Party</b>    | means:<br>(a) a spouse or child of the member; or<br>(b) has the meaning given in section 9 of the Corporations Act.                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Company</b>                  | means QEM Limited (ACN 167 966 770).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Corporations Act</b>         | means the <i>Corporations Act 2001</i> (Cth).                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Director</b>                 | means a director of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Director Options</b>         | means the Options the subject of Resolution 3.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Equity Security</b>          | has the same meaning as in the Listing Rules.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Explanatory Memorandum</b>   | means the explanatory memorandum which forms part of the Notice.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Key Management Personnel</b> | 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. |
| <b>Listing Rules</b>            | means the listing rules of ASX.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Meeting</b>                  | has the meaning given in the introductory paragraph of the Notice.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Notice</b>                   | means this notice of general meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Option</b>                   | means an option to acquire a Share.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Participation</b>            | has the meaning given in Section 4.1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                               |                                                                                                                                                                       |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Placement</b>              | has the meaning given in Section 3.1.                                                                                                                                 |
| <b>Placement Participants</b> | means the sophisticated professional investors who participated in the Placement.                                                                                     |
| <b>Placement Shares</b>       | means up to 11,670,244 Shares to be issued at \$0.205 each to the Placement Participants under the Placement, which are the subject of Resolution 1 and Resolution 2. |
| <b>Proxy Form</b>             | means the proxy form attached to the Notice.                                                                                                                          |
| <b>Related Party</b>          | means Mr David Fitch for the purposes of Resolution 2.                                                                                                                |
| <b>Related Parties</b>        | means Mr Gavin Loyden, Mr David Fitch, Mr Daniel Harris, Mr John Henderson and Mr John Foley for the purposes of Resolution 3.                                        |
| <b>Resolution</b>             | means a resolution referred to in the Notice.                                                                                                                         |
| <b>Schedule</b>               | means a schedule to the Notice.                                                                                                                                       |
| <b>Section</b>                | means a section of the Explanatory Memorandum.                                                                                                                        |
| <b>Securities</b>             | means any Equity Securities of the Company (including shares, options and/or performance rights).                                                                     |
| <b>Share</b>                  | means a fully paid ordinary share in the capital of the Company.                                                                                                      |
| <b>Shareholder</b>            | means the holder of a Share.                                                                                                                                          |

## Schedule 2 – Terms and Conditions of Director Options

The terms of the Director Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
3. **(Exercise Price)**: Each Option will be exercisable at a 50% premium to the Company's Share price on the day of the General Meeting **(Exercise Price)**.
4. **(Expiry Date)**: The Options expire at 5.00 pm (AEST) on 12 August 2025 **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
8. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and, subject to a cashless exercise (see below), 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.

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

9. **(Cashless Exercise Facility)**: If a holder elects to use the Cashless Exercise Facility, the holder will only be entitled to that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the Exercise Price payable for the Options and the market value of the Shares at the Exercise Date. The market value will be based on the 5-day VWAP of the Company's Shares prior to and excluding the Exercise Date, unless otherwise determined by the Board at its sole discretion.

Expressed as formula, the number of Shares that a holder is entitled to when using the Cashless Exercise Facility will be determined in the following manner:

Shares received = A x Number of Options Exercised, where:

- (i)  $A = (B - \text{Exercise Price per Option})/B$ ; and
  - (ii)  $B = \text{VWAP of Shares on the ASX over the 5 trading days prior to and excluding the Exercise Date, unless otherwise determined by the Board.}$
10. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the later of the following:
    - (a) the Exercise Date; and

- (b) where a notice that complies with section 708A(5)(e) of the Corporations Act is required, when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, the Company will:
  - (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and, in respect of a cash exercise, for which cleared funds have been received by the Company;
  - (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (e) 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.
11. **(Restrictions on transfer of Shares):** Shares issued on exercise of Options may not be disposed of, nor may agreements be made to dispose of shares issued on exercise of Options, within the two year period following their issue.
  12. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
  13. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
  14. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
  15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
  16. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
    - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
    - (b) no change will be made to the Exercise Price.
  17. **(Cessation of employment):** Where the holder (or the person who is entitled to be registered as the holder) of the Options is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unexercised Options will automatically lapse and be forfeited by the holder, unless the Board otherwise determines in its discretion.

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 (AEST) on Wednesday, 10 August 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>.

