

29 July 2020

Dear Shareholder

Lithium Consolidated Limited 612 008 358 – Notice of Meeting

Lithium Consolidated Limited 612 008 358 (**Company**) advises that a General Meeting (“Meeting”) of the Company will be held in person at the offices of Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 on 27 August 2020 at 10.00am (Brisbane time).

In accordance with temporary modifications to the Corporations Act under the Corporations (Coronavirus Economic Response) Determination (No.1) 2020, the Company will not be sending hard copies of the Notice of Meeting and Explanatory Memorandum to Shareholders. Instead, Shareholders can view and download the Notice of Meeting and accompanying Explanatory Memorandum on the Company’s website at www.li3limited.com or from the ASX website at www.asx.com.au.

With regards to the COVID-19 pandemic, the Company will adhere to all social distancing measures prescribed by government authorities at the Meeting, and Shareholders attending the Meeting will need to ensure they comply with the protocols. We are concerned for the safety and health of Shareholders, staff and advisers, so we will put in place certain measures including social distancing requirements.

If Shareholders wish to attend the Meeting in person they will need to contact the Company Secretary, Mr Paul Jurman (email: jurmanp@crpl.com.au) in order for the Company to ensure it is able to maintain compliance with COVID-19 related restrictions applicable as at the Meeting date.

As a precaution in relation to COVID-19, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this letter, in accordance with the instructions set out on that form, by no later than 10.00am (Brisbane time) on 25 August 2020.

In the event that it is necessary or appropriate for the Company to make alternative arrangements for the Meeting, information will be lodged with the ASX at www.asx.com.au (ASX: Li3) and the Company’s website at www.li3limited.com.

The Directors of the Company appreciate your understanding given the surrounding circumstances.

By order of the board



Mr Paul Jurman
Company Secretary

Lithium Consolidated Limited ACN 612 008 358
(To be renamed “Tempest Minerals Limited”)

Notice of General Meeting and Explanatory Memorandum

Date of Meeting: 27 August 2020

Time of Meeting: 10:00am (Brisbane time)

Place of Meeting: Level 7 Waterfront Place 1 Eagle Street Brisbane QLD 4000

This is an important document. Please read it carefully.

If you are unable to attend the Meeting, please complete the proxy form **enclosed** and return it in accordance with the instructions set out on that form.

Notice of General Meeting

Notice is given that a General Meeting of shareholders of Lithium Consolidated Limited ABN 32 612 008 358 (**Company**) will be held at the offices of Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000, on 27 August 2020 at 10.00am (Brisbane time).

A copy of this Notice of Meeting and the accompanying Explanatory Memorandum has been lodged with the Australian Securities and Investments Commission (**ASIC**) in accordance with section 218 of the Corporations Act.

Agenda

Ordinary business

1. Resolution 1: Ratification of prior issue of Shares from the Warrigal acquisition

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the allotment and prior issue of 1,253,091 Shares to the Warrigal Shareholders as payment of an exclusivity fee and a further 16,637,384 Shares issued for nil consideration to the Warrigal Shareholders and Eastern on 12 December 2019 and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting exclusion statement pursuant to Listing Rule 7.5

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Warrigal Shareholders and Eastern and any associate of them.

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

- 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
- the chair of the meeting 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2: Ratification of prior issue of Shares to Dale and Cleland

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior issue on 30 December 2019 of 1,318,221 Shares at an issue price of \$0.027 per Share to Dale Park Pty Ltd as trustee for the Dale Park Superannuation Fund

Notice of General Meeting

ABN 61 376 296 809 (**Dale**) and Alan Frank Cleland (**Cleland**), and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting exclusion statement pursuant to Listing Rule 7.5

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dale and Cleland and any associate of them.

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

- 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
- the chair of the meeting 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3: Approval to issue Lead Manager Shares

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*“That for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,750,000 Shares to RM Corporate Finance Pty Ltd AFSL 315235 (**RM Corporate Finance**) or its nominee on the terms and conditions described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”*

Voting exclusion statement pursuant to Listing Rule 7.3

The Company will disregard any votes cast on this Resolution by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- any associate of them.

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

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

Notice of General Meeting

- the chair of the meeting 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4: Issue of Options to Mr Don Smith

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 4 million options to subscribe for Shares exercisable at \$0.04 each expiring on 30 September 2022 to Don Smith, being the Managing Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

5. Resolution 5: Issue of Options to Mr Owen Burchell

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 3 million options to subscribe for Shares exercisable at \$0.04 each expiring on 30 September 2022 to Owen Burchell, being a Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

6. Resolution 6: Issue of Options to Mr Andrew Haythorpe

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 3 million options to subscribe for Shares exercisable at \$0.04 each expiring on 30 September 2022 to Andrew Haythorpe, being a Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

7. Resolution 7: Issue of Options to Mr Vincent Mascolo

“That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 3 million options to subscribe for Shares exercisable at \$0.04 each expiring on 30 September 2022 to Vincent Mascolo, being a Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Notice of General Meeting

8. Resolution 8: Issue of Options to Mr Brian Moller

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 3 million options to subscribe for Shares exercisable at \$0.04 each expiring on 30 September 2022 to Brian Moller, being a Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting exclusion statement pursuant to Listing Rule 10.13 – Resolutions 4 to 8

The Company will disregard any votes cast on:

- Resolution 4 by or on behalf of Mr Smith and any associate of him;
- Resolution 5 by or on behalf of Mr Burchell and any associate of him;
- Resolution 6 by or on behalf of Mr Haythorpe and any associate of him;
- Resolution 7 by or on behalf of Mr Mascolo and any associate of him; and
- Resolution 8 by or on behalf of Mr Moller and any associate of him.

