
BATTERY MINERALS LIMITED

ACN 152 071 095

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at the Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on Wednesday, 27 June 2018 at 8.30AM (WST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

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

BATTERY MINERALS LIMITED

ACN 152 071 095

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Battery Minerals Limited (**Company**) will be held at the Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on Wednesday, 27 June 2018 at 8.30AM (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 25 June 2018 at 5.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 14.

AGENDA

1. Resolution 1 – Ratification of Tranche 1 Initial Placement Shares

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 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 107,786,107 Shares under Listing Rule 7.1 at an issue price of \$0.06 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of these Shares or any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Ratification of Tranche 1 Initial Placement Shares

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 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 75,895,582 Shares under Listing Rule 7.1A at an issue price of \$0.06 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of these Shares or any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Authority to grant Tranche 1 Initial Placement Options

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

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Company to issue 91,840,845 Capital Raising Options (**Tranche 1 Initial Placement Options**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who may participate in the grant of the Tranche 1 Initial Placement Options, and a person who might obtain a material benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Authority to issue Tranche 2 Initial Placement Securities

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

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Company to issue up to 149,651,644 Shares and 74,825,822 Capital Raising Options (**Tranche 2 Placement Securities**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who may participate in the issue of the Tranche 2 Initial Placement Securities, and a person who might obtain a material benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Authority for Mr. David Flanagan to participate in the Tranche 2 Initial Placement

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

"That, subject to Resolution 4 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Mr. David Flanagan (and/or his nominees) to participate in the Tranche 2 Initial Placement to the extent of up to 850,000 Tranche 2 Placement Shares and 425,000 Tranche 2 Initial Placement Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr. David Flanagan and his nominees and or associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Authority for Mr. Jeff Dowling to participate in the Tranche 2 Initial Placement

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

"That, subject to Resolution 4 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Mr. Jeff Dowling (and/or his nominees) to participate in the Tranche 2 Initial Placement to the extent of up to 600,000 Tranche 2 Initial Placement Shares and 300,000 Tranche 2 Initial Placement Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr. Jeff Dowling and his nominees or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 7 – Authority for Mr. Brett Smith to participate in the Tranche 2 Initial Placement

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

"That, subject to Resolution 4 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Mr. Brett Smith (and/or his nominees) to participate in the Tranche 2 Initial Placement to the extent of up to 250,000 Tranche 2 Initial Placement Shares and 125,000 Tranche 2 Initial Placement Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr. Brett Smith and his nominees or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. Resolution 8 – Authority for Mr. Gilbert George to participate in the Tranche 2 Initial Placement

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

"That, subject to Resolution 4 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Mr. Gilbert George (and/or his nominees) to participate in the Tranche 2 Initial Placement to the extent of up to 750,000 Tranche 2 Initial Placement Shares and 375,000 Tranche 2 Initial Placement Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr. Gilbert George and his nominees or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. Resolution 9 – Authority for Ms. Ivy Chen to participate in the Tranche 2 Initial Placement

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

"That, subject to Resolution 4 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Ms. Ivy Chen (and/or her nominees) to participate in the Tranche 2 Placement to the extent of up to 100,000 Tranche 2 Initial Placement Shares and 50,000 Tranche 2 Initial Placement Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ms. Ivy Chen and her nominees or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. Resolution 10 – Authority to grant the SPP Options

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

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Company to issue up to 41,66,667 SPP Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who may participate in the grant of the SPP Options, and a person who might obtain a material benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. Resolution 11 – Authority to grant the Director SPP Options

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

*"That, subject to Resolution 10 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and the grant of up to 125,000 SPP Options to Mr. Gilbert George (**Director SPP Options**) (and/or his nominees) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr. Gilbert George and his nominees or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. Resolution 12 – Authority to issue the Subsequent Placement Securities

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

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Company to issue up to 300,000,000 Shares and 150,000,000 Capital Raising Options (**Subsequent Placement Securities**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who may participate in the issue of the Subsequent Placement Securities, and a person who might obtain a material benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. Resolution 13– Approval of grant of Sign-on Options to Mr. Jeff Dowling

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 10.11, and for all other purposes, Shareholders approve the Company to issue up to 4,500,000 Sign-on Options to Mr. Jeff Dowling (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr. Jeff Dowling and his nominees or any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. Resolution 14 – Approval of grant of Sign-on Options to Ms. Ivy Chen

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 10.11, and for all other purposes, Shareholders approve the Company to issue up to 3,000,000 Sign-on Options to Ms. Ivy Chen (or her nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ms. Ivy Chen and her nominees or any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. Resolution 15 – Amendment and Renewal of Option Plan

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 7.2 Exception 9(b), as an exception to Listing Rule 7.1, and for all other purposes, Shareholders approve the "Battery Minerals Limited Employee Option Plan" (**Option Plan**) and the grant of Options (and Shares on exercise of such Options) under the Option Plan, a summary of which is set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director (other than a Director who is not eligible to participate in the Option Plan) or any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

16. Resolution 16 – Approval to issue ZEPO Options to Mr. David Flanagan and issue Shares upon exercise of the Options, and to give potential retirement benefits

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

"That, subject to Shareholder approval of Resolution 15, for the purpose of Listing Rule 10.14 and sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of 20,000,000 ZEPO Options to Mr. David Flanagan (including the issue of up to 20,000,000 Shares on exercise of those ZEPO Options) on the terms and conditions set out in the Explanatory Memorandum."

Voting Prohibition and Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf any Director (except one who is ineligible to participate in the Option Plan) or any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel

Chairman voting intentions

The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolutions 1 to 16 (inclusive).

Dated 18 May 2018

BY ORDER OF THE BOARD

Tony Walsh
Company Secretary

BATTERY MINERALS LIMITED

ACN 152 071 095

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on Wednesday, 27 June 2018 at 8.30AM (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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

2. Action to be taken by Shareholders

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

2.1 Proxies

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

Please note that:

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

Proxy Forms must be received by the Company no later than 8.30am (WST) on Monday, 25 June 2018, being at least 48 hours before the Meeting.

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

2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

A vote on Resolutions 15 and 16 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. Background to Resolutions 1 to 12 (inclusive)

3.1 General

On 3 May 2018, the Company announced the terms of a debt and equity funding package with Resource Capital Fund VII LP (**RCF**) comprising a US\$25 million term loan and a US\$5 million in equity subscription (**RCF Funding**). The RCF Funding is conditional on, amongst other things, the Company raising a further minimum \$28.3 million via the issue of new equity (**Minimum Equity Funding**). Please refer to the Company's announcement dated 3 May 2018, for further details on RCF and the RCF Funding.

