



Notice of Annual General Meeting Explanatory Statement and Proxy Form

Date of Meeting

16 November 2023

Time of Meeting

9.00am (AWST)

Place of Meeting

Corrs Chambers Westgarth
Level 6, Brookfield Place
123 St Georges Terrace
Perth WA 6000

For personal use only



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of members of Australian Vanadium Limited (**Australian Vanadium** or the **Company**) will be held on 16 November 2023, commencing at 9.00am (AWST) at Level 6, Brookfield Place, 123 St Georges Terrace, Perth, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Annual General Meeting.

AGENDA

ORDINARY BUSINESS

Accounts and Reports

To receive and consider the annual financial report for the financial year ended 30 June 2023, together with the reports by Directors and auditors thereon.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. Adoption of Remuneration Report

To consider and, if thought fit, to pass, the following advisory resolution:

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's Annual Report for the financial year ended 30 June 2023 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Voting Prohibition Statement:

The Company will disregard any votes cast in favour of this Resolution:

- a. by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- b. by a person who is a member of the Key Management Personnel at the date of the Annual General Meeting, or their Closely Related Parties, as a proxy.

However, votes will not be disregarded if they are cast by a person (the voter) as a proxy for a person entitled to vote on this Resolution and either:

- c. the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- d. the voter is the Chair and the appointment of the Chair as proxy:
 - i. does not specify the way the proxy is to vote on this Resolution; and
 - ii. expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Re-election of Director (Mr Daniel Harris)

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

"That, for the purposes of Listing Rule 14.4, rule 7.3(a) of the Company's Constitution and for all other purposes, Mr Daniel Harris, being a Director of the Company who retires by rotation and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Notice of Annual General Meeting

3. Election of Director (Mr Peter Watson)

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

"That, for the purposes of Listing Rule 14.4, rules 7.2(b) and 7.2(c) of the Constitution of the Company and for all other purposes, Mr Peter Watson (who was appointed as a Director of the Company by the Board on 13 February 2023), who offers himself for election and being eligible, be elected as a Director of the Company."

4. Election of Director (Ms Miriam Stanborough)

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

"That, for the purposes of Listing Rule 14.4, rules 7.2(b) and 7.2(c) of the Constitution of the Company and for all other purposes, Ms Miriam Stanborough (who was appointed as a Director of the Company by the Board on 13 February 2023), who offers herself for election and being eligible, be elected as a Director of the Company."

5. Election of Director (Ms Anna Sudlow)

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

"That, for the purposes of Listing Rule 14.4, rules 7.2(b) and 7.2(c) of the Constitution of the Company and for all other purposes, Ms Anna Sudlow (who was appointed as a Director of the Company by the Board on 1 June 2023), who offers herself for election and being eligible, be elected as a Director of the Company."

SPECIAL BUSINESS

6. Ratification of Prior Issue of Shares (20 April 2023)

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the issue of 875,000 Shares to Critical Management Group Pty Ltd on 20 April 2023 at an issue price of \$0.036 each for corporate advisory services provided by the Company, on the terms and conditions set out in the Explanatory Statement forming part of this Notice."

7. Ratification of Prior Issue of Shares (9 June 2023)

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the issue of 410,959 Shares to Wyalong Pastoral Co Pty Ltd on 9 June 2023 at an issue price of \$0.0365 each as consideration for an option extension fee for a land acquisition, on the terms and conditions set out in the Explanatory Statement forming part of this Notice."

8. Ratification of Prior Issue of Shares (10 July 2023)

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the issue of 948,795 Shares to Critical Management Group Pty Ltd on 10 July 2023 at an issue price of \$0.0332 each for corporate advisory services provided to the Company, on the terms and conditions set out in the Explanatory Statement forming part of this Notice."

Voting Exclusion Statement in respect of Resolutions 6, 7 and 8:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a. a person who participated in the issue; or
- b. an associate of that person or those persons.

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

- c. a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- d. the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- e. 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.

9. Ratification of Issue of Shares under Placement pursuant to Listing Rule 7.1 (2 October 2023)

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue by the Company of 166,384,287 Shares at an issue price of \$0.026 to institutional investors on 2 October 2023, pursuant to Listing Rule 7.1 and on the terms and conditions set out in the Explanatory Statement."

10. Ratification of Issue of Shares under Placement pursuant to Listing Rule 7.1A (2 October 2023)

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue by the Company of 436,362,522 Shares at an issue price of \$0.026 to institutional investors on 2 October 2023 pursuant to Listing Rule 7.1A and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement in respect of Resolutions 9 and 10:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a. a person who participated in the issue; or
- b. an associate of that person or those persons.

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

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

11. Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement forming part of this Notice."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a. any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares); or
- b. an associate of that person or those persons.

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

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

12. Adoption of Securities Incentive Plan

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

"That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and to enable the Company to issue of up to a maximum of 300,000,000 securities over the three years following Shareholder approval of that plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a. a person who is eligible to participate in the employee incentive scheme; or
- b. an associate of that person or those persons.

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

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

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- c. the proxy is the Chair; and
- d. 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.

13. Approval for Issue of Performance Rights to Director (Peter Watson)

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

"That, subject to the passing of Resolution 12, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of up to 10,000,000 Performance Rights to Mr Peter Watson (or his nominee) as part of his remuneration package under his appointment terms as announced on 14 February 2023 on the terms set out in the Explanatory Statement, be and is hereby approved."

14. Approval for Issue of Performance Rights to Director (Miriam Stanborough)

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

"That, subject to the passing of Resolution 12, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of up to 10,000,000 Performance Rights to Ms Miriam Stanborough (or her nominee) as part of her remuneration package under her appointment terms as announced on 14 February 2023 on the terms set out in the Explanatory Statement, be and is hereby approved."

15. Approval for Issue of Performance Rights to Director (Anna Sudlow)

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

"That, subject to the passing of Resolution 12, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of up to 10,000,000 Performance Rights to Ms Anna Sudlow (or her nominee) as part of her remuneration package under her appointment terms as announced on 1 June 2023 on the terms set out in the Explanatory Statement, be and is hereby approved."

Voting Exclusion Statement in respect of Resolutions 13, 14 and 15

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a. a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- b. an associate of that person or those persons.

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

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

Voting Prohibition Statement in respect of Resolutions 13, 14 and 15

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

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.

16. Appointment of Auditor

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

"That, pursuant to section 327B(1)(b) of the Corporations Act, the appointment of BDO Audit (WA) Pty Ltd as auditor of the Company, who has consented in writing to act as auditor of the Company, be ratified and confirmed on the terms and conditions set out in the Explanatory Statement."

17. Approval of an increase in fees payable to Non-Executive Directors

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

"That, for the purpose of rule 7.5(a) of the Company's Constitution and Listing Rule 10.17, Shareholders approve an increase in the maximum aggregate fixed sum available to be paid to the Non-Executive Directors of the Company from \$500,000 per annum (which is the amount last approved at the Company's Annual General Meeting in 2011) to \$750,000 per annum, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a. a Director; or
- b. an associate of that person or those persons.

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

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

Voting Prohibition Statement:

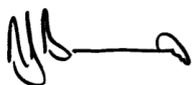
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

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



Neville Bassett
Company Secretary

13 October 2023

For personal use only



Important Information

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.00am (AWST) on 16 November 2023 at:

*Corrs Chambers Westgarth
Level 6, Brookfield Place
123 St Georges Terrace
Perth WA 6000*

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 9.00am (AWST) time on 14 November 2023.

VOTING IN PERSON

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

VOTING BY PROXY

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

Sections 250BB and 250BC of the Corporations Act provide that:

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

Proxy vote if appointment specifies way to vote

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:**

- 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); and
- 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; and
- 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
- 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).

Important Information

Transfer of non-chair proxy to Chair in certain circumstances

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

- 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; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - 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.



