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**ARGOSY MINERALS LIMITED**

**ACN 073 391 189**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 2:30pm (WST time)

**DATE:** Tuesday 27 April 2021

**PLACE:** Board Room  
RSM Australia  
Level 32  
2 The Esplanade  
Perth, Western Australia

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6188 8181.***

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## **CONTENTS PAGE**

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Notice of Annual General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	7
Glossary	18
Proxy Form	

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## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

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### **VENUE AND TIME OF MEETING**

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The Annual General Meeting of the Shareholders of Argosy Minerals Limited which this Notice of Annual General Meeting relates to will be held at the Boardroom, RSM Australia, Level 32, 2 The Esplanade, Perth on Tuesday 27 April 2021 at 2:30pm WST.

### **YOUR VOTE IS IMPORTANT**

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

### **VOTING IN PERSON**

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

### **FOLLOW ONLINE**

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For those unable to attend the Annual General Meeting in person, you will be able to follow online via a Zoom webinar. Details of video and teleconferencing facilities, including detailed instructions on how to access such facilities, will be made available to shareholders who wish to follow the Annual General Meeting by those means. Instructions on how to register to follow online are available on the Company's website at <https://www.argosyminerals.com.au/agm>.

Please note that the AGM will not be held as a virtual or hybrid meeting. Shareholders following the AGM online will not be deemed to be in attendance at the AGM. Accordingly, shareholders will not be able to vote or ask questions while following the AGM online unless they have submitted their proxy vote and/or questions prior to the AGM.

### **VOTING ELIGIBILITY**

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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 5.00 pm WST on 25 April 2021.

### **VOTING BY PROXY**

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

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and

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

Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean 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.

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from the Company's share registry will need to verify your identity.

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6188 8181.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Argosy Minerals Limited (ACN 073 391 189) (**Company**) will be held at RSM Australia, Level 32, 2 The Esplanade, Perth, Western Australia on Tuesday 27 April 2021 at 2:30pm WST. 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 of the Company at 5.00pm WST on 25 April 2021.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report of the Company for the year ended 31 December 2020 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual Financial Report for the financial year ended 31 December 2020.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### **Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) 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.

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR RANKO MATIC

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

*“That, for the purposes of ASX Listing Rule 14.4 and the Constitution of the Company and for all other purposes, Mr Ranko Matic, a Director who was appointed on 17 July 2014, retires, and being eligible, is re-elected as a Director.”*

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**4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER PLACEMENT – LISTING RULE 7.1**

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 128,818,983 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:**

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

- (a) any person who participated in the issue; or
- (b) any associates of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with the directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the chair to vote on this resolution as the chair decides; or
- (c) the 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 this resolution; and
  - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

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**5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER PLACEMENT – LISTING RULE 7.1A**

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 101,950,247 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:**

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

- (a) any person who participated in the issue; or
- (b) any associates of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with the directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the chair to vote on this resolution as the chair decides; or
- (c) the 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 this resolution; and
  - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

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## 6. RESOLUTION 5 – APPROVAL TO ISSUE ATTACHING OPTIONS – PLACEMENT

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 115,384,615 Options on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

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

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

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with the directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the chair to vote on this 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 this resolution; and
  - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

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## 7. RESOLUTION 6 - APPROVAL OF ADDITIONAL PLACEMENT FACILITY

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

*“That, for the purpose of ASX 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 on the terms and conditions set out in the Explanatory Statement”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this 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 issued (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with the directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the chair to vote on this 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 this resolution; and
  - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

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## 8. RESOLUTION 7 – REFRESH OF EMPLOYEE EQUITY INCENTIVE PLAN

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

*“That, for the purpose of ASX Listing Rule 7.2 (Exception 13 (b)) and for all other purposes, Shareholders approve any issue of securities under the Employee Equity Incentive Plan known as “The Argosy Minerals Limited Employee Equity Incentive Plan”, a summary of the rules of which are set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1.”*

### **Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (c) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (d) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (e) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (f) 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.