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

- a person as proxy or attorney for a person who is entitled to vote on Resolutions 4 to 8 (inclusive), in accordance with directions given to the proxy or attorney to vote on Resolutions 4 to 8 (inclusive) in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolutions 4 to 8 (inclusive), in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 Resolutions 4 to 8 (inclusive); and
 - the holder votes on the Resolutions 4 to 8 (inclusive) in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting exclusion statement – Part 2E of the Corporations Act – Resolutions 4 to 8

For the purposes of section 244 and Part 2E of the Corporations Act, a vote on Resolutions 4 to 8 (inclusive) must not be cast by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given, or an associate of such a related party. Accordingly, the Company will disregard any votes cast on:

- Resolution 4 by or on behalf of Mr Smith and any associate of him;
- Resolution 5 by or on behalf of Mr Burchell and any associate of him;
- Resolution 6 by or on behalf of Mr Haythorpe and any associate of him;

Notice of General Meeting

- Resolution 7 by or on behalf of Mr Mascolo and any associate of him; and
- Resolution 8 by or on behalf of Mr Moller and any associate of him.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed Resolutions; and
- it is not cast on behalf of a person referred to directly above.

For clarity, it is noted that where the Chairman is the related party the subject of the Resolutions, or is an associate of the related party, the Chairman cannot cast undirected proxies in respect to that Resolution.

Proxy Appointment Restriction – Resolutions 4 to 8

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolutions 4 to 8 (inclusive) by a member of the Key Management Personnel of the Company or their Closely Related Parties who has been appointed as a proxy unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- the appointed proxy is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the Resolutions 4 to 8 (inclusive); and
 - expressly authorises the chair of the meeting to exercise the proxy even if the Resolutions 4 to 8 (inclusive) are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Special business

9. Resolution 9: Change of Company name

To consider and, if thought fit, pass the following Special Resolution, with or without amendment:

“That, pursuant to and in accordance with section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Tempest Minerals Limited” with effect from the date on which ASIC alters the details of the Company’s registration to reflect the change of name.”

10. Resolution 10: Amendment of Constitution

To consider and, if thought fit, pass the following Special Resolution, with or without amendment:

“That, with effect from the close of this Meeting, for the purposes of section 136(2) of the Corporations Act 2001 and for all other purposes, the Constitution of the Company be amended in accordance with, and as explained in, the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Notice of General Meeting

11. General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

Notes:

- (a) Terms used in this Notice of Meeting are defined in the "Interpretation" section of the accompanying Explanatory Memorandum.
- (b) A detailed summary of the Resolutions is contained within the Explanatory Memorandum.

All resolutions at this Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

By order of the board



Mr Paul Jurman
Company Secretary
15 July 2020

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of **Lithium Consolidated Limited** ABN 32 612 008 358 (**Company**) to explain the resolutions to be put to Shareholders at the General Meeting to be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000 on 27 August 2020 commencing at 10.00am (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 0.

2. 1: Ratification of prior issue of Shares from the Warrigal acquisition Background

On 21 November 2019, the Company announced that it had entered into a binding term sheet agreement (**Term Sheet Agreement**) with the shareholders of Western Australian based exploration company Warrigal Mining Pty Ltd (**Warrigal**) (**Warrigal Shareholders**) to acquire 100% of Warrigal (**Acquisition**). On 9 December 2019, the Company announced that the formal share sale agreement (**Acquisition Agreement**) for the acquisition of Warrigal had been executed by the Company and the Warrigal Shareholders. Completion of the Acquisition was announced to the ASX on 13 December 2019 following completion of due diligence on Warrigal by the Company to its satisfaction.

Warrigal is a Western Australian based resource and exploration company with high-quality exploration projects located in the Murchison Province of Western Australia. The company has an extensive landholding of 510km² across four projects in the Mount Magnet and Yalgoo mineral fields 500km North-East of Perth.

See the Company's ASX announcements of 21 November 2019 and 13 December 2019 for further details regarding the Term Sheet Agreement, the Acquisition Agreement and Warrigal.

Pursuant to the Term Sheet Agreement, the Company issued 1,253,091 Shares to the Warrigal Shareholders as an exclusivity fee on 26 November 2019.

Under the Acquisition Agreement, the Company issued consideration in three tranches. As at the date of this Notice of Meeting, the Company has:

- (a) issued 15,250,672 Shares to the Warrigal Shareholders under Tranche 1 of the Acquisition Agreement;
- (b) issued 1,386,712 Shares to Eastern Goldfields Exploration Pty Ltd (**Eastern**) under Tranche 2 of the Acquisition Agreement; and
- (c) paid \$200,089.56 to the Warrigal Shareholders, Eastern and Ragged Range Mining Pty Ltd under Tranche 3 of the Acquisition Agreement.

The Company issued a total of 16,637,384 Shares under Tranche 1 and Tranche 2 of the Acquisition Agreement.

2.2 General

Resolution 1 seeks the approval of Shareholders in accordance with Listing Rule 7.4 for the issue of 17,890,475 Shares (at a deemed issue price of \$0.033 per Share) to the Warrigal Shareholders (16,503,763 Shares in total) and Eastern (1,386,712 Shares in total). The Shares rank equally with all other existing Shares on issue.

Explanatory Memorandum

2.3 Listing Rules 7.1 and 7.4

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

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

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies a previous issue of securities made or agreed to be 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 additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Ratification by the Shareholders of the Company of the Shares is now sought pursuant to Listing Rule 7.4 under Resolution 1 in order to reinstate the Company's capacity to issue up to 15% of its issued capital under Listing Rule 7.1, if required, in the next 12 months without Shareholder approval, to the extent of the Shares.

The effect of this Resolution 1 is that the Company, for the purposes of Listing Rule 7.1 will be able to refresh its 15% placement capacity with effect from the date of the General Meeting, to the extent of the Shares.

If Resolution 1 is passed, the Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, the Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date.

2.4 Information for Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the Company advises:

The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected	16,637,384 Shares were issued to the Warrigal Shareholders and Eastern as set out under Schedule 1 to this Explanatory Memorandum in accordance with the Acquisition Agreement. Pursuant to the Term Sheet Agreement, the Company issued 1,253,091 Shares to the Warrigal Shareholders as an exclusivity fee.
The number and class of securities issued or agreed to issue	The Company issued a total of 17,890,475 fully paid ordinary shares.
Summary of material terms of the securities	The securities are fully paid ordinary shares and rank equally with all other existing Shares presently on issue.

