



Anax Metals Limited
ACN 106 304 787

Notice of General Meeting

The General Meeting of the Company will be held at the offices of the Company, at Ground Floor, 20 Kings Park Rd, West Perth, Western Australia 6005 on Wednesday 18 May 2022 at 11.00AM (WST).

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 their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 9322 7600.

Due to the ongoing COVID-19 pandemic, the Company is taking precautions to facilitate an in-person Meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by way of an announcement on the ASX market announcements platform.

Shareholders are urged to attend the Meeting or vote by lodging the Proxy Form attached to the Notice.

Anax Metals Limited
ACN 106 304 787
(Company)

Notice of General Meeting

Notice is given that the general meeting of Shareholders of Anax Metals Limited (**Company**) will be held at the offices of the Company, at Ground Floor, 20 Kings Park Rd, West Perth, Western Australia 6005 on Wednesday 18 May 2022 at 11.00AM (WST) (**Meeting**).

The Board is continuing to monitor Australian Government restrictions on public gatherings in the context of the COVID-19 pandemic. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly by way of an announcement on the ASX platform.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders as at 5.00PM (WST) on Monday 16 May 2022. The Directors encourage all eligible Shareholders to lodge Proxy Forms prior to 11.00AM (WST) on Monday 16 May 2022.

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

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

Agenda

1 Resolutions

Resolution 1 – Ratification of prior Share issue under Placement (LR 7.1)

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 43,956,044 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 2 – Approval for issue of Performance Rights to Director – Mr Geoffrey Laing (LR 10.14)

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of up to 3,000,000 Performance Rights to Mr Geoffrey Laing (or his nominees) under the Employee Securities Incentive Plan 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 Shares, or any of their respective associates; and
- (b) Resolution 2 by or on behalf of a 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, 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;
- (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.

Voting prohibitions

Resolution 2: 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 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 the 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 the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD

[lodged electronically without signature]

Steven Wood
Company Secretary
Anax Metals Limited
Dated: 13 April 2022

Anax Metals Limited
ACN 106 304 787
(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 the offices of the Company, at Ground Floor, 20 Kings Park Rd, West Perth, Western Australia 6005 on Wednesday 18 May 2022 at 11.00AM (WST).

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

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

Section 2	Voting and attendance information
Section 3	Resolution 1 – Ratification of prior Share issue under Placement (LR 7.1)
Section 4	Resolution 2 – Approval for issue of Performance Rights to Director – Mr Geoffrey Laing (LR 10.14)
Schedule 1	Definitions
Schedule 2	Employee Securities Incentive Plan – Summary of key terms
Schedule 3	Terms and conditions of Performance Rights
Schedule 4	Valuation of the Performance Rights

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 Board is continuing to monitor Australian Government restrictions and guidelines on public gatherings in the context of the COVID-19 pandemic. Based on the information available to the Board at the time of approving this 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. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will notify Shareholders accordingly by way of an announcement on the ASX platform.

2.2 Voting in person

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

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 encouraged to vote by completing and returning the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (iv) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (v) the appointed proxy is not the chair of the meeting;
- (vi) at the meeting, a poll is duly demanded on the resolution; and

- (vii) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.4 Chair's voting intentions

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 2 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 though Resolution 2 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at sw@grangeconsulting.com.au by 5.00PM (WST) on Wednesday 11 May 2022.

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

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

3. Resolution 1– Ratification of prior Share issue under Placement (LR 7.1)

3.1 Background

As announced on 9 February 2022, the Company launched an equity raising to raise \$4,000,000 (before costs) to accelerate the studies and development of the Whim Creek Project along with ongoing exploration and other opportunities. The equity raising provides the Company with further capacity to advance its strategy to monetise advanced projects through the integration of smart sorting technology.

The equity raising has been undertaken by way of a placement of 43,956,044 Shares (**Placement Shares**) to institutional, sophisticated and professional investors (**Placement Participants**) at an issue price of \$0.091 per Share (**Placement**).

The Placement Shares were issued on 16 February 2022 to the Placement Participants pursuant to the Company's capacity under Listing Rule 7.1.

The Company engaged Bell Potter Securities Limited (ACN 006 390 772) (**Lead Manager**) to act as lead manager for the Placement (**Placement Agreement**). Under the Placement Agreement, the Company will pay the Lead Manager a fee of 6% of the funds raised under the Placement.

Resolution 1 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

3.2 Listing Rule 7.1

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.