### **Voting Exclusion Statement:**

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

- (a) any person who is eligible to participate in the Employee Equity Incentive Plan; or
- (b) an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with the directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the chair to vote on this resolution as the chair decides; or
- (c) the 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 this resolution; and
  - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

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**DATED: 19 MARCH 2021**

**BY ORDER OF THE BOARD**



**ANDREA BETTI  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual Financial Report of the Company for the financial year ended 31 December 2020 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual Financial Report to Shareholders unless specifically requested to do so. The Company's annual Financial Report is available on its website at [www.argosyminerals.com.au](http://www.argosyminerals.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Company or the directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual Financial Report of the Company for a financial year.

The Chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a Remuneration Report resolution are voted against adoption of the Remuneration Report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.



### **2.3 Previous voting results**

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.

### **2.4 Proxy voting restrictions**

Voting exclusions apply to this Resolution, as specified in the Notice.

The Chair intends to vote all available proxies in favour of adoption of the Remuneration Report, subject to any instructions of the Shareholder to the contrary included in the Proxy Form.

The Board considers that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the performance of the Company and the individual.

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.

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## **3. RESOLUTION 2 – ELECTION OF RANKO MATIC**

The Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest to but not exceeding one-third, shall retire from office, provided always that no Director (except the 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.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under the Constitution is eligible for re-election. The Company currently has four Directors (including the Managing Director) and accordingly one must retire.

Mr Ranko Matic, the director longest in office since his last election, will retire by rotation at the Annual General Meeting and, being eligible, offers himself for re-election.

Mr Matic was appointed to this role on 17 July 2014 and is considered to be an independent director by the Board.

Mr Matic will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

The other Directors of the Company unanimously recommend the re-election of Mr Matic.

The Board (other than Mr. Matic due to his interest in the resolution) recommends that Shareholders vote in favour of Resolution 2.

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#### 4. **BACKGROUND TO RESOLUTIONS 3, 4 AND 5**

##### **General**

On 8 February 2021, the Company announced it was undertaking a capital raising to professional and sophisticated investors to raise \$30 million pursuant to the Company's capacity under Listing Rule 7.1 and 7.1A (**Placement**).

Resolution 3 and 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares. Resolution 5 seeks Shareholder approval to issue the free attaching options under the Placement.

The Company issued 230,769,230 Shares on 16 February 2021 at an issue price of \$0.13 per Share to raise \$30 million (**Placement Shares**), with 128,818,983 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 3) and 101,950,247 Shares issued pursuant to the Company's capacity under Listing Rule 7.1A, (being the subject of Resolution 4). The capacity available to the Company under Listing Rule 7.1A was approved by Shareholders at the annual general meeting held on 27 May 2020.

The Company also agreed to issue 1 free attaching option for every 2 Placement Shares issued (**Attaching Options**). The issue of Attaching Options is subject to Shareholder approval, which is being sought under Resolution 5.

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#### 5. **RESOLUTIONS 3 AND 4 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER PLACEMENT – LISTING RULES 7.1 AND 7.1A**

##### 5.1 **General**

On 16 February 2021, the Company issued 230,769,230 Shares at an issue price of \$0.13 per Share to raise \$30 million (**Placement Shares**).

Of these Placement Shares 128,818,983 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 3) and 101,950,247 Shares issued pursuant to the Company's capacity under Listing Rule 7.1A, (being the subject of Resolution 4).

The capacity available to the Company under Listing Rule 7.1A was approved by Shareholders at the annual general meeting held on 27 May 2020

The Company also agreed to issue 1 free attaching option for every 2 Placement Shares issued, subject to shareholder approval (**Attaching Options**).

##### 5.2 **Listing Rules 7.1 and 7.1A**

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

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 27 May 2020.