Explanatory Memorandum

The date or dates on which the securities were or will be issued	1,253,091 Shares were issued on 26 November 2019 and 16,637,384 Shares were issued on 12 December 2019.
The price or other consideration the entity has received or will receive for the issue	The Company has acquired 100% of Warrigal in exchange for the Shares and the payment of \$200,089.56 to the Warrigal Shareholders and Eastern.
The purpose of the issue, including the use (or intended use) of any funds raised by the issue	No funds were raised from the issue.
If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement	The material terms of the Acquisition Agreement and the Terms Sheet Agreement are set out in section 2.1 above.

A voting exclusion statement is included in the Notice of Meeting.

2.5 Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

3. Resolution 2: Ratification of prior issue of Shares to Dale and Cleland

On 30 December 2019, the Company issued 1,318,221 Shares at an issue price of \$0.027 per Share by way of a private placement to sophisticated investors Dale Park Pty Ltd as trustee for the Dale Park Superannuation Fund ABN 61 376 296 809 (**Dale**) and Alan Frank Cleland (**Cleland**) (**Placement**) to raise \$35,591,97.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.4 of the issue of 1,318,221 Shares. The Shares issued are fully paid ordinary shares in the Company and rank equally with all other existing Shares on issue.

3.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in section 2.3 above.

If Resolution 2 is approved it will have the effect of refreshing the Company's ability, to the extent of the Shares, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act).

If Resolution 2 is not passed, the Shares will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

3.3 Information for Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the Company advises:

Explanatory Memorandum

The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected	The Shares were issued to Dale and Cleland.
The number and class of securities issued	732,344 fully paid ordinary shares were issued to Dale and 585,877 fully paid ordinary shares were issued to Cleland.
Summary of the material terms of the securities	The securities are fully paid ordinary shares and rank equally with all other existing Shares presently on issue.
The date or dates on which the securities were or will be issued	The Shares were issued on 30 December 2019.
The price or other consideration the entity has received or will receive for the issue	The Shares were issued for \$0.027 per Share.
The purpose of the issue, including the use (or intended use) of any funds raised by the issue	The funds raised were used for working capital purposes.
If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement	The Shares were not issued under an agreement.

A voting exclusion statement is included in the Notice of Meeting.

3.4 Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

4. Resolution 3: Approval to issue Lead Manager Shares

4.1 Background

On 24 June 2020, the Company entered into an agreement with RM Corporate Finance Pty Ltd AFSL 315235 (**RM Corporate Finance**) to act as lead manager and to place any resulting shortfall of the rights issue undertaken by the Company, announced on 25 June 2020 (**Rights Issue**) (**Lead Manager Mandate**). The Company intends for the shortfall of the Rights Issue (if any) to be placed on or around 28 July 2020 (after the Rights Issue closes on 21 July 2020).

This Resolution seeks Shareholder approval for an issue of up to 3,750,000 Shares to RM Corporate Finance pursuant to the Lead Manager Mandate (**Lead Manager Shares**).

The Lead Manager Mandate provides that the Company will pay:

(a) A 'Lead Manager Fee' of:

- (1) Up to \$60,000 (plus GST in cash) payable in Shares (up to a maximum of 3,750,000 Shares at a deemed issue price of \$.016) on the same terms and

Explanatory Memorandum

conditions as the offer announced on 25 June 2020, within 14 days of completion of the rights issue, or the obtainment of Shareholder approval by the Company (whichever occurs later).

The Lead Manager Fee is to be paid pro-rata to the amount of shortfall placed providing RM Corporate Finance places at least \$500,000; and

- (2) a fee in the amount of 1.5% (plus GST) in cash in respect to all funds raised pursuant to the Offer and Shortfall by RM Corporate Finance or their affiliates (up to a maximum of \$17,672 plus GST), payable within 7 days of completion of placement of the shortfall under the Offer,
- (b) a 'Placement Fee' of 4.5% in respect to funds raised pursuant to the offer shortfall by RM Corporate Finance or their affiliates within 7 days of completion of the placement of the Shortfall.

All other provisions of the agreement with the Lead Manager are on standard commercial terms.

This Resolution is an Ordinary Resolution and seeks Shareholder approval to the issue of the Lead Manager Shares in accordance with Listing Rule 7.1.

4.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in section 2.3 above.

The Lead Manager Shares do not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Lead Manager Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX). In addition, the Lead Manager Shares will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Shares as part of the consideration for the appointment of RM as Lead Manager to the rights issue.

4.3 Information for Listing Rule 7.3

The names of the persons to whom the entity issued or will issue the securities or the basis on which those persons were identified or selected	The Lead Manager Shares will be issued to RM Corporate Finance pursuant to the Lead Manager Mandate.
The number and class of securities the entity will issue	Up to a maximum of 3,750,000 fully paid ordinary shares will be issued to RM Corporate Finance.
Summary of the material terms of the securities	The Lead Manager Shares will rank equally with all other existing Shares on issue and will be issued in accordance with the terms of the Lead Manager Mandate.

Explanatory Memorandum

The date or dates on or by which the entity will issue the securities	The Shares will be issued as soon as possible following the passing of Resolution 3 and in any event, no later than 3 months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules).
The price or other consideration the entity will receive for the securities	The Lead Manager Shares will be issued at a deemed issue price of \$0.016 per Share.
The purpose of the issue, including the intended use of any funds raised by the issue	The Lead Manager Shares will be issued in consideration for acting as lead manager to the rights issue of the Company (and its role to place any resulting shortfall of the offer) pursuant to the Lead Manager Mandate. No funds will be raised through the issue of Lead Manager Shares.
If the securities are being issued under an agreement, a summary of any other material terms of the agreement	Summary of terms of Lead Manager Mandate are set out in section 4.1 of this Explanatory Memorandum.
If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover	The Lead Manager Shares are not being issued under, or to fund, a reverse takeover.

A voting exclusion statement is included in the Notice.