On 17 May 2018, the Company announced a capital raising comprising:

- (a) a two-tranche placement to sophisticated and professional investors to raise in aggregate a total of \$20 million (before costs) through the issue of 333,333,333 Shares at an issue price of \$0.06 per Share together with the grant of one free attaching quoted option for every two Shares issued, exercisable at \$0.10 on or before 31 July 2023 (**Capital Raising Option**) (**Initial Placement**); and
- (b) an offer to Eligible Shareholders via a Securities Purchase Plan targeted to raise up to \$5,000,000 through the issue of up to 83,333,334 Shares at an issue price of \$0.06 per Share together with the grant of one free attaching Capital Raising Option for every two shares issued (**SPP Offer**),

In addition, to meet the Minimum Equity Funding, the Company plans to complete a placement to sophisticated and professional investors to raise through the issue of up to 300,000,000 Shares together with the grant of one free attaching Capital Raising Option for every two shares issued (**Subsequent Placement**)

The RCF Funding, Initial Placement, SPP Offer and Subsequent Placement are, together, the **Capital Raising**.

The funds raised from the Capital Raising will be used as follows:

Indicative Use of funds	A(\$)
Balance of Montepuez construction capital*	\$58,900,000
Environmental bonds & Government Perf. Guarantee	\$3,270,000
VAT provision (refundable post first exports)	\$8,360,000

Indicative Use of funds	A(\$)
Balama Feasibility Study	\$1,870,000
Resource Definition Montepuez (near mine extensions)	\$1,180,000
Working capital (Australian and Mozambique overheads, Community, WHT and operations costs to first shipment)	\$10,420,000
Costs of the Capital Raising	\$1,200,000
TOTAL	\$85,200,000
<p>Notes:</p> <p>This table is a statement of the Board's current intention as at the date of this Notice.</p> <p>The indicative use of funds in the above table will vary depending on the amount raised under the Subsequent Placement. Shareholders should note that the details of the Subsequent Placement have not been determined at the date of this Notice.</p> <p>Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.</p> <p>* - Exchange rate assumed: A\$1.00 = US\$0.75</p>	

In the event that Shareholders do not approve Resolutions 4 and/or 12, the Company will apply the funds raise pursuant to the Tranche 1 Initial Placement (defined below), the Tranche 1 Initial Placement (defined below) and/or the Subsequent Placement in accordance with the above table, on a pro rata basis.

3.2 Tranche 1 Initial Placement

The Company completed the first tranche of the Initial Placement on 24 May 2018 by issuing 183,681,689 Shares (**Tranche 1 Initial Placement Shares**), to raise approximately A\$11,020,901 (before costs) (**Tranche 1 Initial Placement**). The Tranche 1 Initial Placement Shares were issued pursuant to the Company's Listing Rule 7.1 and 7.1A placement capacities. Resolutions 1 and 2 seek Shareholder approval for the ratification of the issue of the Tranche 1 Initial Shares pursuant to the Tranche 1 Initial Placement.

Resolution 3 seeks shareholder approval for the grant of 91,840,845 Capital Raising Options to the participants in the Tranche 1 Initial Placement.

3.3 Tranche 2 Initial Placement

Resolution 4 seeks Shareholder approval for the issue of 149,651,544 Shares (**Tranche 2 Initial Placement Shares**) and the grant of 74,825,822 Capital Raising Options (**Tranche 2 Initial Placement Options**) to the participants in the Tranche 2 Initial Placement to raise approximately A\$8,979,099 (before costs) (**Tranche 2 Placement**).

Five of the Company's Director's, Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen wish to participate in the Tranche 2 Initial Placement. Resolutions 5 to 9 seek shareholder approval for their participation in the Tranche 2 Initial Placement as follows:

Director	Tranche 2 Initial Placement Shares	Tranche 2 Initial Placement Options
Mr. David Flanagan	850,000	425,000

Mr. Jeff Dowling	600,000	300,000
Mr. Brett Smith	250,000	125,000
Mr. Gilbert George	750,000	375,000
Ms. Ivy Chen	100,000	50,000

Further information on each of these Resolutions is set out below.

3.4 Security Purchase Plan

In conjunction with the Placements, the Company is providing an opportunity for Eligible Shareholders to participate in targeting raising up to a further \$5 million via a Securities Purchase Plan. Under the SPP Offer, Eligible Shareholders may each apply for up to \$15,000 of new Shares at an issue price of \$0.06 together with one free attaching Capital Raising Option for every two SPP Shares subscribed for and issued (**SPP Options**), consistent with the Placements.

The Company does not require shareholder approval for the issue the SPP Shares offered pursuant to the SPP Offer as Listing Rule 7.2 Exception 15 applies. Resolution 10 seeks shareholder approval for the issue of the Capital Raising Options offered pursuant to the SPP Offer (which successful applicants for SPP Shares apply for under the terms of the SPP Offer). Mr. Gilbert George, Director intends to participate in the SPP Offer by subscribing for up to 250,000 SPP Shares and 125,000 SPP Options, being his maximum permissible entitlement under the SPP Offer. Resolution 11 seeks shareholder approval for the issue of up to 125,000 SPP Options to Mr. Gilbert George pursuant to his participation in the SPP Offer.

3.5 Subsequent Placement

Resolution 12 seeks Shareholder approval for the issue of up to 300,000,000 Shares (**Subsequent Placement Shares**) and the grant of up to 150,000,000 Capital Raising Options (**Subsequent Placement Options**) to the participants in the Subsequent Placement (**Subsequent Placement Securities**).

4. Resolutions 1 and 2– Ratification of Tranche 1 Initial Placement Shares

4.1 General

On 17 May 2018, the Company announced that it had completed the first tranche of the Initial Placement by issuing the Tranche 1 Initial Placement Shares to raise approximately \$11,020,901 (before costs).

The funds raised from the issue of the Tranche 1 Initial Placement Shares will be used for the purposes set out in Section 3.1.

The Tranche 1 Initial Placement Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, together with the Company's additional 10% placement capacity approved by Shareholders under Listing Rule 7.1A at the Company's 2017 annual general meeting, without the need for Shareholder approval.

4.2 Listing Rules 7.1, 7.1A and 7.4

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which the Shareholders approve the 10% placement capacity. The 10% placement capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (including the additional 10% capacity under Listing Rule 7.1A), provided that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolutions 1 and 2 seek Shareholder approval for the ratification of the issue of the Tranche 1 Initial Placement Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolutions 1 and 2 will be to restore the Company's ability to issue securities within:

- (a) the 15% placement capacity under Listing Rule 7.1 during the next 12 months; and
 - (b) the additional 10% placement capacity under Listing Rule 7.1A during the balance of the 12 months from the date of the Company's 2017 annual general meeting,
- without obtaining prior Shareholder approval.

Resolutions 1 and 2 are ordinary resolutions.

4.3 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, information regarding the issue of the Tranche 1 Initial Placement Shares is provided as follows:

- (a) 183,681,689 Shares were issued by the Company under the Tranche 1 Initial Placement on 24 May 2018, as follows:
 - (i) 107,786,107 Shares were issued pursuant to Listing Rule 7.1; and
 - (ii) 75,895,582 Shares were issued pursuant to Listing Rule 7.1A.
- (b) The Tranche 1 Initial Placement Shares were issued at an issue price of \$0.06 each to raise approximately \$11,020,901 in total (before costs).
- (c) The Tranche 1 Initial Placement Shares comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (d) The Tranche 1 Initial Placement Shares were issued to sophisticated and professional investors none of whom are related parties or associates of related parties of the Company.
- (e) The funds raised from the issue of the Tranche 1 Initial Placement Shares will be used for the purposes set out in Section 3.1.