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

### **5.3 Listing Rules 7.4**

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

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

Resolutions 3 and 4 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

### **5.4 Technical information required by Listing Rule 14.1A**

If Resolutions 3 and 4 are passed, the Placement Shares will be excluded in calculating the Company's 25% limit in Listing Rule 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue with Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 3 and 4 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

### **5.5 Technical information required by Listing Rule 7.4**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- (a) The Placement Shares were issued to professional and sophisticated investors who are clients of Bell Potter Securities Limited ("Bell Potter"). The recipients were identified through a bookbuild process, which involved Bell Potter seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company or material investors in the Company;
- (b) 230,769,230 Placement Shares were issued on the following basis:
  - (i) 128,818,983 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 3); and
  - (ii) 101,950,247 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 4);
- (c) The Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) The Placement Shares were issued on 16 February 2021;
- (e) The issue price was \$0.13 per Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) The purpose of the issue of the Placement Shares was to raise \$30 million, which will be used to fund the Company's construction of the modular lithium carbonate process plant and associated works at the Rincon Lithium Project, and may also be used for feasibility works for the commercial scale operation, exploration at the Tonopah Lithium Project, strategic opportunities and working capital/fees;
- (g) The Placement Shares were not issued under an agreement; and

(h) A voting exclusion statement is included in Resolutions 3 and 4 of the Notice.

The Board recommends that Shareholders vote in favour of Resolutions 3 and 4.

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## **6. RESOLUTION 5 – APPROVAL TO ISSUE ATTACHING OPTIONS – PLACEMENT**

### **6.1 General**

Resolution 5 seek Shareholder approval for the issue of 115,384,615 attaching options to be issued under the Placement as detailed in section 4 and 5 above (**Attaching Options**).

An overview of Listing Rules 7.1 and 7.1A is provided in section 5.2 above. The issue of the Placement Shares by the Company under Listing Rules 7.1 and 7.1A has left insufficient capacity to issue the Attaching Options at the time the placement was completed. Accordingly, the Company is seeking Shareholder approval to issue the Attaching Options.

### **6.2 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Attaching Options. In addition, the issue of the Attaching Options will then be excluded from the number of equity securities issued that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will be required to issue the Attaching Options under Listing Rule 7.1, but only if Resolution 3 is passed. Resolution 3 refreshes the Company's ability to issue securities without shareholder approval as detailed in sections 5.2 and 5.3. If Resolution 3 is passed and the Attaching Options are issued under Listing Rule 7.1, the Attaching Options will then be included in calculating the Company's combined 25% capacity limited in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without shareholder approval for the 12 month period following the date of issue of the Attaching Options. If Resolution 3 is not passed and Resolution 5 is not passed, the options will not be issued.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Attaching Options.

### **6.3 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with the listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the Attaching Options will be issued to professional and sophisticated investors who participated in the Share Placement as detailed in section 5.5(a) above. None of the recipients are related parties of the Company or material investors in the Company;
- (b) the maximum number of the Attaching Options to be issued is 115,384,615;
- (c) the terms and conditions of the Attaching Options are set out in Schedule 1;
- (d) the Attaching Options will be issued 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 Listing Rules) and it is intended that issue of the Attaching Options will occur on the same date;
- (e) the Attaching Options will be issued at a nil issue price, as free attaching options to the Placement Shares on a one Attaching Option for every two Placement Shares issued;
- (f) the purpose of the issue of the Attaching Options is to satisfy the Company's obligations under the terms of the Placement by issuing one Attaching Option for every two Placement Shares issued;
- (g) the Attaching Options are not being issued under an agreement;

- (h) the Attaching Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 5 of the Notice.

The Board recommends that Shareholders vote in favour of Resolution 5.

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## **7. RESOLUTION 6 – APPROVAL OF ADDITIONAL PLACEMENT FACILITY**

### **7.1 General**

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

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**Additional Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 6 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### **7.2 Technical Information required by Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

#### **(a) Period for which the Additional Placement Facility is valid**

The Additional Placement Facility will commence on the date of the Meeting at which the Shareholder approval is obtained and expire on the first to occur of the following:

- (i) The date that is 21 months after the date of this Meeting;
- (ii) The time and date of the Company's next annual general meeting; and
- (iii) The time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature and scale of activities) or Listing Rule 112 (disposal of main undertaking).