4.4 Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

5. Resolution 4, 5, 6, 7 and 8: Issue of Options to Directors

5.1 Background

Resolutions 4, 5, 6, 7 and 8 are ordinary resolutions and seek Shareholder approval for the issue of a total of 16,000,000 unlisted Options to the Directors of the Company, being Mr Don Smith, Mr Owen Burchell, Mr Andrew Haythorpe, Mr Vincent Mascolo and Mr Brian Moller (or their respective nominees) (each a **Recipient**), exercisable at \$0.04 and expiring on 30 September 2022 (**Director Options**).

The terms of the Director Options are set out in more detail below.

Approval for the issue of the Director Options is sought in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. In order for the Director Options to be granted to a Director, the requirements of Chapter 2E of the Corporations Act need to be observed.

5.2 Option Terms

A summary of the material terms of the Director Options is set out in Schedule 2 below.

Explanatory Memorandum

5.3 Regulatory Requirements – Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition. Relevantly, there is an exception if the company first obtains the approval of its shareholders in a general meeting in circumstances where certain requirements specified in Chapter 2E in relation to the convening of that meeting have been met (Shareholder Approval Exception).

A “Related Party” is defined widely in section 228 of the Corporations Act and includes, relevantly, a director (or proposed director) of a public company, any entity that controls (or is reasonably likely to control) a public company, and any entity that is controlled by a person or entity which is otherwise a Related Party, or there are reasonable grounds to believe that a person/entity is likely to become a Related Party of the public company.

A “Financial Benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the Related Party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed Resolutions 4 to 8, if passed, will confer financial benefits to the Recipients and the Company seeks to obtain member approval in accordance with the requirements of Chapter 2E of the Corporations Act. For this reason, and for all other purposes, the following information is provided to Shareholders.

(a) **The related parties to whom Resolutions 4, 5, 6, 7 and 8 would permit the financial benefit to be given**

Each of the Directors of the Company, being Mr Don Smith, Mr Owen Burchell, Mr Andrew Haythorpe, Mr Vincent Mascolo and Mr Brian Moller (or their respective nominees).

(b) **The nature of the financial benefit**

The nature of the proposed financial benefit to be given is:

- (1) the grant of 4,000,000 Director Options to Mr Don Smith as referred to in Resolution 4;
- (2) the grant of 3,000,000 Director Options to Mr Owen Burchell as referred to in Resolution 5;
- (3) the grant of 3,000,000 Director Options to Mr Andrew Haythorpe as referred to in Resolution 6;
- (4) the grant of 3,000,000 Director Options to Mr Vincent Mascolo as referred to in Resolution 7;
- (5) the grant of 3,000,000 Director Options to Mr Brian Moller as referred to in Resolution 8;
- (6) the Director Options shall be issued for no cash consideration; and
- (7) the Director Options shall be exercisable into fully paid Shares at an exercise price of \$0.04 each expiring on or before 30 September 2022.

(c) **Director recommendations**

Explanatory Memorandum

With respect to Resolution 4, Mr Burchell, Mr Haythorpe, Mr Mascolo and Mr Moller recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (1) the issue of the Director Options as proposed to Mr Smith will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;
- (2) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered;
- (3) in the Company's circumstances as they exist as at the date of this Explanatory Memorandum, Mr Burchell, Mr Haythorpe, Mr Mascolo and Mr Moller considered that the incentive provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party; and
- (4) the exercise of the Director Options as proposed to Mr Smith will provide working capital for the Company. If Mr Smith exercises his Director Options, based on an exercise price of \$0.04, it will raise an amount of \$160,000.

As Mr Smith is interested in the outcome of Resolution 4, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to Resolution 5, Mr Smith, Mr Haythorpe, Mr Mascolo and Mr Moller recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (1) the issue of the Director Options as proposed to Mr Burchell will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;
- (2) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered;
- (3) in the Company's circumstances as they exist as at the date of this Explanatory Memorandum, Mr Smith, Mr Haythorpe, Mr Mascolo and Mr Moller considered that the incentive provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party; and
- (4) the exercise of the Director Options as proposed to Mr Burchell will provide working capital for the Company. If Mr Burchell exercises his Director Options, based on an exercise price of \$0.04, it will raise an amount of \$120,000.

As Mr Burchell is interested in the outcome of Resolution 5, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to Resolution 6, Mr Smith, Mr Burchell, Mr Mascolo and Mr Moller recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (1) the issue of the Director Options as proposed to Mr Haythorpe will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;

Explanatory Memorandum

- (2) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered;
- (3) in the Company's circumstances as they exist as at the date of this Explanatory Memorandum, Mr Smith, Mr Burchell, Mr Mascolo and Mr Moller considered that the incentive provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party; and
- (4) the exercise of the Director Options as proposed to Mr Haythorpe will provide working capital for the Company. If Mr Haythorpe exercises his Director Options, based on an exercise price of \$0.04, it will raise an amount of \$150,000.

As Mr Haythorpe is interested in the outcome of Resolution 6, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to Resolution 7, Mr Smith, Mr Burchell, Mr Haythorpe and Mr Moller recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (1) the issue of the Director Options as proposed to Mr Mascolo will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;
- (2) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered;
- (3) in the Company's circumstances as they exist as at the date of this Explanatory Memorandum, Mr Smith, Mr Burchell, Mr Haythorpe and Mr Moller considered that the incentive provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party; and
- (4) the exercise of the Director Options as proposed to Mr Mascolo will provide working capital for the Company. If Mr Mascolo exercises his Director Options, based on an exercise price of \$0.04, it will raise an amount of \$120,000.

As Mr Mascolo is interested in the outcome of Resolution 7, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to Resolution 8, Mr Smith, Mr Burchell, Mr Haythorpe and Mr Mascolo recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (1) the issue of the Director Options as proposed to Mr Moller will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;
- (2) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered;
- (3) in the Company's circumstances as they exist as at the date of this Explanatory Memorandum, Mr Smith, Mr Burchell, Mr Haythorpe and Mr Mascolo considered that the incentive provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased

Explanatory Memorandum

remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party; and

- (4) the exercise of the Director Options as proposed to Mr Moller will provide working capital for the Company. If Mr Moller exercises his Director Options, based on an exercise price of \$0.04, it will raise an amount of \$120,000.