Explanatory Statement

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Australian Vanadium Limited (**Company**) in connection with the business to be conducted at the Annual General Meeting of members to be held at the offices of Corrs Chambers Westgarth located at Level 6, Brookfield Place, 123 St Georges Terrace, Perth, Western Australia on 16 November 2023 at 9.00am (AWST).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

2. 2023 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Corporations Act, the 2023 Annual Report including the audit report will be tabled at the Annual General Meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report. There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, BDO Audit (WA) Pty Ltd, will be present to take Shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

Annual Report Online

Shareholders who have not elected to receive a hard copy of the Annual Report can access the report on the Company's website at www.australianvanadium.com.au

3. ADOPTION OF REMUNERATION REPORT - Resolution 1

3.1 General

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2023 contains the Remuneration Report which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for the Directors and Key Management Personnel.

Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

3.2 Voting consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive Annual General Meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company (**Spill Resolution**) at the second Annual General Meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second Annual General Meeting.

At the Company's previous Annual General Meeting the votes cast against the remuneration report considered at that Annual General Meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3.3 Directors' recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of Resolution 1.

4. RE-ELECTION OF DIRECTOR (Mr Daniel Harris) - Resolution 2

4.1 General

Resolution 2 relates to the re-election of Mr Daniel Harris as a Director.

In accordance with the requirements of rule 7.3(a) of the Company's Constitution, one-third of the Directors of the Company must retire from office at this Annual General Meeting of the Company, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third Annual General Meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

Mr Daniel Harris, who has served as a Director since 1 February 2017, and was last re-elected on 24 November 2021, retires by rotation in accordance with rule 7.3(a) of the Constitution and Listing Rule 14.4 and, being eligible, seeks re-election from Shareholders.

4.2 Qualifications and other material directorships

Daniel Harris BSc (Chem Eng) (Non-Executive Director)

Mr Harris brings with him a vast amount of expertise in the vanadium industry and an understanding of the resource sector from both a technical and financial perspective. Recent roles include the interim CEO and Managing Director at Atlas Iron Limited; CEO & Chief Operating Officer at Atlantic Ltd; Vice President & Head of Vanadium Assets at Evraz Group; Managing Director at Vametco Alloys; General Manager of Vanadium Operations at Strategic Minerals Corporation and an independent technical and executive consultant to GSA Environmental Limited in the United Kingdom.

Mr Harris is currently a Non-Executive Director of the following ASX listed companies and has no former listed company directorships in the last three years:

- Flinders Mines Limited – since 8 August 2022
- QEM Limited – since 19 March 2018

Mr Harris also serves on the following Committees of the Company:

- Member of the Audit & Risk Committee
- Member of the Remuneration, Nomination and Governance Committee
- Member of the Technical and Sustainability Committee

4.3 Independence

Mr Harris has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

If re-elected, the Board considers Mr Harris will be an independent Director.

4.4 Directors' recommendation

The Board has reviewed Mr Harris' performance since his appointment to the Board and considers that Mr Harris' skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, all the Directors, except for Mr Harris, recommend that Shareholders vote in favour of Resolution 2.

5. ELECTION OF DIRECTOR (Mr Peter Watson) – Resolution 3

5.1 General

Resolution 3 relates to the election of Mr Peter Watson as a Director.

Rule 7.2(b) of the Company's Constitution states that the Directors may appoint any person as a Director of the Company. Under rule 7.3(c) of the Constitution, Directors so appointed must retire at the next Annual General Meeting of the Company and are eligible for election at that Meeting.

Similarly, the Listing Rule 14.4 provides that a person appointed as a Director by the Board must not hold office (without re-election) past the Company's next Annual General Meeting.

Mr Peter Watson was appointed as a Non-Executive Director by the Board on 13 February 2023. In accordance with Listing Rule 14.4 and rule 7.3(c) of the Constitution, Mr Watson retires and, having offered himself for election as a Director of the Company, the Board is seeking election of Mr Watson as Director at this Meeting.

If Resolution 3 is not approved by the Shareholders, Mr Watson will cease to be a Director at the conclusion of the Meeting.

5.2 Qualifications and other material directorships

Peter Watson BEng (Hons) (Chem), FIEAust, Dip (Acct), GAICD (Non-Executive Director)

Mr Watson is a chemical engineer with over 40 years' experience in the resources sector, both in Australia and overseas. He has significant board-level experience, particularly on matters covering safety, governance, financial reporting, risk management and strategy across multiple commodities and global jurisdictions.

Mr Watson was the Managing Director and Chief Executive Officer of Sedgman Limited, an engineering, project delivery and operations company focused on the global minerals sector and listed on ASX prior to its acquisition by CIMIC Group Limited.

Mr Watson is currently a Non-Executive Director of the following ASX companies:

- Paladin Energy Limited – since 10 December 2019
- Strandline Resources Limited – since 10 September 2018

Mr Watson was a Non-Executive Director of the following ASX listed company in the last three years:

- New Century Resources Limited – resigned 27 April 2023

Mr Watson also serves on the following Committees of the Company:

- Member of the Audit & Risk Committee
- Chair of the Technical and Sustainability Committee

5.3 Independence

Mr Watson has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

If elected, the Board considers Mr Watson will be an independent Director.

5.4 Directors' recommendation

The Directors, except for Mr Watson, recommend that Shareholders vote in favour of Resolution 3.

6. ELECTION OF DIRECTOR (Ms Miriam Stanborough) – Resolution 4

6.1 General

Resolution 4 relates to the election of Ms Miriam Stanborough as a Director.

Rule 7.2(b) of the Company's Constitution states that the Directors may appoint any person as a Director of the Company. Under rule 7.3(c) of the Constitution, Directors so appointed must retire at the next Annual General Meeting of the Company and are eligible for election at that Meeting.

Similarly, the Listing Rule 14.4 provides that a person appointed as a Director by the Board must not hold office (without re-election) past the Company's next Annual General Meeting.

Ms Miriam Stanborough was appointed as a Non-Executive Director by the Board on 13 February 2023. In accordance with Listing Rule 14.4 and rule 7.3(c) of the Constitution, Ms Stanborough retires and, having offered herself for election as a Director of the Company, the Board is seeking election of Ms Stanborough as Director at this Meeting.

If Resolution 4 is not approved by the Shareholders, Ms Stanborough will cease to be a Director at the conclusion of the Meeting.

6.2 Qualifications and other material directorships

Miriam Stanborough AM BA (Hons), BE (Hons) (Chem), MSc, MAusIMM, GAICD (Non-Executive Director)

Ms Stanborough is a chemical engineer with over 20 years of experience in the mineral processing industry across a range of commodities. She has held senior roles at Monadelphous, Iluka Resources, Alcoa and WMC Resources. Her skill base spans innovation and technology, technical development, production management, project management, business improvement and people and culture.

Ms Stanborough is currently a Non-Executive Director of the following ASX listed companies and has no former listed company directorships in the last three years:

- Pilbara Minerals Limited – appointed 16 September 2021
- BCI Minerals Limited – appointed 14 June 2022

Ms Stanborough also serves on the following Committees of the Company:

- Chair of the Remuneration, Nomination and Governance Committee
- Member of the Technical and Sustainability Committee

6.3 Independence

Ms Stanborough has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

If elected, the Board considers Ms Stanborough will be an independent Director.

6.4 Directors' recommendation

The Directors, except for Ms Stanborough, recommend that Shareholders vote in favour of Resolution 4.

7. ELECTION OF DIRECTOR (Ms Anna Sudlow) - Resolution 5

7.1 General

Resolution 5 relates to the election of Ms Anna Sudlow as a Director.

Rule 7.2(b) of the Company's Constitution states that the Directors may appoint any person as a Director of the Company. Under rule 7.3(c) of the Constitution, Directors so appointed must retire at the next Annual General Meeting of the Company and are eligible for election at that Meeting.

Similarly, the Listing Rule 14.4 provides that a person appointed as a Director by the Board must not hold office (without re-election) past the Company's next Annual General Meeting.

Ms Anna Sudlow was appointed as a Non-Executive Director by the Board on 1 June 2023. In accordance with Listing Rule 14.4 and rule 7.3(c) of the Constitution, Ms Sudlow retires and, having offered herself for election as a Director of the Company, the Board is seeking election of Ms Sudlow as Director at this Meeting.