#### **(b) Minimum Price at which equity securities may be issued**

Any Equity Securities issued under the Additional Placement Facility will be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or

- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 7.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under Additional Placement Facility**

The Company intends to use funds raised from issues of Equity Securities under the Additional Placement Facility for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration and development expenditure on the Company's current assets/or projects and general working capital.

(d) **Risk of economic and voting dilution**

Any issue of Equity Securities under the Additional Placement Facility date will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the Additional Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 25 February 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the Additional Placement Facility.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.055 50% decrease in Current Issue Price	\$0.110 Current Issue Price	\$0.165 50% increase in Current Issue Price
1,250,271,704 Shares (Current Variable 'A')	Shares Issued - 10% Voting Dilution	125,027,170 Shares	125,027,170 Shares	125,027,170 Shares
	Funds Raised	\$6,876,494	\$13,752,989	\$20,629,483
1,875,407,556 Shares (50% increase in Current Variable 'A')	Shares Issued - 10% Voting Dilution	187,540,756 Shares	187,540,756 Shares	187,540,756 Shares
	Funds Raised	\$10,314,742	\$20,629,483	\$30,944,225
2,500,543,408 Shares (100% increase in Current Variable 'A')	Shares Issued - 10% Voting Dilution	250,054,341 Shares	250,054,341 Shares	250,054,341 Shares
	Funds Raised	\$13,752,989	\$27,505,977	\$41,258,966

The number of Shares on issue (Variable 'A' in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 1,250,271,704 Shares on issue.
2. The issue price set out above is the closing price of \$0.110 of the Shares on the ASX on 25 February 2021
3. The Company issues the maximum possible number of Equity Securities under the Additional Placement Facility.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the Additional Placement Facility consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to by reasons of placements under the Additional Placement Facility. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.  
 8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the shares may be issued at a price that is at a discount to the market price for those shares on the issue date.

(e) **Allocation policy under the Additional Placement Facility**

The recipients of Equity Securities to be issued under the Additional Placement Facility have not been determined. However, the recipients of Equity Securities could consist of existing Shareholders or new investors (or both) none of whom are related parties of the Company.

The Company will determine the recipients at the time of issue under the Additional Placement Facility, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods of raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 27 May 2020 (**Previous Approval**).

During the 12 month period preceding the date of this Meeting, being on and from 27 April 2020, the Company issued 101,950,247 fully paid ordinary shares pursuant to the Previous Approval (**Previous Issue**), which represents approximately 10% of the total diluted number of Equity Securities on issue in the Company on 27 April 2020.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Annual General Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

<b>Date of Issue and Appendix 2A</b>	<b>Date of Issue:</b> 16 February 2021 <b>Date of Appendix 2A:</b> 16 February 2021
<b>Recipients</b>	Professional and sophisticated investors as part of a placement announced on 16 February 2021. The placement participants were identified through a bookbuild process, which involved Bell Potter seeking expressions of interest to participate in the placement from non-related parties of the Company. None of the recipients were related parties of the Company or material investors in the Company
<b>Number and Class of Equity Securities Issued</b>	101,950,247 Shares <sup>2</sup>
<b>Issue Price and discount to Market Price<sup>1</sup> (if any)</b>	\$0.13 per Share (at a discount 18.7% Market Price).

<b>Total Cash Consideration and Use of Funds</b>	<p><b>Amount raised:</b> \$13,253,532</p> <p><b>Amount spent:</b> \$nil</p> <p><b>Use of funds:</b> To fund the Company's construction of the modular lithium carbonate process plant and associated works at the Rincon Lithium Project, and may also be used for feasibility works for the commercial scale operation, exploration at the Tonopah Lithium Project, strategic opportunities and working capital/fees.</p> <p><b>Amount remaining:</b> \$13,253,532</p> <p><b>Proposed use of remaining funds<sup>3</sup>:</b> To fund the Company's construction of the modular lithium carbonate process plant and associated works at the Rincon Lithium Project, and may also be used for feasibility works for the commercial scale operation, exploration at the Tonopah Lithium Project, strategic opportunities and working capital/fees.</p>
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**Notes:**

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: AGY (terms are set out in the Constitution).