The issue of the 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 placement capacity available under 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 Placement Shares.

3.3 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, Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

3.4 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing 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 Placement Shares.

If Resolution 1 is not passed, the Placement Shares will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, 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 Placement Shares.

3.5 Technical information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided in relation to the Placement Shares issued under the Company's placement capacity and the subject of Resolution 1:

- (a) the Placement Shares were issued to institutional, sophisticated and professional investors who are clients of the Lead Manager. The recipients were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients of Placement Shares are:

- (i) a related party of the Company;
- (ii) Key Management Personnel;
- (iii) a substantial holder of the Company;
- (iv) an adviser to the Company; or
- (v) an associate of any of the above,

who will be issued more than 1% of the Company's current issued capital under the Placement;

- (c) 43,956,044 Placement Shares were issued pursuant to Listing Rule 7.1;
- (d) the Placement Shares issued are 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 Placement Shares were issued on 16 February 2022;
- (f) the issue price was \$0.091 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (g) the purpose of the issue of the Placement Shares was to raise funds to be used for the completion of the Whim Creek definitive feasibility study, progress near mine, gold and platinum exploration, to assess other potential opportunities and general working capital;
- (h) there are no other material terms to the agreement for the subscription of the Placement Shares; and
- (i) a voting exclusion statement is included in the Agenda of this Notice.

3.6 Additional information

Resolution 1 is an ordinary resolution.

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

4. Resolution 2– Approval for issue of Performance Rights to Director – Mr Geoffrey Laing (LR 10.14)

4.1 General

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 10.14 for the issue of up to a total of 3,000,000 performance rights (**Performance Rights**) to Mr Geoffrey Laing (or his nominees) under the Company's Employee Securities Incentive Plan (**Plan**).

Subject to Shareholders approving Resolution 2, the Performance Rights will be issued in the following proportions:

Director	Tranche 1 Performance Rights	Tranche 2 Performance Rights	Tranche 3 Performance Rights	Total
Mr Geoffrey Laing	1,000,000	1,000,000	1,000,000	3,000,000

The proposed issue of the Performance Rights forms part of the Company's remuneration strategy for its Managing Director in lieu of a portion of cash remuneration. The Performance Rights are proposed to be issued to Mr Laing to provide an equity based component to his remuneration package and are subject to performance milestones.

The Board considers that the proposed issue of the Performance Rights is reasonable in the circumstances in order to further align the interests of Mr Laing with those of the Shareholders and to provide appropriate remuneration for Mr Laing's ongoing commitment and contribution to the Company whilst minimising the expenditure of the Company's cash resources.

4.2 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Laing.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company may consider other forms of performance-based remuneration, including by the payment of cash.

4.3 Listing Rule 10.14

Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required.

4.4 Specific information required by Listing Rule 10.15

In accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) Mr Geoffrey Laing is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Performance Rights are issued to a nominee of Mr Laing, that person will fall into the category stipulated by Listing Rule 10.14.2;
- (b) the number of Performance Rights proposed to be issued is set out in Section 4.1;
- (c) the current total remuneration package of Mr Laing as at the date of this Notice is set out in the table below:

Director	Position	Cash salary and fees (\$)	Super-annuation (\$)	Equity settled Shares (\$)	Equity settled Options (\$)	Total (\$)
Mr Geoffrey Laing	Managing Director	300,000	30,000	-	-	330,000

- (d) the number of Securities that have previously been issued to Mr Laing under the Plan and the average acquisition price paid for the Securities is set out below:

Director	Securities	Acquisition price	Exercise price	Expiry date
Mr Geoffrey Laing	3,000,000 performance rights	Nil	Nil	27 October 2022
	2,600,000 performance rights	Nil	Nil	27 October 2023
	2,500,000 performance rights	Nil	Nil	27 October 2023

- (e) the Performance Rights will vest in three equal tranches, subject to applicable vesting conditions relating to the achievement of a VWAP calculated over 20 consecutive trading days (commencing from the grant date of the securities) on which the Shares have traded and continuous service for a period of two (2) years from the grant date, as set out in the table below:

Tranche	Number of Performance Rights that vest	Vesting conditions
1	1,000,000	VWAP of at least \$0.14 over 20 consecutive trading days (commencing from the grant date of the securities) on which the Shares have traded and continuous service for a period of two (2) years from grant date
2	1,000,000	VWAP of at least \$0.18 over 20 consecutive trading days (commencing from the grant date of the securities) on which the Shares have traded and continuous service for a period of two (2) years from grant date
3	1,000,000	VWAP of at least \$0.23 over 20 consecutive trading days (commencing from the grant date of the securities) on which the Shares have traded and continuous service for a period of two (2) years from grant date

- (f) the Performance Rights will otherwise be issued on the terms and conditions set out in Schedule 3;

- (g) using a Monte Carlo valuation model, the independent valuation of the Performance Rights is set out in Schedule 4, with a summary below:

Tranche	Total fair value (\$)
1	70,284
2	48,883
3	32,684
TOTAL	151,851

- (h) the Performance Rights are proposed to be issued to Mr Laing as a security-based incentive to reward and encourage Mr Laing's ongoing commitment to the Company and are designed to encourage and align his remuneration to the growth in Shareholder value with share price based vesting targets;
- (i) the Performance Rights will be issued as soon as practicable following the Meeting, and in any event, no later than 3 years after the date of the Meeting;
- (j) the Performance Rights will have an issue price of nil as they will be issued as part of Mr Laing's remuneration package. Accordingly, no funds will be raised from the issue of the Performance Rights;
- (k) any Performance Rights that have not vested on or before the date that is three (3) years after the grant date will automatically lapse and become incapable of vesting and being converted into Shares;
- (l) a summary of the key terms of the Plan is set out in Schedule 2;
- (m) no loan will be provided to Mr Laing in relation to the issue of the Performance Rights;
- (n) details of any Securities issued under the 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;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after Resolution 2 is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (p) a voting exclusion statement for Resolution 2 is included in the Agenda of this Notice.

4.5 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 proposed issue of the Performance Rights constitutes giving a financial benefit to related parties of the Company.

The Board (other than Mr Laing who has a personal interest in the outcome of this Resolution) considers Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the issue of the Performance Rights is considered reasonable remuneration and therefore falls within the exception stipulated by section 211 of the Corporations Act.

4.6 Additional information

Resolution 2 is an ordinary resolution.

The Board (other than Mr Laing who has a personal interest in the outcome of this Resolution) recommends Shareholder's vote in favour of Resolution 2.

Schedule 1 Definitions

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

\$	means Australian Dollars.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	has the meaning given in Section 9 of the Corporations Act.
Company	means Anax Metals Limited (ACN 106 304 787).
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
Director	means a director of the Company.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
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.
Lead Manager	means Bell Potter Securities Limited (ACN 006 390 772).
Listing Rules	means the listing rules of ASX.
Market Price	means the published closing price of the Shares on the ASX market on the date of issue of the relevant Shares.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Option	means an option to acquire a Share.
Performance Rights	has the meaning given in Section 4.1.
Placement	has the meaning given in Section 3.1.
Placement Agreement	has the meaning given in Section 3.1.

Placement Participants	has the meaning given in Section 3.1
Placement Shares	has the meaning given in Section 3.1.
Plan	means the Company's Employee Securities Incentive Plan, approved by Shareholders at the Company's general meeting held on 2 October 2020.
Proxy Form	means the proxy form attached to the Notice.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a Section of this Notice.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Employee Securities Incentive Plan – Summary of key terms

A summary of the key terms of the Employee Securities Incentive Plan (**Plan**) is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
 - (i) is an 'eligible participant' (as that term is defined in ASIC Class Order CO 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.

- (b) **(Purpose):** The purpose of the Plan is to:
 - (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) 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.

- (c) **(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.

- (d) **(Eligibility, invitation and application):** 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. 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. 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.

- (e) **(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.

- (f) **(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.

- (g) **(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.
- (h) **(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. At the time of exercise of the Convertible Securities, subject to Board approval at that time, 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 five 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.

- (i) **(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.
- (j) **(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 wilfully 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:

- (i) 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

- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(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.
- (l) **(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.
- (m) **(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:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) 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.
- (n) **(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.
 - (o) **(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.

- (p) **(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.

- (q) **(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.