- (f) A voting exclusion statement is included in the Notice.

4.4 Board Recommendation

The Directors recommend that Shareholders approve Resolutions 1 and 2.

5. Resolution 3 – Authority to grant Tranche 1 Initial Placement Options

5.1 General

On 24 May 2018, the Company completed the issue of the Tranche 1 Initial Placement Shares as part of the Tranche 1 Initial Placement.

Resolution 3 seeks Shareholder approval to grant 91,840,845 free attaching Capital Raising Options to the participants in the Tranche 1 Initial Placement (**Tranche 1 Initial Placement Options**) on the basis of one Tranche 1 Initial Placement Option for every two Tranche 1 Initial Placement Shares subscribed for.

None of the subscribers under the Tranche 1 Initial Placement or the recipients of the Tranche 1 Initial Placement Options are related parties or an associate of a related party of the Company.

Resolution 3 is an ordinary resolution.

5.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 4.2.

The effect of Resolution 3 will be to allow the Directors to issue the Tranche 1 Initial Placement Options during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

5.3 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the issue of the Tranche 1 Initial Placement Options is provided as follows:

- (a) The maximum number of Tranche 1 Initial Placement Options that the Company may grant is 91,840,845.
- (b) The Tranche 1 Initial Placement Options will be issued no later than three 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).
- (c) The Tranche 1 Initial Placement Options will be issued for nil cash consideration but as free-attaching options to the Tranche 1 Initial Placement Shares on the basis of one Tranche 1 Initial Placement Options for every two Tranche 1 Initial Placement Shares subscribed for.
- (d) The Tranche 1 Initial Placement Options will be issued to recipients of the Tranche 1 Initial Placement Shares, being sophisticated and professional investors, none of whom are related parties or associates of related parties of the Company.

- (e) The Tranche 1 Placement Options will be granted on the terms and conditions set out in Schedule 1 of this Notice.
- (f) No funds will be raised from the issue of the Tranche 1 Initial Placement Options.
- (g) It is expected that the Tranche 1 Initial Placement Options will be granted on one date as soon as reasonably practical following the Meeting.
- (h) A voting exclusion statement is included in the Notice.

5.4 Board Recommendation

The Directors recommend that Shareholders approve Resolutions 3

6. Resolution 4 – Authority to issue Tranche 2 Initial Placement Securities

6.1 General

Pursuant to the Tranche 2 Initial Placement, and subject to Shareholder approval, the Company intends to issue the Tranche 2 Initial Placement Shares and grant the Tranche 2 Initial Placement Options, to raise approximately \$8,979,099 (before costs) (**Tranche 2 Initial Placement Securities**).

The funds raised from the issue of the Tranche 2 Initial Placement Securities will be used for the purposes set out in Section 3.1.

Resolution 4 is an ordinary resolution.

6.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 4.2.

The effect of Resolution 4 will be to allow the Directors to issue the Tranche 2 Initial Placement Securities the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

6.3 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the issue of the Tranche 2 Initial Placement Securities is provided as follows:

- (a) The maximum number of securities that the Company may issue under the Tranche 2 Initial Placement is:
 - (i) 149,651,644 Shares; and
 - (ii) 74,825,822 Capital Raising Options.
- (b) The Tranche 2 Initial Placement Securities will be issued no later than three 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).
- (c) The Tranche 2 Initial Placement Shares will be issued at an issue price of \$0.06 per Share to raise approximately \$8,979,099 in total (before costs). The Tranche 2 Initial Placement Options will be granted for nil consideration but as free-attaching options

to the Tranche 2 Initial Placement Shares on the basis of one Tranche 2 Initial Placement Option for every two Tranche 2 Initial Placement Shares subscribed for.

- (d) The Tranche 2 Initial Placement Securities will be issued to sophisticated and professional investors, none of whom are related parties or associates of related parties of the Company (other than Directors, Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen, who are proposing to participate in the Tranche 2 Initial Placement, subject to Shareholder approval, under Resolutions 5 to 9 – see Section 7).
- (e) The Tranche 2 Initial Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company. The Tranche 2 Initial Placement Options will be granted on the terms and conditions set out in Schedule 1 of this Notice.
- (f) The funds raised from the issue of the Tranche 2 Initial Placement Shares will be used for the purposes set out in Section 3. No funds will be raised from the issue of the Tranche 2 Initial Placement Options.
- (g) It is expected that the Tranche 2 Initial Placement Securities will be issued on one date as soon as reasonably practical after the Meeting.
- (h) A voting exclusion statement is included in the Notice.

6.4 Board Recommendation

The Directors recommend that Shareholders approve Resolution 4.

7. Resolutions 5 to 9 – Authority for Director Participation in the Tranche 2 Placement

7.1 Background

Directors Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen and/or their nominees wish to participate in the Tranche 2 Initial Placement.

Resolutions 5 to 9 seek shareholder approval for the issue of the following securities to Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen (and/or their nominees):

Director	Tranche 2 Initial Placement Shares	Value of Tranche 2 Initial Placement Shares	Tranche 2 Initial Placement Options
Mr. David Flanagan	850,000	\$51,000	425,000
Mr. Jeff Dowling	600,000	\$36,000	300,000
Mr. Brett Smith	250,000	\$15,000	125,000
Mr. Gilbert George	750,000	\$45,000	375,000
Ms. Ivy Chen	100,000	\$6,000	50,000

(together, the **Director Placement Securities**).

Further details of the Tranche 2 Initial Placement are set out in Section 3.3.

Resolutions 5 and 6 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Director Placement Securities to Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen (and/or their nominees). If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (although approval for 100% of the Tranche 2 Initial Placement Securities is being sought under Listing Rule 7.1 under Resolution 4). Shareholder approval of the issue of the Director Placement Securities means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1 or 7.1A.

Resolutions 5 to 9 are ordinary resolutions and are subject to Resolution 4 being passed.

7.2 Section 208 of the Corporations Act

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 to 216 of the Corporations Act.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Director Placement Securities will be issued to the Directors on exactly the same terms as the Tranche 2 Initial Placement Securities being issued to non-related party participants in the Tranche 2 Initial Placement and as such the giving of the financial benefit to the Directors will be on arm's length terms.

7.3 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Each of Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen is a related party of the Company by virtue of being a Director. Therefore, approval is required under Listing Rule 10.11 for the issue of the Director Placement Securities to Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 5 to 9 will be to allow the Company to issue the Director Placement Securities to Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen (and/or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 5 to 9, the Company will not issue the Director Placement Securities.