**(g) Compliance with ASX Listing Rules 7.1A.4**

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.

**7.3 Voting Exclusion Statement**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

The Board recommends that Shareholders vote in favour of Resolution 6.

**8. RESOLUTION 7 – REFRESH OF EMPLOYEE EQUITY INCENTIVE PLAN**

**8.1 Overview**

An Employee Equity Incentive Plan (**Plan**) was adopted by the Company at the Annual General Meeting 14 May 2018. The Directors considered that it was desirable to establish an employee equity incentive plan under which eligible participants may be offered the opportunity to subscribe for Shares, Options or Performance Rights in order to increase the range of potential incentives available to them and to strengthen links with the Company and its Shareholders.

Under the Plan, the Company may issue Shares, Options or Performance Rights (**Awards**) to full-time or part time employees of the Company (including executive Directors), non-executive directors, and certain contractors and casual employees. Performance rights are rights to acquire Shares subject to satisfaction of specified performance conditions during a specified performance period. A summary of the Plan is set out in Schedule 2.

**8.2 Objective of the Plan**

The objective of the Plan is to provide incentives to the employees, contractors or Directors of the Company and to recognise their contribution to the Company's success. The Company considers that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure contractors, employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by



encouraging personnel to acquire and retain significant shareholdings in the Company and meet certain objectives.

### **8.3 ASX Listing Rule 7.1**

The Awards are equity securities for the purposes of the Listing Rules. ASX 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.

ASX Listing Rule 7.2 (Exception 13(b)) sets out an exception to ASX Listing Rule 7.1 which provides which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

Any future issues of securities under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that shareholder approval should be obtained, will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

### **8.4 If Resolution 7 is passed or not passed**

If Resolution 7 is passed, the Company will be able to issue Awards under the Plan to eligible participants over a period of 3 years. The issue of any Performance Rights or Options to eligible participants under the Plan (up to the maximum number of Securities stated in Section 8.5(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 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 7 is not passed, the Company will be able to proceed with the issue of Awards and securities under the 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 Performance Rights or Options.

### **8.5 Listing Rule 7.2**

Under Listing Rule 7.2 (Exception 13), for issues under an employee incentive scheme not to count towards the 15% capacity to issue share capital in a 12 month period without Shareholder approval, Shareholder approval of the employee incentive scheme is required:

- every three years; or
- if there is a material change to the terms of an approved employee incentive scheme.

The Company's current Employee Equity Incentive Plan was approved by Shareholders at its 2018 Annual General Meeting on 14 May 2018 and Shareholder approval needs to be refreshed.

In accordance with the requirements of Listing Rule 7.2 (Exception 13(b)), the following information is provided:

- (a) A summary of the key terms and conditions of the Plan is set out in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan will also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

- (b) Shareholders should note that the Company has issued 4,500,000 Options and 6,000,000 Share Appreciation Rights under the Plan since its adoption in May 2018.
- (c) The maximum number of Equity Securities that are issuable under the Plan, when combined with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 years pursuant to the Plan or any other incentive scheme for which the Company relied on ASIC Class Order 14/1000, but disregarding any offer made, or Performance Rights acquired or Shares issued by way of or as a result of:
- an offer to a person situated at the time of receipt of the offer outside Australia; or
  - an offer that did not need disclosure to investors because of section 708 of the Corporations Act (which includes offers to directors); or
  - an offer made under a disclosure document during the previous five years pursuant to the Plans or any other employee incentive scheme of the Company; but disregarding any offer made, or Share Rights acquired or Ordinary Shares issued by way of or as a result of (i) an offer to a person situated at the time of receipt of the offer outside Australia; or (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or (iii) an offer made under a disclosure document,

must not exceed 5% of the total number of issued Shares in the Company at the time of the offer of Performance Rights.