As Mr Moller is interested in the outcome of Resolution 8, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

(d) **Director interests and other remuneration**

Mr Smith

Mr Smith has a material personal interest in the outcome of Resolution 4, as it is proposed that Director Options be granted to him (or his nominee) as set out in Resolution 4.

Excluding the Director Options, Mr Smith (and entities associated with him) holds 6,601,718 Shares in the Company and 377,796 options to subscribe for Shares in the Company, exercisable at \$0.05 on or before 30 September 2020. Please refer to the table below which indicates the holdings of Mr Smith (and entities associated with him).

Other than the Director Options to be issued to Mr Smith pursuant to Resolution 4, Mr Smith shall receive remuneration of \$240,000 per annum for this financial year, from the Company for his services as Managing Director.

Mr Burchell

Mr Burchell has a material personal interest in the outcome of Resolution 5, as it is proposed that Director Options be granted to him (or his nominee) as set out in Resolution 5.

Excluding the Director Options, Mr Burchell (and entities associated with him) holds 6,601,718 Shares in the Company and 377,796 options to subscribe for Shares in the Company, exercisable at \$0.05 on or before 30 September 2020. Please refer to the table below which indicates the holdings of Mr Burchell (and entities associated with him).

Other than the Director Options to be issued to Mr Burchell pursuant to Resolution 5, Mr Burchell shall receive remuneration of \$40,000 per annum for this financial year, from the Company for his services as a non-executive Director.

Mr Haythorpe

Mr Haythorpe has a material personal interest in the outcome of Resolution 6, as it is proposed that Director Options be granted to him (or his nominee) as set out in Resolution 6.

Excluding the Director Options, Mr Haythorpe (and entities associated with him) holds 342,000 Shares in the Company. Please refer to the table below which indicates the holdings of Mr Haythorpe (and entities associated with him).

Other than the Director Options to be issued to Mr Haythorpe pursuant to Resolution 6, Mr Haythorpe shall receive remuneration of \$40,000 per annum for this financial year, from the Company for his services as a non-executive Director.

Mr Mascolo

Mr Mascolo has a material personal interest in the outcome of Resolution 7, as it is proposed that Director Options be granted to him (or his nominee) as set out in Resolution 7.

Explanatory Memorandum

Excluding the Director Options, Mr Mascolo (and entities associated with him) holds 1,050,000 Shares in the Company. Please refer to the table below which indicates the holdings of Mr Mascolo (and entities associated with him).

Other than the Director Options to be issued to Mr Mascolo pursuant to Resolution 7, Mr Mascolo shall receive remuneration of \$40,000 per annum for this financial year, from the Company for his services as a non-executive Director.

Mr Moller

Mr Moller has a material personal interest in the outcome of Resolution 8, as it is proposed that Director Options be granted to him (or his nominee) as set out in Resolution 8.

Excluding the Director Options, Mr Moller (and entities associated with him) holds 2,162,500 Shares in the Company and 132,500 options to subscribe for Shares in the Company, exercisable at \$0.05 on or before 30 September 2020. Please refer to the table below which indicates the holdings of Mr Moller (and entities associated with him).

Other than the Director Options to be issued to Mr Moller pursuant to Resolution 8, Mr Moller shall receive remuneration of \$60,000 per annum for this financial year, from the Company for his services as non-executive Chairman.

If all of the new Director Options granted are exercised by Mr Smith, Mr Burchell, Mr Haythorpe, Mr Mascolo and Mr Moller, the following will be the effect on their holdings in the Company:

Director (including associated entities)	Current Share Holding*	% of Total Share Capital**	Share Capital Upon Exercise*	% of Total Share Capital**
Mr Smith	6,601,718	4.48%	10,601,718	6.49%
Mr Burchell	6,601,718	4.48%	9,601,718	5.88%
Mr Haythorpe	342,000	0.24%	3,342,000	2.05%
Mr Mascolo	1,050,000	0.71%	4,050,000	2.48%
Mr Moller	2,162,500	1.47%	5,162,500	3.16%
All Other Holders	130,508,737	88.62%	130,508,737	79.94%
Total	147,266,673	100%	163,266,673	100%

*This does not include any securities issued under the Rights Issue.

Assuming that **none of the existing unlisted options held by Directors and shareholders are exercised.

(e) Valuation

The Director Options are not currently quoted on the ASX and as such have no market value. The Director Options each grant the holder thereof a right to subscribe for one Share upon exercise of the Director Option and payment of the Exercise Price of the Director Option described above. Accordingly, the Director Options may have a present value at the date of their grant.

The Director Options may acquire future value dependent upon the extent to which the Share price exceeds the exercise price of the Director Options during the term of the Director Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:

Explanatory Memorandum

- (1) the period outstanding before the expiry date of the options;
- (2) the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- (3) the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- (4) the value of the shares into which the options may be converted; and
- (5) whether or not the options are listed (i.e. readily capable of being liquidated),
and so on.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black- Scholes Model option valuation formula).

The Company has estimated the value of the Director Options and has done so using the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the share price, the exercise price, the time to expiry, the risk-free interest rate and the volatility of the Company's underlying share price.

Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Model was:

- (1) the exercise price of the options being \$0.04;
- (2) current share issue price of \$0.018 (based on the date immediately prior to the date on which this valuation was prepared), as a proxy for the market price at the future date of issue, being the date of the Meeting to approve the issue;
- (3) the expiry date of 30 September 2022;
- (4) a volatility measure of 100%;
- (5) a risk-free interest rate of 0.25%; and
- (6) a nil dividend yield.

Based on the valuation, the Company has adopted an indicative value for the Director Options of \$0.007 each.

On that basis, the respective value of the Director Options to be issued pursuant to Resolutions 4, 5, 6, 7 and 8 are as follows:

Related Party	Total Value of Related Party Options
Don Smith	\$28,000
Owen Burchell	\$21,000
Andrew Haythorpe	\$21,000
Vincent Mascolo	\$21,000
Brian Moller	\$21,000

Explanatory Memorandum

(f) **Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors**

There is no other information known to the Company or any of its directors save and except as follows:

Market Price movements

The Option valuation noted above is based on a market price per Share of \$0.018 which was the price at which Shares were traded on ASX at the time of preparing this information.