7.4 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Director Placement Securities is provided as follows:

- (a) The maximum number and Director Placement Securities to be issued to Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen (and/or their nominees) is up to 2,550,000 Tranche 2 Initial Placement Shares (**Director Placement Shares**) and 1,275,000 Tranche 2 Initial Placement Options (**Director Placement Options**) on the following basis:
 - (i) Mr David Flanagan – 850,000 Director Placement Shares and 425,000 Director Placement Options;
 - (ii) Mr Jeff Dowling – 600,000 Director Placement Shares and 300,000 Director Placement Options;

- (iii) Mr Brett Smith – 250,000 Director Placement Shares and 125,000 Director Placement Options;
 - (iv) Mr Gilbert George – 750,000 Director Placement Shares and 375,000 Director Placement Options; and
 - (v) Ms Ivy Chen – 100,000 Director Placement Shares and 50,000 Director Placement Options.
- (b) The Company will issue the Director Placement Securities no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended that all of the Director Placement Securities will be issued on the same date (being the completion date of the Tranche 2 Initial Placement).
 - (c) Each of Mr. David Flanagan, Mr. Jeff Dowling, Mr. Brett Smith, Mr. Gilbert George and Ms. Ivy Chen are a related parties of the Company by virtue of being Directors.
 - (d) The Director Placement Shares will be issued at an issue price of \$0.06 per Share (being the same price as the Tranche 2 Initial Placement). The Director Placement Options will be granted for nil consideration.
 - (e) The Director Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company. The Director Placement Options will be granted on the same terms and conditions as the Capital Raising Options, as set out in Schedule 1 of this Notice. On exercise of the Director Placement Options, the resulting fully paid ordinary shares of the Company will rank equally with all other fully paid ordinary shares of the Company.
 - (f) The funds raised from the issue of the Director Placement Shares will be aggregated with and used for the same purpose as the funds raised from the Tranche 2 Initial Placement. See Section 3.1 for further details. No funds are being raised from the grant of the Director Placement Options.
 - (g) A voting exclusion statement is included in the Notice.

7.5 Board Recommendation

The Directors recommend that Shareholders approve Resolutions 5 to 9.

8. Resolution 10 – Authority to grant SPP Options

8.1 General

As set out in Sections 3.1 and 3.4, the Company is providing an opportunity for Eligible Shareholders to participate in the SPP Offer.

Resolution 10 seeks Shareholder approval for the issue of the SPP Options, the subject of the SPP Offer.

The SPP Offer will be conducted on the same terms as the Initial Placement enabling Eligible Shareholders to participate at \$0.06 per SPP Share together with the issue of one free attaching Capital Raising Option being granted for every two SPP Shares subscribed for under the SPP Offer, up to a total subscription limit of \$15,000 per Eligible Shareholder.

The offer of the SPP Options pursuant to the SPP Offer will be made pursuant to a prospectus.

Other than Gilbert George, none of the recipients of the SPP Options are related parties or an associate of a related party of the Company. The Company is seeking shareholder approval for the grant of SPP Options to Gilbert George pursuant to Resolution 11.

Resolution 10 is an ordinary resolution.

8.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 4.2.

The effect of Resolution 10 will be to allow the Directors to issue the SPP Options during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

8.3 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the issue of the SPP Options is provided as follows:

- (a) The maximum number of SPP Options that the Company may grant is 41,666,666.
- (b) The SPP Options will be issued no later than three 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).
- (c) The SPP Options will be issued for nil cash consideration but as free-attaching options to the SPP Shares on the basis of one SPP Option for every two SPP Shares subscribed for.
- (d) The SPP Options will be issued to recipients of the SPP Shares, none of whom will be related parties or associates of related parties of the Company.
- (e) The SPP Options will be granted on the terms and conditions set out in Schedule 1 of this Notice.
- (f) No funds will be raised from the issue of the SPP Options.
- (g) It is expected that the SPP Options will be granted on one date as soon as reasonably practical following the Meeting.
- (h) A voting exclusion statement is included in the Notice.

8.4 Board Recommendation

The Directors recommend that Shareholders approve Resolution 10.

9. Resolution 11 – Authority to grant the Director SPP Options

9.1 Background

Mr. Gilbert, Director, wishes to participate in the SPP Offer by subscribing for up to 250,000 SPP Shares and 125,000 SPP Options (**Director SPP Options**), being his maximum permissible entitlement under the SPP Offer.

Further details of the SPP Offer are set out in Section 3.4.

Resolution 11 seek shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 125,000 SPP Options to Mr. Gilbert George.

If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (although approval for 100% of the SPP Options is being sought under Listing Rule 7.1 under Resolution 10). Shareholder approval of the issue of the Director SPP Options means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1 or 7.1A.

Resolution 11 is an ordinary resolution and are subject to Resolution 10 being passed.

9.2 Section 208 of the Corporations Act

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 to 216 of the Corporations Act.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Director SPP Options will be issued to Mr Gilbert George exactly the same terms as the other SPP Options being issued to non-related party participants in the SPP Offer and as such the giving of the financial benefit to Mr Gilbert George will be on arm's length terms.

9.3 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Mr. Gilbert George is a related party of the Company by virtue of being a Director. Shareholder approval for the issue of SPP Shares to Mr Gilbert George is not required as Listing Rule 10.12 Exception 8 applies. Approval for the issue of the Director SPP Options is required as the grant of the SPP Options does not fall within Listing Rule 10.12 Exception 8.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 11 will be to allow the Company to issue the Director SPP Options to Mr. Gilbert George (and/or his nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 11 (and Resolution 10), the Company will not issue the Director SPP Options.

9.4 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Director SPP Options is provided as follows:

- (a) A maximum of 125,000 Director SPP Options will be issued to Mr. Gilbert George (and/or his nominees).
- (b) The Company will issue the Director SPP Options no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended that all of the SPP Options will be issued on the same date (being the completion date of the SPP Offer).
- (c) Mr. Gilbert George is a related party of the Company by virtue of being s Director.
- (d) The Director SPP Options will be issued granted for nil consideration.
- (e) The Director SPP Options will be granted on the same terms and conditions as the Capital Raising Options, as set out in Schedule 1 of this Notice. On exercise of the

Director SPP Options, the resulting fully paid ordinary shares of the Company will rank equally with all other fully paid ordinary shares of the Company.

- (f) No funds are being raised from the grant of the Director SPP Options.
- (g) A voting exclusion statement is included in the Notice.

9.5 Board Recommendation

The Directors recommend that Shareholders approve Resolution 11.

10. Resolution 12 – Authority to issue Subsequent Placement Securities

10.1 General

Pursuant to the Subsequent Placement, and subject to Shareholder approval, the Company intends to issue the Subsequent Placement Securities to raise funds to meet the Minimum Equity Funding.

The funds raised from the issue of the Subsequent Placement Shares will be used for the purposes set out in Section 3.1.

Resolution 12 is an ordinary resolution.

10.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 4.2.