As at the date of this Notice, the Company has on issue, 5,000,000 Share Appreciation Rights as a result of offers made during the previous 3 years pursuant to the Plan or any other incentive scheme for which the Company relied on ASIC Class Order 14/1000.

If the 5,000,000 Share Appreciation Rights vest and are exercised, it will result in the maximum issue of 5,000,000 Shares representing approximately 0.4% of the Company's fully diluted Share capital. This means that the maximum number of Securities that can be issued under the Plan over three years from the date of this Meeting (assuming Shareholder approval is obtained) is 57,513,585 Performance Rights (being approximately 4.60% of the Company's fully diluted Share capital as at the date of this Notice).

Shareholders should be aware that the maximum number of Performance Rights proposed to be issued under the Plan stated above is not intended to be a prediction of the actual number of Awards to be issued under the 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)).

It is not envisaged that the maximum number of Performance Rights for which approval is sought will be issued immediately following approval.

- (d) A voting exclusion statement has been included in this Notice for the purpose of resolution 7.

Noting that each Director may have a personal interest in the outcome of this resolution 7 by virtue of them being eligible to participate in the Plan, the Board recommends that Shareholders vote in favour of resolution

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## 9. ENQUIRIES

Shareholders may contact the Company Secretary on (+ 61 8) 6188 8181 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting or Meeting** means the Annual General Meeting of the Company convened by the Notice, which is to be held on 27 April 2021.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

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

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

**Company** or **Argosy** means Argosy Minerals Limited (ACN 073 391 189).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

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

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Directors' Report section of the Company's annual Financial Report for the year ended 31 December 2020.

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

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

**Shareholder** means a holder of a Share.

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF ATTACHING OPTIONS – PLACEMENT

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- (a) **Entitlement**  
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**  
The amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).
- (c) **Expiry Date**  
Each Option will expire 18 months from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**  
The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**  
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**  
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**  
Within five Business Days after the Exercise Date, the Company will:
- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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

(l) **Transferability**

The Options are not transferable without the prior approval of the Company.

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## SCHEDULE 2 – SUMMARY OF EMPLOYEE EQUITY INCENTIVE PLAN

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### 1. Awards

Under the Plan, Participants (as defined below) will be granted incentive awards (**Awards**) which may comprise:

- (a) shares, issued at a price determined by the Board in their sole and absolute discretion, subject to any vesting conditions (**Shares**); and/or
- (b) options, issued at a price determined by the Board in their sole and absolute discretion, each to subscribe for one Share on payment of an exercise price determined by the Board in their sole and absolute discretion, and subject to any vesting conditions (**Options**); and/or
- (c) performance rights, issued as determined by the Board in their sole and absolute discretion, each being a conditional right to receive a Share upon achievement of performance hurdles as determined by the Board in their sole and absolute discretion, and subject to the satisfaction of any vesting conditions (**Performance Rights**); and/or
- (d) share appreciation rights, issued at a price determined by the Board in their sole and absolute discretion, each being a conditional right to receive a share according to a formula as determined by the Board in their sole and absolute discretion, and subject to the satisfaction of any vesting conditions (**Share Appreciation Rights**).

### 2. Eligibility

At the discretion of the Board, a person who is:

- (a) a full time or part time employee (including executive directors) or non-executive director of the Company or an associated body corporate (being a body corporate that is a related body corporate of the body, a body corporate that has voting power in the body of not less than 20% or a body corporate in which the body has voting power of not less than 20%) (**Group Company**);
- (b) an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company; or
- (c) an individual or company with whom a Group Company has entered into a contract for the provision of services under which the individual or a director or their spouse performs work for a Group Company where the individual who performs the work under or in relation the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company,

is permitted to participate in the Plan.