If Resolution 5 is not approved by the Shareholders, Ms Sudlow will cease to be a Director at the conclusion of the Meeting.

7.2 Qualifications and other material directorships

Anna Sudlow B.Comm, CPA, MBA and GAICD (Non-Executive Director)

Ms Sudlow is a corporate finance executive with experience in the mining and resources sectors across a range of commodities and jurisdictions. Ms Sudlow has held senior roles at Woodside Energy Group Ltd and Paladin Energy Limited and has experience in strategy, capital management and funding, commercial analysis, business development, risk and financial reporting and governance.

Ms Sudlow is currently the CFO of Paladin Energy Limited (ASX: PDN), an ASX listed uranium company included in the S&P/ASX 200 Index.

Ms Sudlow currently has no directorships with any other ASX listed companies and has no former listed company directorships in the last three years.

Ms Sudlow also serves on the following Committees of the Company:

- Chair of the Audit & Risk Committee
- Member of the Remuneration, Nomination and Governance Committee

7.3 Independence

Ms Sudlow has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

If elected, the Board considers Ms Sudlow will be an independent Director.

7.4 Directors' recommendation

The Directors, except for Ms Sudlow, recommend that Shareholders vote in favour of Resolution 5.

8. RATIFICATION OF PRIOR ISSUE OF SHARES – Resolutions 6, 7, and 8

8.1 General

Resolutions 6, 7, and 8 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of Shares as follows:

- a. 875,000 Shares on 20 April 2023 at \$0.036 per Share to Critical Management Group Pty Ltd in consideration for corporate advisory services provided to the Company (Resolution 6);
- b. 948,795 Shares on 10 July 2023 at \$0.0332 per Share to Critical Management Group Pty Ltd as consideration for corporate advisory services provided to the Company (Resolution 8); and
- c. 410,959 Shares issued on 9 June 2023 at \$0.0365 per Share to Wyalong Pastoral Co Pty Ltd as consideration for an option extension fee for land acquisition pursuant to an agreement between the Company and Wyalong Pastoral Co Pty Ltd (Resolution 7),

collectively hereinafter the “**Prior Issue Shares**”.

The Prior Issue Shares were issued under the Company’s existing placement capacity under Listing Rule 7.1. Accordingly, Shareholder approval for the issue of the Prior Issue Shares was not required.

Resolutions 6, 7, and 8 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Prior Issue Shares.

8.1 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period. The issue of the Prior Issue Shares did not fit within any of the specified exceptions and so were issued within the Company’s 15% annual placement limit under Listing Rule 7.1.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1 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 Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. To this end, Resolution 6, 7 and 8 seek Shareholder approval for the issue of the Prior Issue Shares under and for the purposes of Listing Rule 7.4 and for all other purposes.

If any or all of Resolutions 6, 7 and 8 are approved, the Prior Issue Shares the subject of the relevant Resolution will be treated as if they were issued with the prior approval of Shareholders for the purposes of 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 their issue.

If any or all of Resolutions 6, 7 and 8 are not approved by the requisite majority, the Prior Issue Shares the subject of the relevant Resolution will count towards the number of Equity Securities the Company can issue without Shareholder approval pursuant to the 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following their issue.

8.2 Technical information required by Listing Rule 7.5

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

i. The names of the persons to whom the securities were issued

The Prior Issue Shares were issued to the following persons/entities:

- 875,000 Prior Issue Shares were issued to Critical Management Group Pty Ltd on 20 April 2023 (Resolution 6);
- 948,795 Prior Issue Shares were issued to Critical Management Group Pty Ltd on 10 July 2023 (Resolution 8); and
- 410,959 Prior Issue Shares were issued to Wyalong Pastoral Co Pty Ltd on 9 June 2023 (Resolution 7).

ii. Number and class of securities issued and the date on which the securities were issued

	Date of issue	Number and class of shares issued
Resolution 6	20 April 2023	875,000 fully paid ordinary shares
Resolution 7	9 June 2023	410,959 fully paid ordinary shares
Resolution 8	10 July 2023	948,795 fully paid ordinary shares
	Total	2,234,754

iii. Price or consideration at which the securities were issued

The Prior Issue Shares were issued respectively to Critical Management Group Pty Ltd as consideration for corporate advisory services provided to the Company and to Wyalong Pastoral Co Pty Ltd as consideration for an option extension fee for a land acquisition. The deemed issue price at dates of issue were:

	Date of issue	Number of shares issued	Deemed issue price at date of issue
Resolution 6	20 April 2023	875,000 to Critical Management Group Pty Ltd	\$0.036
Resolution 7	9 June 2023	410,959 to Wyalong Pastoral Co Pty Ltd	\$0.0365
Resolution 8	10 July 2023	948,795 to Critical Management Group Pty Ltd	\$0.0332

iv. The purpose of the issue

The purpose for which the Prior Issue Shares were issued are summarised below:

	Date of issue	Issued to	Purpose
Resolution 6	20 April 2023	Critical Management Group Pty Ltd	In consideration for corporate advisory services provided by Critical Management Group Pty Ltd to the Company.
Resolution 7	9 June 2023	Wyalong Pastoral Co Pty Ltd	In consideration for option extension fee for a land acquisition from Wyalong Pastoral Co Pty Ltd
Resolution 8	10 July 2023	Critical Management Group Pty Ltd	In consideration for corporate advisory services provided by Critical Management Group Pty Ltd to the Company.

No funds were raised from the issue. The Prior Issue Shares were issued as consideration for the services and option extension fee for the acquisition described above.

v. The key commercial terms of the option agreement extension (Resolution 7)

On 21 October 2019, the Company entered into an Option to Purchase Land agreement (**Option Agreement**) with Wyalong Pastoral Co Pty Ltd (**Wyalong**). The Option Agreement was extended by letters from the Company dated 24 August 2021 and 31 October 2022. On 28 April 2023 the Company and Wyalong agreed to further extend the expiry date of the Option Agreement to 31 July 2023 (**Option Agreement Extension**). A summary of the Option Agreement and Option Agreement Extension is provided below.

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Topic	Summary
Outline of Option Agreement	<p>Under the Option Agreement, the Company has the option (Option) to purchase that part of Lots 40 and 41 on Deposited Plan 28736, Certificate of Title Volume 2216 Folio 19 that is outlined in the plan attached to the Option Agreement (Land) from Wyalong which the parties estimate to be 1,334 acres.</p> <p>The Option fee will be 1% of the purchase price with half of the option fee payable in cash and half of the option fee payable in the Company's shares.</p> <p>The purchase price for the land will be \$4,000 per acre (as varied by the parties after execution of the Option Agreement).</p>
Conditions	<p>The Option Agreement is conditional on (among other things):</p> <ol style="list-style-type: none"> a. Wyalong obtaining the consent of the Western Australian Planning Commission within 12 months of the date of the Option Agreement to the subdivision of the Land from the rest of Lots 40 and 41 on Deposited Plan 28736 so that the Land may be sold to the Company as a single lot. b. Wyalong will make an application for subdivision as above within 3 months after the date of the Option Agreement. c. The Company will provide all reasonable assistance and sign any applications during the term of the Option Agreement to assist Wyalong to obtain the consent under (a) and make the application under (b).
Variations as per Option Agreement Extension	<p>The parties agree to vary:</p> <ol style="list-style-type: none"> a. The expiry date of the third term of the Option Agreement to 31 July 2023; and b. The purchase price to \$4,000 (plus GST) per acre, which price shall not be increased.
Option fee	<p>The Company will pay a further option fee to Wyalong, in the amount of \$15,000, for the extension of the third term of the Option to 31 July 2023.</p> <p>The Company will pay to Wyalong the option fee in either cash or shares in the Company, at the election of Wyalong. If Wyalong elects payment in Shares, the Company will issue fully paid ordinary shares and the number of shares will be calculated using the 5-day VWAP at the date of payment.</p> <p>Wyalong elected payment of the option fee to be in Shares. Thus, the Prior Issue Shares the subject of Resolution 7, were issued to Wyalong as consideration for the option fee of \$15,000 to extend the third term of the Option to 31 July 2023.</p>

No agreements were entered into by the Company in respect of the issue of the Prior Issue Shares the subject of Resolution 6 and Resolution 8.

vii. Voting exclusion statement

A voting exclusion statement is included in the Notice for Resolutions 6, 7 and 8.