The effect of Resolution 12 will be to allow the Directors to issue the Subsequent Placement Securities the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

10.3 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the issue of the Subsequent Placement Securities is provided as follows:

- (a) The maximum number of securities that the Company may issue under the Subsequent Placement is:
 - (i) 300,000,000 Shares; and
 - (ii) 150,000,000 Capital Raising Options.
- (b) The Subsequent Placement Securities will be issued no later than three 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).
- (c) The Subsequent Placement Shares will be issued at an issue price of at least 80% of the volume weighted average market price for Shares, calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue was made or, if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed. The Subsequent Placement Options will be granted for nil consideration but as free-attaching options to the Subsequent Placement Shares on the basis of one

Subsequent Placement Options for every two Subsequent Placement Shares subscribed for.

- (d) The Subsequent Placement Securities will be issued to sophisticated and professional investors, none of whom are related parties or associates of related parties of the Company.
- (e) The Subsequent Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company. The Subsequent Placement Options will be granted on the terms and conditions set out in Schedule 1 of this Notice.
- (f) The funds raised from the issue of the Subsequent Placement Shares will be used for the purposes set out in Section 3. No funds will be raised from the issue of the Subsequent Placement Options.
- (g) It is expected that the Subsequent Placement Securities will be issued on one date as soon as reasonably practical after the Meeting.
- (h) A voting exclusion statement is included in the Notice.

10.4 Board Recommendation

The Directors recommend that Shareholders approve Resolution 12.

11. Resolutions 13 and 14 – Approval of grant of Sign-on Options to Directors

11.1 General

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of 7,500,000 Sign-on Options to Directors Jeff Dowling, independent non-executive chairman, and Ivy Chen, independent non-executive director, (or their nominees) as follows:

Allottees	No of Sign-on Options
Jeff Dowling (or his nominee)	4,500,000
Ivy Chen (or her nominee)	3,000,000
TOTAL	7,500,000

The Sign-on Options will be issued to the above allottees as part of their incentive based remuneration packages with the Company.

The Company has considered the remuneration structures of several of its ASX listed peer companies to determine a suitable quantum and structure of an incentive based remuneration plan for management and members of the Board. As a result of this review the Company believes that the issue of the Sign-on Options is a fair and reasonable incentive based remuneration package. In considering the above remuneration package for its two new non-executive directors, the Company has researched and considered recent incentive plans implemented by the Company's peers.

Resolutions 13 and 14 seek Shareholder approval for the grant of the Sign-on Options to Jeff Dowling and Ivy Chen (or their nominees).

The Sign-on Options to be granted to Jeff Dowling and Ivy Chen will have an exercise price of the higher of 13 cents and 130% of the 5 day VWAP of the Company's Shares prior to the date of the Meeting and will vest on achievement of the following vesting conditions:

- 50% of the Sign-on Options will vest upon 12 months continuous service after appointment to the Board; and
- 50% of the Sign-on Options will vest upon 24 months continuous service after appointment to the Board.

See Schedule 2 for the full terms and conditions of the Sign-on Options.

11.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The grant of Sign-on Options constitutes giving a financial benefit and Jeff Dowling and Ivy Chen are related parties of the Company by virtue of being Directors.

After a review of publicly available information relating to the remuneration structures of several of its ASX listed peer companies, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Sign-on Options because the grant of the Sign-on Options is considered reasonable remuneration in the circumstances.

11.3 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As the grant of the Sign-on Options involves the issue of securities to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the grant of the Sign-on Options as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Sign-on Options will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

11.4 Specific Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 13 and 14:

- (a) The maximum number of Sign-on Options to be granted is 7,500,000, comprising:
 - (i) 4,500,000 Sign-on Options to be granted to Jeff Dowling (or his nominees); and
 - (ii) 3,000,000 Sign-on Options to be granted to Ivy Chen (or her nominees).
- (b) The Sign-on Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Sign-on Options will be granted for nil cash consideration as they are being issued as incentive based remuneration. Accordingly, no funds will be raised from the issue of the Sign-on Options.
- (d) The terms and conditions of the Sign-on Options are set out in Schedule 2.
- (e) Voting exclusion statements are included in the Notice.

11.5 Board Recommendation

The Directors (other than Jeff Dowling and Ivy Chen) recommend that Shareholders approve Resolutions 13 and 14.

12. Resolution 15 – Adoption of Employee Option Plan

12.1 General

Resolution 15 seeks Shareholder approval for the amendment and renewal of the Battery Minerals Limited Employee Option Plan (**Option Plan**) for a further three years and for the purposes of the Corporations Act, for Listing Rule 7.2, exception 9(b), and for all other purposes.

The Company previously approved the Option Plan on 21 December 2016. The Company is seeking to "renew" the approval of the Option Plan, subject to the amendment described in Section 12.2 below, and the Company's ability to issue Options under the Option Plan as an exception to Listing Rule 7.1, for a period of a further 3 years from the date on which Resolution 15 is passed.

The aim of the Option Plan is to allow the Board to attract, motivate and retain eligible Employees, who in the Board's opinion, are dedicated and will provide ongoing commitment and effort to the Company. It is considered that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected participants with the opportunity to participate in the future growth of the Company. Under the Company's circumstances, the Directors consider that incentives to eligible Employees through the grant of Options is cost effective and efficient for the Company.

The key features of the Option Plan are as follows:

- (a) the Board will determine the number of Options to be granted to eligible Employees and the vesting conditions, expiry date and the exercise price of the Options in its sole discretion.
- (b) the options are not transferable unless vested and with the prior written approval of the Board and provided that the transfer complies with the Corporations Act; and
- (c) subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the Option Plan as it sees fit.

Resolution 15 is an ordinary resolution.

12.2 Amendment to Option Plan

The Option Plan was previously approved by shareholders at the Company's general meeting held on 21 December 2016. The Company wishes to amend the Option Plan to permit the Company to issue Options under the Option Plan with a nil exercise price.

A detailed overview of the Option Plan is provided in Schedule 3. A copy of the Option Plan can be obtained by contacting the Company.

12.3 Listing Rules 7.1 and 7.2 (exception 9)

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, exception 9 operates as one of the exceptions to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, exception 9 is that any issues of securities under the Option Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, exception 9 lasts for a period of three years.

12.4 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 exception 9, information is provided as follows:

- (a) The material terms of the Option Plan are summarised in Schedule 3.
- (b) The Option Plan was last approved by shareholders at the Company's general meeting on 21 December 2016. The Company has issued the following Options since the Option Plan was last approved:

Issued Date	Recipient	Number of Options	Issue Price
23 December 2016	David Flanagan	20,000,000 ¹	Nil
	Cherie Leeden	10,000,000 ²	Nil
	Brett Smith	3,000,000 ²	Nil
	Gilbert George	3,000,000 ²	Nil
26 May 2017	David Flanagan	10,000,000 ³	Nil
	Cherie Leeden	5,000,000 ⁴	Nil
	Paul Glasson	5,000,000 ⁵	Nil

Notes:

(1) Comprising:

- (i) 5,000,000 unquoted options exercisable at \$0.10 on or before 23 December 2021;
- (ii) 5,000,000 unquoted options exercisable at \$0.15 on or before 23 December 2021;
- (iii) 5,000,000 unquoted options exercisable at \$0.20 on or before 23 December 2021; and
- (iv) 5,000,000 unquoted options exercisable at \$0.25 on or before 23 December 2021;

(2) Exercisable at the higher of \$0.15 and 130% of the 10 day VWAP of the Company's Shares at the date of grant on or before 5 years from the date of grant.