People eligible to participate in the Plan are called "**Eligible Employees**". The Board may permit an Award the subject of an offer to be issued to another party nominated by an Eligible Employee (for example, the Eligible Employee's (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) (Nominated Party).

A "Participant" is an Eligible Employee or Nominated Party to whom an Award has been granted.

### **3. Payment for Awards**

Awards can be issued at a price (if any) determined by the Board in their sole and absolute discretion.

### **4. Limits on number of Awards granted**

Under the Plan rules, where an offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options Performance Rights or Share Appreciation Rights, the total number of Shares which would be issued if those Options, Performance Rights or Share Appreciation Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

This limit is in accordance with the current ASIC Class Order which provides disclosure, licensing, advertising and hawking relief for employee incentive schemes, and which the Company may seek to rely on in connection with making offers under the Plan.

### **5. Entitlements of Participants**

#### **(a) Notice of meeting**

Unless otherwise resolved by the Board when it makes an offer, and subject to the terms of issue, a Participant is entitled to notice of a meeting of the Shareholders of the Company and may exercise (whether in person or by proxy) any voting rights attaching to any Shares registered in the Participant's name which were the subject of the offer.

#### **(b) Dividends**

The Board may determine, at the time of an offer of Shares, whether the Participant is entitled to receive any dividends declared or paid by the Company on unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested).

Participants who hold Options, Performance Rights or Share Appreciation Rights are not entitled to receive any dividends declared by the Company. No adjustment will be made to the number of Options, Performance Rights or Share Appreciation Rights granted to a Participant under the Plan if dividends or other distributions are paid on the Shares prior to their vesting or exercise.

#### **(c) Changes in capital**

Unless otherwise resolved by the Board when it makes an offer, a Participant who holds Shares has the same entitlement as any other Shareholder to participate in a bonus issue or rights offer, provided that if the Shares are unvested and/or have any restrictions on sale imposed on them, any Shares issued to a Participant under the bonus issue or rights offer will be subject to the Plan as if those shares were Shares issued under the offer made to the Participant.

Options, Performance Rights or Share Appreciation Rights do not confer on the Participant the right to participate in new issues of Shares by the Company.

In the event of a capital reconstruction, subject to any provision in the Listing Rules, the Board may adjust any or all of the number of Shares issued pursuant to the offer to a Participant as the Board deems appropriate. If there is a reorganisation of capital, the rights of a Participant will be changed to the extent necessary to comply with the Listing Rules.

If the Company makes a pro rata issue (except a bonus issue), the exercise price of Options, Performance Rights or Share Appreciation Rights will be reduced in accordance with the Listing Rules.

If the Company makes a bonus issue, the number of underlying Shares over which the Option, Performance Right or Share Appreciation Rights is exercisable will be increased by the number of Shares that would have been received if the relevant Option, Performance Right or Share Appreciation Right had been exercised before the record date for the bonus issue.

If a resolution for a voluntary winding up is proposed, the Board may give notice to Participants providing a period to exercise Options, Performance Rights or Share Appreciation Rights, subject to the relevant vesting conditions.

## **6. Dealing, vesting and exercise**

### **(a) Dealing**

Participants must not dispose of, grant (or purport to grant) any security interest in or over, or otherwise deal with (or purport to dispose or deal with) an Award unless:

- (i) it is in compliance with the terms of the Share offer and any Share vesting conditions;
- (ii) in respect of Options, Performance Rights and Share Appreciation Rights, the prior consent of the Board is obtained (which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion) or such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

While the Shares are subject to any restrictions, the Board may do such things it considers necessary and appropriate to enforce the restrictions, including but not limited to imposing a holding lock on the Shares during the relevant restriction period.

### **(b) Vesting**

Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Awards by the Company.

### **(c) Exercise**

Vested Options, Performance Rights and Share Appreciation Rights can only be exercised during the exercise period specified in the invitation to participate in the Plan.

The exercise price per Share in respect of an Option, Performance Right or Share Appreciation Right granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Option or converted Performance Right and the number of shares issued as per the applicable formula for the Share Appreciation Rights.