Schedule 3 Terms and conditions of Performance Rights

The grant of the Performance Rights is subject to the terms and conditions set out below:

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right once vested entitles the holder of the Performance Right (**Holder**) on exercise, to the issue of one Share.
- (b) **(Vesting Conditions and Expiry Date):** The Performance Rights will be granted with the Vesting Conditions and Expiry Date as follows:

Tranche	Vesting conditions	Expiry Date
1	VWAP of at least \$0.14 over 20 consecutive trading days (commencing from the grant date of the securities) on which the Shares have traded and continuous service for a period of two (2) years from grant date	Three (3) years from grant date
2	VWAP of at least \$0.18 over 20 consecutive trading days (commencing from the grant date of the securities) on which the Shares have traded and continuous service for a period of two (2) years from grant date	Three (3) years from grant date
3	VWAP of at least \$0.23 over 20 consecutive trading days (commencing from the grant date of the securities) on which the Shares have traded and continuous service for a period of two (2) years from grant date	Three (3) years from grant date

- (c) **(Change of Control):** If prior to the earlier of the conversion or the Expiry Date a Change in Control Event occurs, then each Performance Right will automatically and immediately convert into a Share. However, if the number of Shares to be issued as a result of the conversion of the Performance Rights is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of Performance Rights to be converted will be reduced so that the aggregate number of Shares to be issued on conversion of the Performance Rights is equal to 10% of the entire fully diluted share capital of the Company.

A Change of Control Event occurs when:

- (i) **takeover bid:** the occurrence of the offeror under a takeover offer in respect of all shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or
- (ii) **scheme of arrangement:** the announcement by the Company that the Company's shareholders (Shareholders) have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.

- (d) **(Expiry of Performance Rights):** A Performance Right will lapse upon the earlier to occur of:
 - (iii) the Vesting Condition becoming incapable of satisfaction due to the cessation of the holder's employment with the Company; or
 - (iv) the Vesting Condition not being satisfied on or before the Expiry Date.
- (e) **(Shares issued on exercise):** Shares issued on the exercise of a Performance Rights rank equally with the then Shares of the Company.
- (f) **(No cash consideration):** The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the issue of Shares after exercise.
- (g) **(Timing of issue of Shares):**

As soon as practicable after the later of the following:

- (i) the Company receives a Notice of Exercise or the Performance Rights convert under condition (c); and
- (ii) 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:

- (iii) issue the Shares pursuant to the exercise of the Performance Rights;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (v) 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 Performance Rights in accordance with the Listing Rules.

If the Company is unable to give ASX a notice in accordance with paragraph (g)(iv) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Shares issued on exercise of the Performance Rights may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

- (h) **(Quotation):** Performance Rights will not be quoted on ASX. On conversion of Performance Rights into Shares, the Company will apply for quotation in accordance with condition (g).
- (i) **(Transferability of Performance Rights):** The Performance Rights are not transferable.
- (j) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in

new issues of capital offered to Shareholders during the currency of unvested Performance Rights.

- (k) **(Dividend and voting rights)**: The Performance Rights do not confer on the holder an entitlement to vote or receive dividends.
- (l) **(Return of capital rights)**: The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (m) **(Rights on winding up)**: The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (n) **(Adjustment for bonus issues)**: 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 which must be issued on the vesting of a Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had vested before the record date for the bonus issue.
- (o) **(Adjustment for entitlements issue)**: If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph (k) will apply) there will be no adjustment to the number of Shares which will be issued upon the vesting of a Performance Right.
- (p) **(Adjustments for reorganisation)**: If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Performance Rights will be varied in accordance with the Listing Rules.

Schedule 4 Valuation of the Performance Rights

The Performance Rights to be issued to Mr Geoffrey Laing pursuant to Resolution 2 have been independently valued using a Monte Carlo valuation model based on the following assumptions:

	Tranche 1 Performance Rights	Tranche 2 Performance Rights	Tranche 3 Performance Rights
Methodology	Monte Carlo	Monte Carlo	Monte Carlo
Iterations	100,000	100,000	100,000
Assumed grant date	22 March 2022	22 March 2022	22 March 2022
Vesting date	22 March 2024	22 March 2024	22 March 2024
Share price at assumed grant date (\$)	0.088	0.088	0.088
VWAP Hurdle (\$)	0.140	0.180	0.230
Exercise price (\$)	nil	nil	nil
Risk-free rate (%)	1.3541	1.3541	1.3541
Volatility (%)	90	90	90
Fair value per Performance Right (\$)	0.0703	0.0489	0.0327
Recipient	Geoffrey Laing	Geoffrey Laing	Geoffrey Laing
Number	1,000,000	1,000,000	1,000,000
Total fair value (\$)	70,284	48,883	32,684

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

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Monday, 16 May 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>.