(3) Vesting upon the Montepuez Project achieving sale agreements and a commercial rate of production and exercisable at 150% of the 5 day VWAP of the Company's Shares prior to 26 May 2017 (being the date on which shareholder approval was obtained), on or before the date which is 5 years from the date of grant.

(4) Vesting upon the commencement of commercial production and sales from US based SPG processing plant. Exercisable at the higher of \$0.20 or 150% of the closing price of the Company's Shares on 26 May 2017 (being the date on which shareholder approval was obtained), on or before the date which is 5 years from the date of grant.

(5) 50% vesting upon 12 months of continuous service to the Board and the remaining 50% vesting upon 24 months of continuous service to the Board. Exercisable at the higher of \$0.12 or 130% of the closing price of the Company's Shares on 26 May 2017 (being the date on which shareholder approval was obtained), on or before the date which is 5 years from the date of grant.

- (c) A voting exclusion statement is included in the Notice for Resolution 15.

13. Resolution 16 – Approval to issue ZEPO Options to Mr David Flanagan and issue Shares upon exercise of the ZEPO Options, and to give retirement benefits

13.1 General

The Company has agreed, subject to obtaining shareholder approval, to grant up to 20,000,000 unquoted options with a nil exercise price and exercisable on or before the date which is 5 years from the date of grant (**ZEPO Options**), to Mr Flanagan, and to issue up to 20,000,000 Shares on exercise of any of the ZEPO Options.

The number of ZEPO Options to be issued to Mr Flanagan has been calculated by using an assumed Share price of \$0.0675 (being the 20 day VWAP of Shares up to 14 May 2018).

Unless the Board otherwise determines, the ZEPO Options will vest as follows:

- (a) 25% of the ZEPO Options will vest after the commencement of commercial production from Stage 1 of the Company's Montepuez graphite project, to the satisfaction of the Board in its absolute discretion;
- (b) 50% of the ZEPO Options will vest after the commencement commercial production from Stage 2 of the Company's Montepuez graphite project, to the satisfaction of the Board in its absolute discretion; and
- (c) 25% of the ZEPO Options will vest after the commencement of commercial production from Stage 1 of the Company's Balama Central graphite project, to the satisfaction of the Board in its absolute discretion; or
- (d) 100% of the ZEPO Options will vest on a Change of Control Event occurring, to the satisfaction of the Board in its absolute discretion.

The ZEPO Options are designed to vest after various stages of development the Company's two graphite projects come into commercial production, being the key business objectives of the Company over the next 3 years.

The Board recognises the importance of retaining all key personnel in the business and providing the appropriate incentives in order to deliver the Company's objectives. The Board believes Mr Flanagan's role as Managing Director is critical to delivering these objectives.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required, in accordance with exception 14 of Listing Rule 7.2.

Resolution 16 is an ordinary resolution.

13.2 Chapter 2E of the Corporations Act

Section 208 of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The grant of ZEPO Options constitutes giving a financial benefit and Mr. Flanagan is a related party of the Company by virtue of being a Director.

The Board (other than Mr Flanagan) considers that the grant of the ZEPO Options to Mr Flanagan would be an appropriate and reasonable component of his remuneration, and that the financial benefit represented by the grant of the ZEPO Options falls within the "reasonable remuneration" exception in section 211 of the Corporations Act. For this reason, the Company is not seeking Shareholder approval of Resolution 16 for the purposes of Chapter 2E of the Corporations Act.

13.3 Section 200B of the Corporations Act

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain Shareholder approval in the manner set out in section 200E of the Corporations Act.

Section 200B applies where the benefit is given to a person whose details are included in the Director's Report for the previous financial year. Mr Flanagan's details were included in the 2017 Director's Report of the Company.

The ZEPO Options have the potential to vest upon termination of Mr Flanagan's employment. The Board has formed the view should this occur, it may constitute a benefit in connection with Mr Flanagan's retirement from office. Therefore the Company seeks Shareholder approval for the issue of ZEPO Options.

Shareholder approval of Resolution 16 will allow the Board, where appropriate, to exercise its discretion to determine that some or all of the unvested ZEPO Options held by Mr Flanagan are deemed to have vested on his retirement or that (unvested or vested, but not yet exercised) ZEPO Options are not automatically forfeited on retirement.

The value of the benefit that might be given to Mr Flanagan by the exercise of the Board's discretion will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) the number of ZEPO Options held by Mr. Flanagan prior to the cessation of his employment;
- (b) reasons for the cessation of employment and Mr. Flanagan's length of service;
- (c) the term of the ZEPO Options remaining;
- (d) the extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) the exercise of the Board's discretion at the relevant time.

Refer to Schedule 4 for the terms and conditions of the ZEPO Options.

13.4 Listing Rule 10.14

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

Shareholder approval is required under Listing Rule 10.14 to issue the ZEPO Options to Mr Flanagan because Mr Flanagan is a Director.

If Shareholders approve Resolution 16, Listing Rule 7.2 (exception 14) provides that an issue of Shares upon conversion of those ZEPO Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval under this Resolution 16 is not required for the purposes of Listing Rule 7.1.

13.5 Information required by Listing Rule 10.15A

The following information is provided as required by Listing Rule 10.15A:

- (a) The ZEPO Options will be granted to Mr. Flanagan. Mr Flanagan is the Managing Director of the Company.
- (b) The maximum number of ZEPO Options that may be issued to Mr. Flanagan is 20,000,000 and the maximum number of Shares that may be issued to Mr. Flanagan (on exercise of the ZEPO Options) is 20,000,000 Shares (if all of the ZEPO Options are converted into Shares and the Company elects to satisfy its obligations to provide Shares to Mr. Flanagan on exercise of the ZEPO Options by way of issue rather than transfer of Shares acquired on market).
- (c) The issue price for each ZEPO Option to be issued to Mr Flanagan is nil.
- (d) Refer to Section 12.4 for details of persons referred to in Listing Rule 10.14 who have received securities under the Option Plan since it was last approved by Shareholders on 21 December 2016.
- (e) Under the rules of the Option Plan , Mr David Flanagan is the only person referred to in Listing Rule 10.14 that is entitled to participate in the Option Plan.
- (f) A voting exclusion statement is included in the Notice
- (g) No loan is made in relation to the issue of ZEPO Options or the acquisition of Shares on exercise of any ZEPO Options.
- (h) Details of any securities issued under the Option Plan will be published in each annual report relating to a period in which securities have been issued under the Option Plan, with a statement that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (i) Any additional persons (to whom Listing Rule 10.14 applies) who become entitled to participate in the Option Plan after approval of this Resolution and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (j) The Company will issue the ZEPO Options as soon as reasonably practicable after the Meeting, and in any event within three years after the Meeting.