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9. RATIFICATION OF PRIOR ISSUE OF SHARES (2 OCTOBER 2023) – Resolutions 9 and 10

9.1 General

On 26 September 2023, the Company announced that it had successfully completed the placement of a total of 602,746,809 Shares (**Placement Shares**) to institutional investors, including Resource Capital Fund VII LP (**RCF**), at an issue price of \$0.026 per Share with firm commitments to raise \$15,671,417.03 (**Placement**). The Placement Shares were issued to the relevant institutional investors on 2 October 2023.

436,362,522 of the Placement Shares were issued using the Company's 10% placement capacity under Listing Rule 7.1A with the remaining 166,384,287 Placement Shares issued using the Company's 15% placement capacity under Listing Rule 7.1. By issuing the Placement Shares utilising those Listing Rules, the Company's capacity to issue further Equity Securities without Shareholder approval within those limits was accordingly reduced.

Resolutions 9 and 10 seek Shareholder approval for the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

9.2 Listing Rules 7.1, 7.1A and 7.4

Subject to a number of exceptions, in general terms, Listing Rule 7.1 limits the number of Equity Securities (for example, shares, options and convertible notes) that a listed company may issue or agree to issue without Shareholder approval in any 12-month period to 15% of its issued ordinary shares (15% share issue capacity).

However, Listing Rule 7.1A provides that, in addition to issues permitted without prior Shareholder approval under Listing Rule 7.1, an entity that is eligible may seek Shareholder approval at its Annual General Meeting under Listing Rule 7.1A to increase this 15% limit by an extra 10%, to 25%. The Company, being an eligible entity, sought and obtained this Shareholder approval for its additional 10% capacity at its Annual General Meeting held on 14 November 2022.

The Placement Shares were issued using both the Company's placement capacity under Listing Rule 7.1 and its additional placement capacity under Listing Rule 7.1A, effectively using up part of the Company's 15% limit under Listing Rule 7.1 and its entire 10% limit under Listing Rule 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A. Resolutions 9 and 10 seek Shareholder approval for the issue of the Placement Shares under and for the purposes of Listing Rule 7.4 and for all other purposes.

If any one or both of Resolutions 9 and 10 are passed, the Placement Shares the subject of the relevant Resolution will be excluded in calculating the Company's 25% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the issue date.

If any of or both of Resolutions 9 and 10 are not passed, the issue of Placement Shares the subject of the relevant Resolution remains valid, but the relevant number of Placement Shares will be included in calculating the Company's 25% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the issue date.

9.3 Technical Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- a. 602,746,809 Placement Shares were issued on the following basis:
 - i. 166,384,287 Placement Shares were issued under the Company's Listing Rule 7.1 (15%) capacity (ratification which is sought under Resolution 9); and
 - ii. 436,362,522 Placement Shares were issued under the Company's Listing Rule 7.1A (10%) capacity (ratification which is sought under Resolution 10);
- b. The Placement Shares were issued at \$0.026 per Share;
- c. The Placement Shares were issued on 2 October 2023;
- 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 to institutional investors, including RCF (which is a substantial Shareholder in the Company), who were identified through a bookbuild process and allocated Placement Shares by Macquarie Capital (Australia) Limited and Canaccord Genuity (Australia) Ltd who acted as Joint Lead Managers & Joint Bookrunners to the Placement;
- f. Funds raised from the Placement will primarily be applied to support project integration strategy, fund ongoing project and corporate initiatives (including the Company's Australian Vanadium Project) and general working capital and transaction costs;
- g. The Placement Shares were issued pursuant to subscription commitments containing standard terms for a transaction of this nature; and
- h. A voting exclusion statement is included in the Notice.

9.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolutions 9 and 10.

10. APPROVAL OF 10% PLACEMENT CAPACITY - Resolution 11

10.1 General

Resolution 11 seeks Shareholder approval for an additional issuing capacity under Listing Rule 7.1A (**Additional Placement Facility**).

Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek Shareholder approval, by way of a special resolution passed at an Annual General Meeting, to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital (10% Placement Capacity) without using that Company's existing 15% annual placement capacity granted under Listing Rule 7.1.

An "Eligible Entity" means an entity which is not included in the S&P/ASX 300 index and which has a market capitalisation of \$300 million or less. As at the date of this Explanatory Statement, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$139 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 3 October 2023, being the last practicable date prior to finalising the Notice).

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX. As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being its Shares (ASX Code: AVL).

If the Shareholders approve Resolution 11, the number of Equity Securities the Company may issue under the Additional Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 and the Company's total placement capacity will increase to 25% of its issued capital pursuant to Listing Rule 7.1 and 7.1A.

Resolution 11 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 11 for it to be passed. If Resolution 11 is not passed, the Company will not have approval to issue Equity Securities under the Additional Placement Facility.

10.2 Technical information required by Listing Rule 7.1A

In accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

a. Period for which the approval will be valid

The Additional Placement Facility will commence on the date of the Meeting and expire on the first to occur of the following:

- the date that is 12 months after this Meeting;
- the time and date of the Company's next Annual General Meeting; or
- the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

b. Minimum price at which Equity Securities may be issued

Any Equity Securities issued under the Additional Placement Facility must be in an existing quoted class of the Company's securities and issued for cash consideration per security which is not less than 75% of the volume weighted average price for Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 10 ASX trading days of the above date, the date on which the Equity Securities are issued.

c. Purposes for which the funds raised by an issue of Equity Securities may be used

The Company may issue Equity Securities under the Additional Placement Facility for cash consideration only, and the Company intends to apply funds raised towards project integration strategy, ongoing project development and corporate initiatives (including the Company's Australian Vanadium Project), resource and reserve updates; and general working capital (including corporate and administration costs).

d. Risk of economic and voting dilution

If Resolution 11 is passed and the Company issues Equity Securities under the Additional Placement Facility, there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- i. the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- ii. the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out in Listing Rule 7.1A.2) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares and the current number of Shares on issue as at 3 October 2023, being the last practicable date prior to finalising the Notice.

Dilution				
Number of Shares on Issue	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.014 (50% decrease in issue price)	Funds raised based on issue price of \$0.028 (issue price)	Funds raised based on issue price of \$0.056 (100% increase in issue price)
4,968,606,780 (Current)	496,860,678	\$6,956,049	\$13,912,099	\$27,824,198
7,452,910,170 (50% increase)	745,291,017	\$10,434,074	\$20,868,148	\$41,736,297
9,937,213,560 (100% increase)	993,721,356	\$13,912,099	\$27,824,198	\$55,648,396

Notes: The above table has been prepared on the following bases/assumptions:

1. The latest available market price of Shares as at 3 October 2023, being the last practicable date prior to finalising the Notice, was \$0.028.
2. The Company issues the maximum number of Equity Securities available under the Additional Placement Facility.
3. Existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility.
4. The Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Placement Facility.
5. The impact of additional issues of securities under Listing Rule 7.1 or following the exercise of options is not included in the calculations.
6. Economic dilution for the table above is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of Shares on issue;

MP = the market price of Shares traded on ASX, expressed as in dollars;

NMC = notional MC, being the MC plus the NSV;

NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total Shares on issue following new Equity Security issue.

e. Allocation policy

The Company’s allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- i. the purpose of the issue;
- ii. the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Security holders can participate;
- iii. the effect of the issue of the new securities on the control of the Company;
- iv. the financial position and solvency of the Company;
- v. prevailing market conditions; and
- vi. advice from corporate, financial and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon issue of any Equity Securities under the Additional Placement Facility.

f. Previous Approval and Issues under Listing Rule 7.1A in previous 12 months

The Company previously obtained approval under Listing Rule 7.1A at its Annual General Meeting held on 14 November 2022.

In accordance with Listing Rule 7.3A.6, the following information is provided to Shareholders regarding the Equity Securities issued in the previous 12 months preceding the date of the Annual General Meeting.