Options, Performance Rights and Share Appreciation Rights will expire on the date that is two years after the date of issue, or such other period determined by the Board or the Plan.

## **7. Lapse of Awards**

If a Participant resigns (other than in circumstances of redundancy, mental illness, total and permanent disability, terminal illness or death), is dismissed from office for cause or poor performance, or in another circumstance determined by the Board:

- (a) unvested Shares will be forfeited;
- (b) unvested Options, Performance Rights and Share Appreciation Rights will lapse;
- (c) vested Options, Performance Rights and Share Appreciation Rights that have not been exercised will lapse on the date of cessation of employment or office.



If a Participant's employment or engagement with a Group Company ceases in any other circumstances, unless the Board determines different treatment is warranted:

- (a) unvested Shares will be forfeited;
- (b) unvested Options, Performance Rights and Share Appreciation Rights will lapse; and
- (c) vested Options, Performance Rights and Share Appreciation Rights that have not been exercised will continue to force and remain exercisable, until the last exercise date determined by the Board or the Plan.

## **8. Forfeiture of Shares**

Unvested Shares will be forfeited on the earlier of:

- (a) the Board determining any applicable vesting condition has not been, or is not capable of being, satisfied, reached or met;
- (b) the Shares being forfeited under the Plan provisions dealing with cessation of employment, change of control, breach, fraud or misconduct; or
- (c) unless the Board determines otherwise, the Participant purporting to deal with the Shares in breach of the vesting conditions and the Plan or enter into an arrangement to affect their economic exposure to unvested Shares where restricted by applicable law.

The Company must:

- (a) sell forfeited Shares in the ordinary course of trading on ASX;
- (b) buy back and cancel the forfeited Shares; or
- (c) deal with the forfeited Shares in any other manner determined by the Board from time to time.

No consideration or compensation is payable to a Participant for or in relation to the forfeiture of Shares under the Plan.

## **9. Breach, fraud or misconduct**

If the Board determines that a Participant has:

- (a) been dismissed or removed where a Group Company was entitled to do so without notice;
- (b) been indicted for an offence under the Corporations Act;
- (c) had civil judgement entered against them;
- (d) committed fraud, defalcation or gross misconduct; or
- (e) materially breaches their duties or obligations,

in connection with a Group Company, or has done an act which brings a Group Company into disrepute, the Board may determine that:

- (a) unvested Shares will be forfeited;
- (b) unvested Options, Performance Rights and Share Appreciation Rights will lapse.

## **10. Change of control events**

On the occurrence of a change of control event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion determine how unvested Awards will be treated, including but not limited to:

- (a) determining that all or a portion of unvested Awards will vest; and/or
- (b) reducing or waiving vesting conditions.

#### **11. Clawback**

If an event occurs which means vesting conditions were not or should not have been determined to have been satisfied, the Board may:

- (a) cancel the affected Options, Performance Rights or Share Appreciation Rights for no consideration or treat the Shares as forfeited;
- (b) require the Participant pay the Company the after tax value of the affected Shares, Options, Performance Rights or Share Appreciation Rights within 30 business days; or
- (c) adjust fixed remuneration, incentives or participation in the Plan to take account of the after tax value of the affected Shares, Options, Performance Rights or Share Appreciation Rights.

#### **12. Amendments to terms of exercise or the Plan**

The Board may vary the terms of exercise of Options, Performance Rights and Share Appreciation Rights, and may reduce or waive vesting conditions. However, no variation to the terms of exercise of an Option, Performance Right or Share Appreciation Right will be made without the consent of the Participant if it would have a material prejudicial effect on them, unless introduced primarily to comply with the law, to correct manifest error or to enable regulatory compliance.

The Board may amend the terms of the Plan, provided that rights or entitlements granted before the amendment shall not be reduced or adversely affected without the prior written approval of the affected Participant.

# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **2.30pm (WST) on Sunday, 25 April 2021**, 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/#/login>

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](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

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

**PHONE:** 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