There is a possibility that the market price of the Shares on the date of issue of the Director Options will be different to this and that the market price of the Shares will change up to the date of the Meeting.

Trading History of the Shares

In the 12 months prior to preparation of this Notice, the Company's trading history is as follows:

- the highest trading price was \$0.09 on 22 April 2020; and
- the lowest trading price was \$0.01 on 16 April 2020.

The trading price of the Shares on the close of trading on 10 July 2020 (being the last trading day on which the preparation of this Notice was concluded) was \$0.018.

Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Director Options to each of the Directors is the potentially dilutionary impact on the issued share capital of the Company (in the event that the options are exercised). Until exercised, the issue of the Director Options will not impact upon the number of ordinary shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused with the issue of shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriate incentive terms.

It is also considered that the potential increase of value in the Director Options is dependent upon a concomitant increase in the value of the Company generally.

Taxation Consequences

No stamp duty will be payable in respect of the grant of the Director Options. No GST will be payable by the Company in respect of the grant of the Director Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set-out terms and conditions.

Explanatory Memorandum

Dilutionary Effect

The dilutionary effect on the Company and its Shareholders from the issue of the Shares on the exercise of the Directors Options is summarised in the table above.

5.4 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to, inter alia, a related party of the Company, unless it obtains the approval of its shareholders.

If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1, and the Options issued pursuant to Resolutions 4, 5, 6, 7 and 8 will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210-216 of the Corporations Act.

The Board considers the proposed grant of Options is reasonable as part of Director's remuneration, having regard to the circumstances of the Company and the responsibilities of their positions as a Directors, and as a means of incentivising them. It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Options.

If Resolutions 4, 5, 6, 7 and 8 are passed, the Company will be able to provide the Directors with incentives by issuing the Director Options to each of the Directors. In addition, the Director Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 4, 5, 6, 7 and 8 are not passed, the Company will not be to provide the Directors with incentives by issuing the Director Options to each of the Directors.

5.5 Information for Listing Rule 10.13

The name of the person	The Director Options will be issued to Mr Don Smith, Mr Owen Burchell, Mr Andrew Haythorpe, Mr Vincent Mascolo and Mr Brian Moller (or their respective nominees).
Which category in rules 10.11.1 – 10.11.5 the person falls within and why	Mr Don Smith, Mr Owen Burchell, Mr Andrew Haythorpe, Mr Vincent Mascolo and Mr Brian Moller are Directors of the Company and, therefore, related parties for the purpose of Listing Rule 10.11.1.
The number and class of securities to be issued to the person	The total number of Director Options to be issued pursuant to Resolutions 4, 5, 6, 7 and 8 is 16,000,000 comprising of: (1) 4,000,000 Director Options to Mr Don Smith; (2) 3,000,000 Director Options to Mr Owen Burchell; (3) 3,000,000 Director Options to Mr Andrew Haythorpe; (4) 3,000,000 Director Options to Mr Vincent Mascolo; and (5) 3,000,000 Director Options to Mr Brian Moller.

Explanatory Memorandum

<p>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</p>	<p>A summary of the material terms pursuant to which the Director Options will be issued is in Schedule 3 to this Explanatory Memorandum.</p>
<p>The price or other consideration the entity will receive for the issue</p>	<p>The Director Options will be granted for nil cash consideration.</p>
<p>The date or dates on or by which the entity will issue the securities</p>	<p>The Director Options will be issued as soon as possible following the passing of Resolutions 4, 5, 6, 7 and 8, but no later than 1 month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules).</p>
<p>The purpose of the issue, including the intended use of any funds raised by the issue</p>	<p>The primary purpose of the grant of the Director Options to the Directors is to provide an overall Company performance linked incentive component in the remuneration package for the Directors to motivate and reward the performance of the Directors.</p> <p>The Board believes the grant of Director Options to each of the Directors is reasonable in the circumstances for the reasons set out below:</p> <ol style="list-style-type: none"> (1) the grant of Director Options to the Directors will align the interests of the Directors with those of Shareholders; (2) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit 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; and (3) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.
<p>Details of the director's current total remuneration package</p>	<p>The Directors are on the following remuneration packages for the current financial year:</p> <p>Mr Don Smith – \$240,000 per annum</p> <p>Mr Owen Burchell – \$40,000 per annum</p> <p>Mr Andrew Haythorpe – \$40,000 per annum</p> <p>Mr Vincent Mascolo – \$40,000 per annum</p> <p>Mr Brian Moller – \$60,000 per annum</p>
<p>If the securities are being issued under an agreement, a summary of any other material terms of the agreement</p>	<p>The Director Options are not issued under any agreement.</p>

There are restrictions on voting on Resolutions 4 to 8 (inclusive) by Directors and their associates. A voting exclusion statement is included in the Notice.

Explanatory Memorandum

6. Resolution 9: Special Resolution – Change of Company name

6.1 Reasons for proposed change

Resolution 9 proposes a change in the Company's name to reflect Tempest Minerals Limited.

Section 157(1) of the Corporations Act provides that a company may only change its name if its members pass a Special Resolution adopting the new name and the company lodges an application in the prescribed form with ASIC.

If Resolution 9 is passed, the Company will lodge the prescribed forms with ASIC, requesting that ASIC alter the registration details of the Company to reflect the name change. If approved, the change of name will take effect when ASIC updates the details of the Company's registration.

If Resolution 9 is not passed, the Company will keep operating under its existing name.

6.2 Board recommendation

The Directors recommend that you vote in favour of this Special Resolution.

7. Resolution 10: Special Resolution – Amendment of Constitution

7.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution, or a provision of its constitution, by special resolution. The Company seeks to amend its Constitution with respect to:

- (a) restricted securities; and
- (b) facilitating the Company's ability to hold general meetings of Shareholders utilising technology and providing for direct voting.