Listing Rule 7.3A.6(a)

The table below shows the total number of Equity Securities issued under Listing Rule 7.1A.2 in the previous 12 months preceding the date of the Annual General Meeting and the percentage that those issues represent of the total number of Equity Securities on issue at the commencement of that 12-month period.

Total number of Equity Securities issued in the 12 months preceding the date of the Meeting	436,362,522
Percentage that they represent of the total number of Equity Securities on issue at the commencement of that 12-month period	9.66%

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Listing Rule 7.3A.6(b)

The tables below set out specific details for each issue of Equity Securities that have taken place in the 12 month period prior to the date of the Annual General Meeting.

Date of issue	2 October 2023
Number issued	436,362,522 pursuant to the Placement defined above
Summary of terms	Ordinary fully paid shares ranking equally with existing shares on issue.
Names of the persons who received securities or basis on which those persons were determined	<p>The Shares were issued to institutional investors including Resource Capital Fund VII LP (a substantial Shareholder of the Company).</p> <p>The institutional investors were identified through a bookbuild process and allocated the Shares by Macquarie Capital (Australia) Limited and Canaccord Genuity (Australia) Ltd who acted as Joint Lead Managers & Joint Bookrunners to the Placement</p>
Price	\$0.026 per Share
Discount to market price (if any)	3.7% discount to closing price at which Shares traded on 22 September 2023
For cash issues	
Total cash consideration received	\$11,345,425.57
Amount of cash consideration spent	Nil
Use of cash consideration	Proceeds from the Placement will be applied to support project integration strategy, fund ongoing project and corporate initiatives and general working capital & transaction costs.
Intended use for remaining amount of cash (if any)	<p>Unspent funds: \$11,345,425.57</p> <p>Primarily to be applied to project integration strategy, fund ongoing project and corporate initiatives (including ongoing work at the Company's Australian Vanadium Project) and general working capital & transaction costs.</p>

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10.4 Voting Exclusion

A voting exclusion statement is included in the Notice. As at the date of this Explanatory Statement, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 11.

10.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 11 as it will give the Company the flexibility to raise and fund necessary working capital whilst preserving the Company's cash reserves.

11. ADOPTION OF SECURITIES INCENTIVE PLAN – Resolution 12

11.1 General

The Shareholders approved, under Listing Rule 7.2 (Exception 13) and for all other purposes, the adoption of the Company's employee incentive scheme titled "Employee Securities Incentive Plan" at the Company's 2022 Annual General Meeting held on 14 November 2022 (**2022 Plan**) and for the Company to issue up to a maximum of 300,000,000 securities under the 2022 Plan.

After adoption of the 2022 Plan, the Board approved a few changes to the 2022 Plan, two of which it considers to be material changes to the 2022 Plan (**Amended Plan**). Those changes are:

- a. **Vesting in the event of a change of control** – the Amended Plan provides that if a Change of Control Event occurs, all of the participant's unvested securities will automatically vest and must be exercised within 30 days of the Change of Control Event, failing which the securities will be forfeited. Any vested but unexercised securities at the time of a Change of Control Event occurring, must be exercised within 30 days of the Change of Control Event, failing which the securities will be forfeited.

Under the 2022 Plan, the Board had the discretion to determine the manner in which securities would be dealt with if a Change of Control Event occurs or the Board determines that such an event is likely to occur.

The definition of "Change of Control Event" remains unchanged under the Amended Plan.

- b. **Forfeiture of securities** – The Amended Plan provides that:

- i. where a participant who holds securities under the plan becomes a Bad Leaver, all unvested securities will automatically be forfeited by the participant; and
- ii. where a participant who holds securities under the plan becomes a Good Leaver before a vesting condition has been satisfied, the expiry date for the participant's securities shall automatically be changed to the shorter of six months from the date the relevant participant became a Good Leaver and the existing expiry date (for the avoidance of doubt, the terms of the relevant Vesting Condition, if any, remains unaffected). The Board may, in its discretion, extend the new expiry date.

"Good Leaver" is defined as a Participant who ceases to be an Eligible Participant and is not a Bad Leaver.

"Bad Leaver" is defined as a Participant who, unless otherwise determined by the Board in its sole and absolute discretion, ceases to be an Eligible Participant in any of the following circumstances:

- i. the Participant resigns from their employment or office;
- ii. the Participant's employment or office is terminated for cause; or
- iii. the Board determines that the Participant has undertaken any fraudulent or dishonest actions or breach of a material term of his/her employment agreement or of any of the Company's policies etc.

The 2022 Plan did not differentiate between good leavers and bad leavers and simply stated that a participant will forfeit its securities if it is no longer an eligible participant.

The Listing Rules provide that the exception under Listing Rule 7.2 (Exception 13) ceases to be available if there is a material change to the terms of the relevant incentive scheme approved by the Shareholders at the relevant general meeting. If there has been a material change to the terms of the incentive scheme, the scheme must be freshly approved by the Shareholders as an exception under Listing Rule 7.2. If the approval is not refreshed, an issue under the scheme will only be able to be made without Shareholder approval under Listing Rule 7.1 if the entity has sufficient placement capacity available at the time under Listings Rules 7.1 and 7.1A.

Since the Board considers the changes to the 2022 Plan (as per the Amended Plan and as detailed above) to be material changes to the terms of the 2022 Plan approved by the Shareholders at the Company's 2022 Annual General Meeting, Resolution 12 seeks refreshed Shareholder approval for the adoption of the Amended Plan and for the issue of up to a maximum of 300,000,000 securities, excluding issues approved by Shareholders under Listing Rule 10.14 or Listing Rule 10.11, under the Amended Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Amended Plan remains the same as the 2022 Plan, being to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of Directors, employees and qualifying contractors and consultants and to provide them with the opportunity to participate in the future growth of the Company.

11.2 Listing Rules 7.1 and Listing Rule 7.2 (Exception 13(b))

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 7.2, 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.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of Equity Securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of Equity Securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to Shareholders in respect of the meeting at which Shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 12 is passed, the Company will be able to issue securities under the Amended Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Amended Plan (up to the maximum number of securities stated in Section 11.3(c) below) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Amended Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 12 is not passed, the Company will be able to issue securities under the Amended Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue of the securities.

11.3 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 12:

- a. a summary of the key terms and conditions of the Amended Plan is set out in Schedule 1, with the material changes made to the 2022 Plan highlighted in yellow. A copy of the Amended Plan will be made available free of charge to any Shareholder on request;
- b. the Company has not issued any securities under the Amended Plan as this is the first time that Shareholder approval is being sought for the adoption of the Amended Plan; and
the Company has issued 97,950,000 Performance Rights under the 2022 Plan since 14 November 2022 (being the date on which the 2022 Plan was approved by the Shareholders).
- c. the maximum number of securities proposed to be issued under the Amended Plan, in reliance on Listing Rule 7.2 (Exception 13(b)), that is, excluding issues approved by Shareholders under Listing Rule 10.14 or Listing Rule 10.11, is 300,000,000 securities (representing approximately 5.75% of the Company's fully diluted Share capital as at the date of this Explanatory Statement). This maximum is not intended to be a prediction of the actual number of securities to be issued under the Amended Plan but is specified for the purposes of setting a ceiling on the number of securities approved to be issued for the purposes of Listing Rule 7.2 (Exception 13(b)); and
- d. a voting exclusion statement for Resolution 12 is included in the Notice.

12. ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS – Resolutions 13, 14 and 15

12.1 General

Resolutions 13, 14 and 15 seek Shareholder approval for the issue of Performance Rights to the following Directors (or their respective nominees) under the Amended Plan:

Resolution	Director	Number of Performance Rights
Resolution 13	Mr Peter Watson	10,000,000
Resolution 14	Ms Miriam Stanborough	10,000,000
Resolution 15	Ms Anna Sudlow	10,000,000

The grant of the Performance Rights forms part of the Company's remuneration strategy for Directors. In this regard, if the relevant performance condition is satisfied, the Performance Rights that have been issued subject to that performance condition confer the right on the holder to be issued or transferred a Share without the requirement to pay any exercise price. Accordingly, the grant of Performance Rights subject to the satisfaction of performance conditions provides Directors with the flexibility and incentive to benefit in circumstances where Shareholders are also likely to benefit, without the Directors needing to provide any additional cash consideration.