13.6 Information required by sections 200B and 200E of the Corporations Act

The Board has determined the current value of the ZEPO Options and determined on the basis of the assumptions set out below the maximum technical value of one ZEPO Option is \$0.063 and the maximum total value of the ZEPO Options is \$1,260,000.

The Options have a zero exercise price and a service based vesting condition. Assuming that no dividends are paid by the Company during the vesting period (on the basis there is a degree of uncertainty about future dividends payable on the Company's shares during the vesting period), the market value of each ZEPO Option at the grant date is equal to the market value of the Company's Shares on the grant date. Using an assumed grant date of 14 May 2018, the market value of each ZEPO Option is equal to closing price of Shares (being \$0.063 per Option), and the total value of the 20,000,000 ZEPO Options is \$1,260,000.

For the reasons set out in Section 13.3, the potential value of the ZEPO Options arising upon termination of Mr Flanagan's employment cannot be determined in advance. Section 13.3 outlines factors that may affect the value of the ZEPO Options.

A voting exclusion statement is included in the Notice for Resolution 15.

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14. Definitions

\$ or A\$ means Australian dollars, being the lawful currency of Australia.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Capital Raising has the meaning given to that term in Section 3.1.

Capital Raising Option has the meaning given to that term in Section 3.1 and on terms and conditions set out in Schedule 1. For clarity, the Capital Raising Options include the Tranche 1 Initial Placement Options, Tranche 2 Initial Placement Options, SPP Options, Director SPP Options and the Subsequent Placement Options.

Chairman means the person appointed to chair the Meeting.

Change of Control Event has the meaning given to that term in Schedule 3.

Closely Related Party means a spouse or child of the member or has the meaning given in section 9 of the Corporations Act.

Company or **Battery Minerals** means Battery Minerals Limited ACN 152 071 095.

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Director Placement Options has the meaning given to that term in Section 7.4.

Director Placement Securities has the meaning given to that term in Section 7.1.

Director Placement Shares has the meaning given to that term in Section 7.4.

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

Director SPP Options has the meaning given to that term in Section 9.1.

Employee means a person who is a full-time or part-time employee or officer or executive director (excluding a non-executive director) or company secretary of the Company or a related

body corporate, or such other person as the Board determines.

Eligible Shareholder means a Shareholder as at the record date of 5:00pm (Perth time) on 16 May 2018 whose address on the register is in Australia or New Zealand.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Initial Placement has the meaning given to that term in Section 3.1.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Initial Placement has the meaning given to that term in Section 3.1.

Meeting has the meaning in the introductory paragraph of the Notice.

Minimum Equity Funding has the meaning given to that term in Section 3.1.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Option Plan has the meaning given to that term in Section 12.1.

Placements means the Initial Placement and the Subsequent Placement.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

RCF means Resource Capital Limited VII LP.

RCF Funding has the meaning given to that term in Section 3.1.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Securities Purchase Plan means the Company's securities purchase plan which contains the SPP Offer.

Security means a Share or an Option.

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

Shareholder means a shareholder of the Company.

Sign-on Option means an Option subject with the exercise price, vesting condition and other terms and conditions set out in Schedule 2.

SPP Offer has the meaning given to that term in Section 3.1.

SPP Options has the meaning given to that term in Section 3.4.

SPP Shares means the Shares to be issue pursuant to the SPP Offer.

Subsequent Placement has the meaning given to that term in Section 3.1.

Subsequent Placement Option has the meaning given to that term in Section 3.5.

Subsequent Placement Shares has the meaning given to that term in Section 3.5.

Subsequent Placement Securities has the meaning given to that term in Section 3.5.

Tranche 1 Initial Placement has the meaning given to that term in Section 3.2.

Tranche 1 Initial Placement Option has the meaning given to that term in Section 5.1 and on terms and conditions set out in Schedule 1.

Tranche 1 Initial Placement Share has the meaning given to that term in Section 3.2.

Tranche 2 Initial Placement has the meaning given to that term in Section 3.3.

Tranche 2 Initial Placement Option has the meaning given to that term in Section 3.3 and on terms and conditions set out in Schedule 1.

Tranche 2 Initial Placement Securities has the meaning given to that term in Section 6.1.

Tranche 2 Initial Placement Share has the meaning given to that term in Section 3.3.

US\$ means United States dollars, being the lawful currency of the United States of America.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

ZEPO Option has the meaning given to that term in Section 13.1 and other terms and conditions set out in Schedule 4.

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

Schedule 1 – Terms and Conditions of the Capital Raising Options

(a) **Entitlement**

The listed Capital Raising Options (**Options**) entitle the holder to subscribe for one Share upon the exercise of each Option.

(b) **Exercise Price, Vesting Date and Expiry Date**

The **Vesting Date, Exercise Price and Expiry Date** of each Option will be as followings:

Tranche	Vesting Date	Exercise Price	Expiry Date
100%	Immediately	\$0.10	31 July 2023

(c) **Exercise period**

An Option may be exercised at any time prior to the applicable Expiry Date, in the table in item **Error! Reference source not found.** above.

(d) **Notice of exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. A minimum of 5,000 Options must be exercised at any one time.

(e) **Shares issued on exercise**

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

(f) **Options quoted**

The Company will apply to ASX for quotation of the Options. Subject to the quotation requirements being met, the Options will be quoted.

(g) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of Shares**

After an Option is validly exercised, the Company must as soon as possible:

- (i) issue the Shares pursuant to the exercise of the Options; and
- (ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(j) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders, there will be no adjustment of the Exercise Price of an Option.

(l) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder will be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) **Options transferable**

The Options are transferable, subject to the restrictions contained in the Corporations Act.

(n) **Lodgement instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

Schedule 2 – Terms and Conditions of Sign-on Options

(a) **Entitlement**

The Sign-on Options (**Sign-on Options**) entitle the holder to subscribe for one Share upon the exercise of each Sign-on Option.

(b) **Exercise price**

The exercise price of each Sign-on Option to be issued to Jeff Dowling and Ivy Chen (or their nominee) will have an exercise price of the higher of 13 cents and 130% of the 5 day VWAP of the Company's Shares prior to the Company's General Meeting approving the grant of the Sign-on Options (**Exercise Price**).

(c) **Vesting Date**

The Sign-on Options to be issued to Jeff Dowling and Ivy Chen (or their nominees) will vest as follows:

- (i) 50% of the Sign-on Options will vest upon 12 months continuous service after appointment to the Board; and
- (ii) 50% of the Sign-on Options will vest upon 24 months continuous service after appointment to the Board.

Unless otherwise approved by the directors, unvested Sign-on Options lapse immediately on termination as a director and officer of the Company.

(d) **Expiry date**

The expiry date of each Sign-on Option is the date that is five years from date of grant.