The Board considers this Meeting to be an ideal opportunity to pass these amendments, in addition to other Resolutions contained in this Notice of Meeting.

Many of the proposed amendments to the Constitution are administrative or minor in nature. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the proposed amended Constitution is available for review by Shareholders at the Company's Website (<https://li3limited.com/>). A copy of the proposed amended Constitution can also be sent to Shareholders upon request to the Company Secretary (jurmanp@crpl.com.au). Shareholders are invited to contact the Company if they have any queries or concerns regarding the proposed amended Constitution.

7.2 Summary of material proposed changes

- (a) Restricted Securities (Clause 82)

Background

On 2 December 2019, amendments to the Listing Rules came into effect. Specifically, amendments to Listing Rule 15.12 relate to new requirements for listed entities' constitutions in respect of restricted securities. These amendments apply to currently listed entities, or those that issue restricted securities, on or after 2 December 2019.

Explanatory Memorandum

Restricted securities are securities which are subject to escrow requirements, meaning they are restricted from being traded for a period of time. Whether securities are treated as restricted securities is determined on a case-by-case basis. They may be held by certain persons who acquired them as part of their participation in a fundraising, such as seed capitalists, professional advisers or employees, or acquired in conjunction with an acquisition or can be securities that ASX determines should be treated as restricted securities.

The updated Listing Rules require listed entities to include specific wording in their constituent documents regarding treatment of restricted securities – that they be subject to mandatory escrow restrictions, must be held on the issuer sponsored subregister, and be subject to a holding lock.

Proposed Amendments

The Company intends, subject to Shareholder approval, to amend clause 82 of the Constitution in accordance with section 136(2) of the Corporations Act to expressly reflect the language contained in Listing Rule 15.12.

The Board considers that amendment to clause 82 of the Constitution is necessary for the Company to comply with Listing Rule 15.12. Under Listing Rule 15.11, if a listed entity amends its constitution, the constitution (including the amendments) must be consistent with the Listing Rules.

(b) General Meetings of Shareholders (Clauses 22, 24, 26, 27, 28 and 30)

Background

Section 249R of the Corporations Act requires that a general meeting of Shareholders be held at a “reasonable time and place”. Section 249S of the Corporations Act permits a company to hold a meeting at “two or more venues using any technology that gives members as a whole a reasonable opportunity to participate”.

The Company seeks to amend the Constitution to provide for greater flexibility in holding meetings using technology and the proposed amendments to the Constitution seek to cater for meetings of the Company to be held via hybrid or virtual meetings more effectively.

Proposed Amendments

The Company intends to better facilitate the Company’s ability to hold a general meeting of Shareholders utilising technology, subject to Shareholder approval, by amending clauses 22, 24, 26, 27, 28 and 30 of the Constitution in accordance with section 136(2) of the Corporations Act, including the following material amendments:

- (1) proposed new subclauses 22.3, 22.4 and 22.5 of clause 22 “Quorum at Meetings” are inserted to the effect that:
 - a. the Directors may determine that the place of a general meeting of Shareholders is determined not to be a physical location and is facilitated by an instantaneous communication device;
 - b. a separate meeting place can be linked to the main place of a Meeting by an instantaneous communication device;
 - c. a Shareholder attending a meeting convened under (a) and (b) above is taken to be “present” for quorum purposes, if the technology allows the Shareholder a reasonable opportunity to participate in the business of the general meeting of Shareholders, and to vote on a show of hands, on a poll or by directing voting (as set out in proposed new clause 28 described below); and
 - d. if a Member is not able to participate in the Meeting due to the technical difficulties, the Chairman may allow the Meeting to continue or may adjourn the Meeting either for such reasonable period as may be required to fix the

Explanatory Memorandum

technology or to such other time and location as the Chairman deems appropriate;

- (2) the balance of clause 22, from the original clause 22.3 onwards is to be renumbered to reflect the insertion of the new clauses 22.3, 22.4 and 22.5 above;
- (3) clauses 22.6, 22.8, 26.5, 27.1(b) and 27.1(c) are amended to specifically include Shareholders who attend a general meeting of Shareholders in accordance with proposed new subclauses 22.3, 22.4 and 22.5 above;
- (4) clause 24.1(c) "Conduct of general Meetings" is amended to expressly refer to the chairman's power, any time prior to, at or during a Meeting, to adopt any procedures that, in the chairman's opinion, are necessary or desirable for the proper and orderly debate or discussion at the general meeting of Shareholders or for the proper and orderly casting or recording of votes at the general meeting of Shareholders;
- (5) clause 26.1 is amended to expressly refer to a Shareholder's ability to utilise direct voting if permitted under proposed new clause 28 (as described below);
- (6) proposed new clause 28 is inserted to allow Directors to determine that at any Meeting, a Shareholder who is entitled to attend and vote on a resolution at that Meeting is entitled to a direct vote in respect of that resolution. Such a provision allows Shareholders to deliver votes by non-traditional methods approved by the Directors including voting via electronic means, and allows Directors to prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a direct vote at a general meeting of Shareholders in order for the vote to be valid;
- (7) clause 30.3 is amended to refer to the Member's authorisation to instruct the proxy to abstain from voting on any specific resolution submitted to a Meeting at which such proxy or proxies are present; and
- (8) new clause 30.13 is inserted to address the terms on which a proxy appointment received at an electronic address or provided by other electronic means will be taken to be signed or authenticated.