The purpose of the issue of Performance Rights to the above Directors is to assist in their reward and retention, and to align the interests of Directors with Shareholders and the Performance Rights are issued as part of their remuneration package under their appointment terms as announced to market on 14 February 2023 (in respect of Mr Watson and Ms Stanborough) and on 1 June 2023 (in respect of Ms Sudlow).

The Board acknowledges that the grant of Performance Rights to Non-Executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations (4th Edition). However, the Board considers the proposed issue of the Performance Rights to each of Mr Watson, Ms Stanborough and Ms Sudlow to be reasonable in the circumstances in order to further align their interests with that of Shareholders and to provide appropriate remuneration to the Non-Executive Directors for their ongoing commitment and contribution to the Company whilst minimising the expenditure of the Company's cash resources.

If any or all of Resolutions 13, 14 and 15 are passed, the Company will be able to proceed with the issue of the Performance Rights the subject of the approved Resolution to the relevant Director under the Amended Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If any one or all of Resolutions 13, 14 and 15 are not passed, the Company will not be able to proceed with the issue of the Performance Rights the subject of the relevant Resolution and consequently, the Directors will not be remunerated by the issue of incentive performance securities. In this case the Company may look to other means of incentivising the Directors, including cash-based incentives.

12.2 Summary of the terms attaching to the Performance Rights

The Performance Rights to be issued to each Director will vest in three equal tranches, subject to the applicable vesting condition relating to the achievement of a set Share price over 20 consecutive trading days being met:

Tranche	No. of Performance Rights that Vest	Vesting Condition
1	3,333,333	Share price of at least \$0.10 VWAP over 20 consecutive trading days on which the Company's shares have actually traded
2	3,333,333	Share price of at least \$0.15 VWAP over 20 consecutive trading days on which the Company's shares have actually traded
3	3,333,334	Share price of at least \$0.20 VWAP over 20 consecutive trading days on which the Company's shares have actually traded

Each Performance Right that vests will automatically entitle the holder to be issued with one Share.

The Performance Rights will be issued for nil cash consideration and no consideration is payable by the holder upon the vesting of a Performance Right.

Any Performance Rights that have not vested on or before the date that is five years after the date of issue will automatically lapse and become incapable of vesting into Shares.

A summary of the other material terms of the Performance Rights is attached at Schedule 2.

12.3 Chapter 2E of the Corporations Act

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

- a. obtain the approval of the public company’s members in the manner set out in sections 217 to 227 of the Corporations Act; and
- b. give the benefit within 15 months following such approval,

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

The grant of Performance Rights constitutes giving a financial benefit and each of Mr Watson, Ms Stanborough and Ms Sudlow are related parties of the Company by virtue of being a Director.

The Directors (excluding each Director in respect of the Resolution that relates to the issue of Performance Rights to them) has determined that the proposed issue of the Performance Rights the subject of Resolutions 13, 14 and 15 constitutes reasonable remuneration having regard to the respective position of the Company and the relevant related party, including the duties and responsibilities of the related party in relation to the Company. The Company is also cognisant of the fact that the agreement to issue these Performance Rights was reached prior to the appointment of the Directors in question as part of their respective agreements to become a Director of the Company.

Accordingly, the Board (excluding each Director in respect of the Resolution that relates to the issue of Performance Rights to them) has determined that the issue of these rights falls within an exception to the need to obtain the approval of the Company’s Shareholders for the purposes of Chapter 2E of the Corporations Act.

12.4 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.

Accordingly, Shareholder approval is sought for the issue of Performance Rights to Mr Watson, Ms Stanborough and Ms Sudlow for the purposes of Listing Rule 10.14. Listing Rule 7.2 (Exception 14) provides that Shareholder approval under Listing Rule 7.1 is not required for issues that have been approved under Listing Rule 10.14. Accordingly, if Resolutions 13, 14 and 15 are approved, the issue of these Performance Rights to the Directors will not be included in the calculation of the Company’s 15% annual placement capacity for the purposes of Listing Rule 7.1.

12.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights to the relevant Directors:

- i. Name of the person

The following persons (or their respective nominees) are to receive the Performance Rights:

Resolution	Director
Resolution 13	Mr Peter Watson
Resolution 14	Ms Miriam Stanborough
Resolution 15	Ms Anna Sudlow

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- ii. Category the person falls within

Each person named above falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director.

- iii. Number and class of securities proposed to be issued

If Shareholder approval is granted, the maximum number of Performance Rights to be issued to the relevant Directors is 30,000,000 as follows:

Resolution	Director	Number of Performance Rights
Resolution 13	Mr Peter Watson	10,000,000
Resolution 14	Ms Miriam Stanborough	10,000,000
Resolution 15	Ms Anna Sudlow	10,000,000

Subject to satisfaction of vesting criteria, each Performance Right converts into one Share.

- iv. Current total remuneration packages

The total 2023 financial year remuneration paid to each proposed recipient of the Performance Rights the subject of Resolutions 13, 14 and 15 is set out below:

Director	Position	Salary and fees (per annum)	Share-based payments (Performance Rights) ¹
Peter Watson	Non-Executive Director	\$100,000	\$17,455
Miriam Stanborough	Non-Executive Director	\$100,000	\$17,455
Anna Sudlow	Non-Executive Director	\$100,000	\$4,473

- v. Material terms of the securities, an explanation of why that type of security is being used and the value attributed to that security

Summary of material terms

A summary of the material terms of the Amended Plan (being the plan pursuant to which the Performance Rights will be issued), marked up against the material terms of the 2022 Plan, is set out in Schedule 1.

The specific milestones and vesting criteria attaching to the Performance Rights are set out above and in Schedule 2.

¹ The amounts disclosed relate to the non-cash value ascribed to performance rights under Australian Accounting Standards.

The purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package for the relevant Directors to align the interests of the Directors with those of Shareholders, to motivate and reward the performance of the relevant persons in their roles as Directors, and to provide a cost effective way for the Company to remunerate the Directors, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors.

vi. Value of Performance Rights

The number of Performance Rights to be issued to each of the relevant Directors has been determined based upon a consideration of:

- current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
- the remuneration of the Directors; and
- incentives required to attract and ensure continuity of service and retain the service of the Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the market traded share price for Performance Rights that are brought to account, having regard to the terms and conditions upon which the instruments are granted.

Based on the above factors, the value of the various tranches of Performance Rights proposed to be issued to the Directors the subject of Resolutions 13, 14 and 15 is as follows:

	Peter Watson Resolution 13	Miriam Stanborough Resolution 14	Anna Sudlow Resolution 15
Tranche 1 Subject to vesting condition that Share price is equal to or greater than \$0.10 VWAP over 20 consecutive trading days on which the Company's shares have actually traded	\$87,333.33	\$87,333.33	\$104,999.99
Tranche 2 Subject to vesting condition that Share price is equal to or greater than \$0.15 VWAP over 20 consecutive trading days on which the Company's shares have actually traded	\$76,333.33	\$76,333.33	\$92,333.32
Tranche 3 Subject to vesting condition that Share price is equal to or greater than \$0.20 VWAP over 20 consecutive trading days on which the Company's shares have actually traded	\$68,666.68	\$68,666.68	\$82,666.68
Total	\$232,333.34	\$232,333.34	\$279,999.99

As the vesting of the Performance Rights is subject to vesting conditions linked to the Company's Share price, the Directors will not be able to realise any value from the grant of the Performance Rights unless and until the applicable vesting conditions have been satisfied.

vii. Date of issue

The Performance Rights will be issued to the relevant Directors as soon as practicable following Shareholder approval and in any event no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Performance Rights will be issued on one date.

viii. Issue price of Performance Rights

The Performance Rights will be granted at no cost to Mr Watson, Ms Stanborough and Ms Sudlow. Accordingly, no funds will be raised from the issue of the Performance Rights. Once the Vesting Conditions are met (or waived), the Performance Rights will be automatically exercised for nil consideration. Each Performance Right will convert to one Share. Importantly, no value will be received by Mr Watson, Ms Stanborough and Ms Sudlow if the Performance Rights lapse prior to the vesting date.

ix. Material terms of the scheme

A summary of the material terms and conditions of the Amended Plan is set out in Schedule 1.

x. Loans

No loans are being made to the relevant Directors in connection with the acquisition of the Performance Rights.

xi. Required statements

Details of any securities issued under the Amended 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.

Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the Amended Plan after Resolutions 13, 14 and 15 are approved and who were not named in this Explanatory Statement will not participate until approval is obtained under that rule.

xii. Voting exclusion statement

A voting exclusion statement for Resolutions 13, 14 and 15 is included in the Notice.

12.9 Other Information

Although the Board has determined that the Company will not seek approval for the proposed issue of the Performance Rights to the relevant Directors pursuant to Chapter 2E of the Corporations Act, the Board provides the following additional information in relation to Resolutions 13, 14 and 15 as a matter of good corporate governance:

- i. The relevant interests of the relevant Directors in securities of the Company as at 3 October 2023, being the last practicable date prior to finalising the Notice, are set out below:

Director	Shares	Options	Performance Rights
Peter Watson	Nil	Nil	Nil
Miriam Stanborough	1,400,000	Nil	Nil
Anna Sudlow	300,000	Nil	Nil

- ii. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.
- iii. The Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 13, 14 and 15.

12.10 Directors' Recommendation

The Directors (other than Mr Watson, Ms Stanborough and Ms Sudlow in respect of the Resolution that relates to the issue of Performance Rights to them) recommend that Shareholders vote in favour of Resolutions 13, 14 and 15.

13. APPOINTMENT OF AUDITOR - Resolution 16

13.1 General

Armada Audit & Assurance Pty Ltd (**Armada**) has been the Company's external auditor since 25 November 2020. In accordance with Listing Rule 3.16.3, following a competitive tender process, BDO Audit (WA) Pty Ltd (**BDO**) has been appointed auditor of the Company by the Board of Directors, effective from 7 December 2022. The appointment follows the resignation of Armada and ASIC's consent to the resignation in accordance with section 329(5) of the Corporations Act.

Section 327B of the Corporations Act requires the Company to obtain Shareholder approval for the appointment of a new auditor.

In accordance with section 328B of the Corporations Act, Mandevilla Pty Ltd, a Shareholder of the Company, has nominated BDO for appointment as auditor of the Company. A copy of the nomination is attached as Annexure A to this Notice. BDO is eligible and have consented to be appointed as auditor of the Company, as required by sub-section 328A(1) of the Corporations Act, with effect from 7 December 2022.

If Resolution 16 is passed, the appointment of BDO as the Company's auditor will be confirmed with effect from conclusion of the Meeting.

If Resolution 16 is not passed, there will be a vacancy in respect of the Company's auditor, which the Directors will be obliged to fill within one month, in accordance with section 327C of the Corporations Act.

13.2 Directors' Recommendation

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

14. APPROVAL OF AN INCREASE IN FEES PAYABLE TO NON-EXECUTIVE DIRECTORS - Resolution 17

14.1 General

Rule 7.5(a) of the Company's Constitution provides that the remuneration for Non-Executive Directors must not exceed the maximum sum determined by the Company in general meeting.

The Company needs to ensure that it can attract and retain experienced and adequately skilled Board members to manage the continued development and growth of the Company, and as part of this needs to be in a position to adequately remunerate its Non-Executive Directors.

The current maximum aggregate amount of remuneration payable to Non-Executive Directors (being an amount of \$500,000) was set at the Company's 2011 Annual General Meeting held on 29 November 2011.

It is therefore proposed that the Company, in accordance with the ASX Listing Rule 10.17 and rule 7.5(a) of the Constitution, approves an increase in the fixed sum to be made available for the payment of Non-Executive Directors' fees from \$500,000 to a new fixed aggregate sum of \$750,000 which shall be inclusive of superannuation for those Non-Executive Directors.

Based on the current composition of the Board, total fees payable to Non-Executive Directors for the 2023 / 2024 financial year will be approximately \$495,000, being 99% of the total current fee pool. This is comprised of the Chair receiving \$95,000 and each of the remaining four Non-Executive Directors receiving \$100,000 per annum, inclusive of superannuation. The Chair volunteered to accept fees below the other Directors for the remuneration payable to Non-Executive Directors to remain within the current maximum aggregate amount. However, this means that the Chair is being remunerated well below what is considered market for remuneration of non-executive Chairpersons of similar companies listed on the ASX.

The Company requested BDO Reward WA Pty Ltd to conduct an independent review of the Company remuneration framework (including the current non-executive Directors fee remuneration) and to make any recommendations which will assist the Company in determining the appropriate level of remuneration for Non-Executive Directors in order for the Company to attract, retain and motivate the right calibre of Directors. The Company's Remuneration, Nomination & Governance Committee, having received and considered a Non-Executive Directors Remuneration Report dated 4 August 2023 from BDO Reward WA Pty Ltd, recommended that the Chair's annual fee be increased from \$95,000 to \$141,000, with effect from 1 July 2023, subject to Shareholders approving an increase to the maximum aggregate amount of remuneration payable to Non-Executive Directors.

Further, as a function of the recently announced merger of the Company with Technology Metals Australia Limited (**TMT**), the Company has invited existing TMT Director, Ms Joanna Gaines, to join the board of the Company, subject to the successful completion of that merger transaction, with her remuneration proposed to be the same as the remuneration of the existing Non-Executive Directors. This is an important component of the consolidation of the two companies to ensure a continuity of Shareholder representation on the Board and the complementary skillset Ms Gaines will bring to the combined group. However, given the current pool for Directors is \$500,000 on an annual basis, an expanded capacity is required to properly accommodate this strategic initiative.

Resolution 17 thus seeks Shareholder approval to increase the non-executive Director fee pool in order to accommodate the proposed recommended increase to the Chair's annual remuneration and remuneration of Ms Joanna Gaines if she is appointed subject to successful completion of the merger transaction with TMT.

The Board considers that an increase to the maximum aggregate fee pool is appropriate to allow the Company to remunerate the Directors at levels commensurate with the remuneration levels of similar companies listed on ASX and will enable the Company to retain and attract appropriate candidates to the Board.

If Resolution 17 is not passed, the Board will lose the flexibility it is seeking to provide sufficient scope for possible Board expansion, succession planning and ongoing flexibility potentially impacting the Company's ability to retain existing and/or attract new Directors and current Directors will have to agree to reduced fees to accommodate Ms Gaines joining the Board, if the merger transaction were to be successfully completed. Accordingly, if this resolution is not passed, the fee pool for Non-Executive Directors will remain at \$500,000 and the Board will need to reassess this strategy.

14.2 Information required by Listing Rule 7.2

In accordance with Listing Rule 10.17:

- the amount of the proposed increase is A\$250,000
- the proposed maximum aggregate of Directors' fees that may be paid to all of the Company's Non-Executive Directors is A\$750,000 per annum, effective from 1 July 2023
- the Company has issued the following securities to Non-Executive Directors under Listing Rules 10.11 or 10.14 within the preceding three years:

Year	Non-Executive Director	Type of securities	Number
2020	-	-	Nil
2021	Cliff Lawrenson	Performance Rights	24,000,000
	Daniel Harris	Performance Rights	20,000,000
2022	Cliff Lawrenson	Shares as a result of conversion of abovementioned Performance Rights	24,000,000
2023	Daniel Harris	Shares as a result of conversion of abovementioned Performance Rights	20,000,000

- a voting exclusion statement for Resolution 17 is included in this Notice.

14.3 Directors' Recommendation

Given the interest of each Non-Executive Director in Resolution 17, the Board does not consider it appropriate to make a recommendation to Shareholders regarding this Resolution.

15. DEFINITIONS

ASX means ASX Limited ABN 98 008 624 691.

ASIC means the Australian Securities & Investments Commission.

Australian Vanadium or the Company means Australian Vanadium Ltd ACN 116 221 740.

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

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

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current Directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- i. is not included in the A&P/ASX 300 Index; and
- ii. has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means this Explanatory Statement.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the official listing rules of ASX.

Meeting means the Annual General Meeting to be held on 16 November 2023.

Notice or Notice of Meeting means the notice of Annual General Meeting which forms part of this Explanatory Statement.

Ordinary Securities has the meaning set out in the Listing Rules.

Performance Right means a right issued on the terms and conditions set out in Schedule 2.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2023.

Resolution means a resolution contained in this Notice.

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

Shareholder means the holder of a Share.



Schedule 1

Terms and Conditions of the Company's Securities Incentive Plan

A summary of the material terms of the Company's Employee Securities Incentive Plan (Plan) is set out below.

Eligible Participants	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: <ol style="list-style-type: none">1. assist in the reward, retention and motivation of Eligible Participants;2. link the reward of Eligible Participants to Shareholder value creation; and3. 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 a Plan Share, Option, Performance Right or other Convertible Security (Securities).
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 (except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	<p>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 any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>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.</p> <p>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.</p>
Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

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<p>Rights attaching to Convertible Securities</p>	<p>A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).</p> <p>Prior to a Convertible Security being exercised, the holder:</p> <ol style="list-style-type: none"> a. does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; b. is not entitled to receive notice of, vote at or attend a meeting of the Shareholders of the Company; c. is not entitled to receive any dividends declared by the Company; and d. is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).
<p>Vesting of Convertible Securities</p>	<p>Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares 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.</p>
<p>Exercise of Convertible Securities and cashless exercise</p>	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>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.</p>

<p>Timing of issue of Shares and quotation of Shares on exercise</p>	<p>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.</p>
<p>Restrictions on dealing with Convertible Securities</p>	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death, total or permanent disability, retirement, redundancy or severe financial hardship of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board (which may be withheld in its absolute discretion).</p>
<p>Listing of Convertible Securities</p>	<p>A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.</p>
<p>Forfeiture of Convertible Securities</p>	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ol style="list-style-type: none"> a. where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group) becomes a 'Bad Leaver' (i.e. they resign from their employment, or their employment is terminated for cause, or the Board determines that the Participant has undertaken any fraudulent or dishonest actions or breach of a material term of his/her employment agreement or of any of the Company's policies etc), all unvested Convertible Securities will automatically be forfeited by the Participant; b. where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; c. where there is a failure to satisfy the vesting conditions in accordance with the Plan; d. on the date the Participant becomes insolvent; or e. on the Expiry Date, <p>unless the Board otherwise determines.</p> <p>Subject to the Corporations Act and the Listing Rules, where a Participant who holds Convertible Securities becomes a Good Leaver before a Vesting Condition has been satisfied, the Expiry Date for the Participant's Convertible Securities shall automatically be changed to the shorter of six (6) months from the date the relevant Participant became a Good Leaver and the existing Expiry Date (New Expiry Date) (for the avoidance of doubt, the terms of the relevant Vesting Condition, if any, remains unaffected). The Board may, in its discretion, extend the New Expiry Date.</p>

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<p>Change of control</p>	<p>If a change of control event occurs, 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 holder's unvested Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event. automatically vest. Convertible Securities vested in accordance with this provision must be exercised within (30) days of the Change of Control Event, and Convertible Securities not exercised within this time will be forfeited.</p> <p>Further, any vested but unexercised Convertible Securities must be exercised within (30) days of the Change of Control Event. Convertible securities not exercised within this time will be forfeited.</p>
<p>Adjustment of Convertible Securities</p>	<p>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.</p> <p>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 issue 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.</p> <p>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.</p>
<p>Plan Shares</p>	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.</p>
<p>Rights attaching to Plan Shares</p>	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. 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.</p>

<p>Disposal restrictions on Plan Shares</p>	<p>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.</p> <p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ol style="list-style-type: none"> a. transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or b. take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
<p>General Restrictions on Transfer of Plan Shares</p>	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) may not be traded 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 Act.</p> <p>Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.</p>
<p>Buy-Back</p>	<p>Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.</p> <p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.</p>
<p>Maximum number of Securities</p>	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b) – refer to Resolution 5 and Section 7.3(c).</p>

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<p>Amendment of Plan</p>	<p>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.</p> <p>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.</p>
<p>Plan duration</p>	<p>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.</p> <p>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.</p>
<p>Income Tax Assessment Act</p>	<p>The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.</p>

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Schedule 2

Terms and Conditions of Performance Rights

- i. **Conversion on achievement of milestone:** Each Performance Right will automatically convert into one new ordinary fully paid share in Australian Vanadium Limited on satisfactory achievement of the following condition (Vesting Condition):
 - a. **Tranche 1:** The Company achieves a share price of at least \$0.10 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.
 - b. **Tranche 2:** The Company achieves a share price of at least \$0.15 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.
 - c. **Tranche 3:** The Company achieves a share price of at least \$0.20 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.

- ii. **Lapse:** A Performance Right will lapse on the earliest to occur of:
 - d. subject to any automatic vesting in accordance with other terms, if applicable Vesting Condition has not been met; or
 - e. the expiry date which will be 5:00PM AWST on the five-year anniversary from the date of grant.

- iii. **Transfer:** The Performance Rights are not transferable.

- iv. **No voting rights:** The Performance Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.

- v. **No dividend rights:** The Performance Rights do not entitle the holder to any dividends.

- vi. **No rights to return of capital:** The Performance Rights do not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

- vii. **Rights on winding up:** Upon the winding up of the Company, the Performance Rights may not participate in the surplus profits or assets of the Company.

- viii. **Change of Control:** if a Change of Control Event occurs, all unvested Performance Rights will automatically vest and must be exercised within 30 days of the Change of Control Event, failing which the Performance Rights will be forfeited. Any vested but unexercised Performance Rights at the time of a Change of Control Event occurring, must be exercised within 30 days of the Change of Control Event, failing which the Performance Rights will be forfeited.

- ix. **Reorganisation:** In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued shares, the number of Performance Rights to which each Performance Rights holder is entitled will be adjusted in the manner provided for in the ASX listing rules applicable at the time the reorganisation comes into effect.

- x. **No quotation:** The Performance Rights will not be quoted on ASX. However, if the Company is listed on the ASX, at the time of conversion of the Performance Rights into Shares in accordance with these terms, the Company will within seven (7) days after the later of conversion and any escrow period ending, apply for the official quotation of the Shares arising from the conversion on ASX.
- xi. **Participation in entitlements and bonus issues:** Holders of Performance Rights will not be entitled (in their capacity as a Holder of a Performance Right) to participate in new issues of capital offered to holders of the Shares such as bonus issues and entitlement issues.
- xii. **No other rights:** The Performance Rights give the holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

“Change of Control” means a person who does not control the Company at the time the Performance Rights are issued achieving control of more than 50% of the ordinary voting securities in the Company.



Annexure A

Notice of Nomination of Auditor

MANDEVILLA PTY LTD
ACN 054 147 214

27 September 2023

The Company Secretary
Australian Vanadium Limited
Level 2
50 Kings Park Road
West Perth WA 6005

Dear Sir

Nomination of Proposed Auditor

For the purposes of Section 328B(1) of the Corporations Act, Mandevilla Pty Ltd, being a member of Australian Vanadium Limited hereby nominate BDO Audit (WA) Pty Ltd of Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, WA for appointment as auditor of Australian Vanadium Limited at the 2023 Annual General Meeting of the Company.

Yours sincerely,

Neville Bassett
Director
Mandevilla Pty Ltd

Registered Office:
Level 4, 216 St Georges Terrace
PERTH WA 6000
Ph: (08) 6268 2622 Fax: (08) 6268 2699

Address for Correspondence:
PO Box 7315
PERTH WA 6850

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Australian
VANADIUM
LIMITED



Registered Office

Level 2, 50 Kings Park Road
West Perth WA 6005

T +61 8 9321 5594

E info@australianvanadium.com.au

australianvanadium.com.au | ASX:AVL

Your proxy voting instruction must be received by **09.00am (AWST) on Tuesday, 14 November 2023**, 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

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>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