(c) Other

There are few other amendments of a technical nature proposed to the Constitution:

- (1) clause 39.13 is amended to extend the period in which nominations for election to the office of Director are accepted from 30 to 35 Business Days ahead of a general Meeting at which Directors will be elected or re-elected, unless members have requested Directors to call a meeting, in which case an initial period of 30 Business Days remains applicable;
- (2) a new clause 45.11 (a) introduces three ways in which the Directors may consent to a circular resolution: by signing the resolution, by giving to the Company a written notice (including by electronic means) signifying assent to the resolution and clearly identifying its terms or by telephoning the secretary or the Chairman of the Board and signifying assent to the resolution and clearly identifying its terms;
- (3) clause 48.1 is supplemented with a rule that a delegation of Directors' power to committee does not prevent the exercise of any such powers by the Directors;
- (4) a new clause 62.14 allows different methods of payment to be applied to different Members in respect of any payments related to the Shares and debt securities;
- (5) clause 69.5 is amended to enable providing the Annual Report to a Member by making it available on the website and sending a Member a notice on this;

Explanatory Memorandum

- (6) new clause 79.17 is added to state that where the Company believes that a Shareholder is not known at his or her registered address and has unsuccessfully tried to make the enquiry at such address, all future notices will be deemed to be given to the Shareholder if exhibited in the Registered Office for 48 hours, unless the Shareholder has provided a new address.

7.3 Recommendation

The Directors recommend that you vote in favour of this Special Resolution.

8. General Business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company. Specific comments relating to the Resolutions are set out in the Explanatory Memorandum.

By order of the board



Mr Paul Jurman
Company Secretary
15 July 2020

Explanatory Memorandum

9. Interpretation

Acquisition has the meaning given in section 2.1 of this Explanatory Memorandum.

Acquisition Agreement has the meaning given in section 2.1 of this Explanatory Memorandum.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as applicable).

Board means the board of directors of the Company.

Cleland means Alan Frank Cleland.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Lithium Consolidated Limited ACN 612 008 358.

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time.

Dale means Dale Park Pty Ltd as trustee for the Dale Park Superannuation Fund ABN 61 376 296 809.

December 2019 Placement has the meaning given in section 3.1 of this Explanatory Memorandum.

Director means a director of the Company.

Director Options has the meaning given in section 5.1 of this Explanatory Memorandum.

Eastern means Eastern Goldfields Exploration Pty Ltd.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting.

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

Lead Manager Mandate has the meaning given in section 4 of this Explanatory Memorandum.

Lead Manager Shares has the meaning given in section 4 of this Explanatory Memorandum.

Listing Rules means the official listing rules of the ASX as amended from time to time.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Offer has the meaning given in section 4 of this Explanatory Memorandum.

Options means an option to subscribe for a Share in the Company.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

Placement has the meaning given in section 3.1 of this Explanatory Memorandum.

Resolution means a resolution proposed at the Meeting.

Explanatory Memorandum

RM Corporate Finance means RM Corporate Finance Pty Ltd AFSL 315235.

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

Shareholder means a holder of Shares in the Company.

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Term Sheet Agreement has the meaning given in section 2.1 of this Explanatory Memorandum.

Warrigal means Warrigal Mining Pty Ltd ACN 613 580 797.

Warrigal Shareholders means the shareholders of Warrigal, set out in Schedule 1 to this Explanatory Memorandum.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Mr Paul Jurman (Company Secretary):

Phone: 08 9200 0435

Explanatory Memorandum

Schedule 1 – Shares issued pursuant to Resolution 1

Name	No. Shares issued @ nil
V-DOOR PTY LTD	6,223,922
GALT INDUSTRIES PTY LTD	6,223,922
ECYCLE RESOURCE TRADING LTD	518,660
PAUL WILLIAM JORDAN	259,330
JONATHAN RICHARD EDMONDS	259,330
NATASHA SCALLEY	259,330
JAAP JAN BORST	207,464
1222208 B.C. LTD	207,464
EAGLETOWN PTY LTD	518,660
ADAM CHRISTOPHER WILLIAM	129,664
CAPRICORN TRADER PTY LTD	373,435
ALAN FRANK CLELAND	324,162
DALE PARK PTY LTD	324,162
CHRISTOPHER REX RUTHERFORD	446,047
JEFFREY BARRIE DAWKINS	72,613
MARGARET PATRICIA WESTERN	155,598
EASTERN GOLDFIELDS EXPLORATION PTY LTD	1,386,712
	17,890,475

Explanatory Memorandum

Schedule 2 – Summary of the Director Options Terms

1. The Options shall be issued for no cash consideration;
2. The exercise price of each Option is \$0.04 (**Exercise Price**).
3. The Options will expire on 30 September 2022 (**Expiry Date**) unless earlier exercised.
4. The Options are transferable.
5. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
6. The number of Options that may be exercised at one time must be not less than 100,000, unless the Option holder holds less than 100,000 Options in which case all Options must be exercised at one time.
7. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking *pari passu* with the then issued ordinary shares.
8. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
9. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (a) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
 - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
11. There is no right to a change in the exercise price of the Options or to the number of Shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
12. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable will be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
13. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
14. The Company does not intend to apply for listing of the Options on the ASX.
15. The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Option.

Proxy, representative and voting entitlement instructions

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth). The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, scanned and emailed or sent by facsimile transmission to the address listed below** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

BY MAIL Lithium Consolidated Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia BY FAX +61 2 9287 0309	ONLINE www.linkmarketservices.com.au ALL ENQUIRIES TO Telephone: +61 1300 554 474
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If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm 25 August 2020. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual:	Where the holding is in one name, the holder must sign.
Joint Holding:	Where the holding is in more than one name, either holder may sign.
Power of Attorney:	To sign under Power of Attorney, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

LODGE YOUR VOTE**ONLINE**www.linkmarketservices.com.au**BY MAIL**Lithium Consolidated Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia**BY FAX**

+61 2 9287 0309

**ALL ENQUIRIES TO**

Telephone: 1300 554 474

Overseas: +61 1300 554 474

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (Brisbane time) on Tuesday, 25 August 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

**ONLINE**www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM**YOUR NAME AND ADDRESS**

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Lithium Consolidated Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am (Brisbane time) on Thursday, 27 August 2020 at Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 4 - 8: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 4-8, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of prior issue of Shares from the Warrigal Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Change of Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of prior issue of Shares to Dale and Cleland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Amendment of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to issue Lead Manager Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Issue of Options to Mr Don Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Issue of Options to Mr Owen Burchell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Issue of Options to Mr Andrew Haythorpe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Issue of Options to Mr Vincent Mascolo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Issue of Options to Mr Brian Moller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

STEP 2



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



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