(e) **Exercise period**

A Sign-on Option may only be exercised after the Sign-on Options vest and at any time prior to their Expiry Date.

(f) **Notice of exercise**

The Sign-on Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Sign-on Option being exercised. Any Notice of Exercise of a Sign-on Option received by the Company will be deemed to be a notice of the exercise of that Sign-on Option as at the date of receipt.

(g) **Shares issued on exercise**

Shares issued on exercise of the Sign-on Options will rank equally with the then issued Shares of the Company.

(h) **Sign-on Options not quoted**

The Company will not apply to ASX for quotation of the Sign-on Options.

(i) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Sign-on Options.

(j) **Timing of issue of Shares**

After a Sign-on Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and

- (ii) do all such acts, matters and things to obtain:
 - (A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Sign-on Option; and
 - (B) receipt of cleared funds equal to the sum payable on the exercise of the Sign-on Option.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Sign-on Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Sign-on Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Sign-on Options the opportunity to exercise their Sign-on Options prior to the date for determining entitlements to participate in any such issue.

(l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Sign-on Option will be increased by the number of Shares which the option holder would have received if the Sign-on Option holder had exercised the Sign-on Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(m) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of a Sign-on Option.

(n) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Sign-on Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(o) **Sign-on Options not transferable**

The Sign-on Options are not transferable.

(p) **Lodgement instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Sign-on Options with the appropriate remittance should be lodged at the Company's share registry.

Schedule 3 – Summary of Option Plan

- (a) The Directors, at their discretion, may issue Options to Employees at any time, having regard to relevant considerations such as the Employee's past or potential contribution to the Company, and their period of employment with the Company.
- (b) Participants in the Option Plan are full-time or part-time employees of the Company or a related body corporate (which includes executive Directors, the company secretary and officers, but excludes non-executive Directors) or such other persons as the Board determines, or their permitted nominees. The Company will seek shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.
- (c) The Option Plan is administered by the Directors of the Company, who have the power to:
 - (i) determine appropriate procedures for administration of the Option Plan consistent with its terms;
 - (ii) resolve conclusively all questions of fact or interpretation in connection with the Option Plan;
 - (iii) delegate the exercise of any of its powers or discretions arising under the Option Plan to any one or more persons for such period and on such conditions as the Board may determine; and
 - (iv) suspend, amend or terminate the Option Plan.
- (d) Options must be granted for nil monetary consideration or no more than nominal monetary consideration.
- (e) The exercise price of the Plan Options shall be determined by the Board in its discretion.
- (f) The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of the Options when aggregated with:
 - (i) the number of Shares in the same class issued during the previous 5 years under the Option Plan (or any other employee incentive plan extended only to employees); and
 - (ii) the number of Shares in the same class that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive plan of the Company were to be exercised or accepted,
 - (iii) does not exceed 5% of the total number of issued Shares at the time the invitation to acquire Options is made (but disregarding any offer of Options that can be disregarded in accordance with relevant ASIC class order or legislative instruments).
- (g) The Shares to be issued on exercise of the Options will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.
- (h) The Board may determine the time periods or performance hurdles after which the Options will vest and the percentage of Options issued which will vest at each particular time. The Option Plan provides for the release of vesting conditions at the Board's discretion in the event of a change of control of the Company.
- (i) Upon the occurrence of a Change in Control Event, the Board may, in its absolute discretion, determine that any Options vest and may be exercised. A **Change in Control Event** means:
 - (i) the occurrence of:
 - (A) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and

- (B) that takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Options); or
 - (ii) the announcement by the Company that:
 - (A) Shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (1) cancelled; or
 - (2) transferred to a third party; and
 - (B) the Court, by order, approves the proposed scheme of arrangement; or
 - (iii) the occurrence of the sale of all or a majority of the Company's main undertaking; or
 - (iv) at the absolute discretion of the Board, the occurrence of a sale of at least 50% of the Company's main undertaking.
- (j) On cessation of employment:
 - (i) unless the Board determines otherwise, an Employee who ceases to be an Employee by reason of retirement, permanent disability, redundancy or death, or is otherwise determined by the Board as a good leaver (**Good Leaver**) is entitled to keep their vested Options have not been exercised and any unvested Options as determined by the Board.
 - (ii) unless the Board determines otherwise, all vested Options held by a person other than a Good Leaver (**Bad Leaver**) must be exercised by the earlier of their respective expiry date or the date that is 3 months after that person ceases to be an Employee. All unvested Options held by a Bad Leaver lapse upon cessation of that person's employment.
- (k) An Option must be exercised (if at all) not later than its expiry date and may only be exercised at any time after the Plan Option has vested. The Board may determine (in its absolute discretion) any further conditions of exercise consistent with the terms of the Option Plan.
- (l) Options will not be listed for quotation. However, the Company will make application to ASX for official quotation of all Shares issued on exercise of the Options as soon as practicable after their Issue Date.
- (m) The Options are not transferable unless vested or with the prior written approval of the Board and provided that the transfer complies with the Corporations Act.
- (n) If there is any reorganisation of the issued share capital of the Company, the rights of the Plan Option holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (o) There are no participating rights or entitlements inherent in the Options and Employees will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options

Schedule 4 – Terms and Conditions of ZEPO Options

(a) **Entitlement**

The ZEPO Options (**ZEPO Options**) entitle the holder to subscribe for one Share upon the exercise of each ZEPO Option.

(b) **Exercise price**

The exercise price of each ZEPO Option will be nil (**Exercise Price**).

(c) **Vesting Date**

The ZEPO Options will vest as follows:

- (i) 25% of the ZEPO Options will vest after commencement of commercial production from Stage 1 of the Company's Montepuez graphite project to the satisfaction of the Board in its absolute discretion;
- (ii) 50% of the ZEPO Options will vest after commencement of commercial production from Stage 2 of the Company's Montepuez graphite project to the satisfaction of the Board in its absolute discretion; and
- (iii) 25% of the ZEPO Options will vest after commencement of commercial production from Stage 1 of the Company's Balama Central graphite project to the satisfaction of the Board in its absolute discretion; or
- (iv) 100% of the ZEPO Options will vest on a Change of Control Event occurring, to the satisfaction of the Board in its absolute discretion.

If a vesting condition is satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the holder of the ZEPO Options informing the holder that the relevant ZEPO Options have vested (**Vesting Notice**). Unless and until the Vesting Notice is issued by the Company, the ZEPO Options will not be considered to have vested.

Unless otherwise approved by the directors, unvested ZEPO Options lapse immediately on termination as a director and officer of the Company.

If the ZEPO Optionholder ceases employment with the Company while the ZEPO Optionholder holds vested ZEPO Options, the ZEPO Options will be forfeited by the ZEPO Optionholder and lapse if the ZEPO Optionholder does not exercise the ZEPO Options within 3 months of the date the ZEPO Optionholder ceases employment.

"**Change in Control Event**" means:

- (i) the occurrence of:
 - (A) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (B) that takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Options); or
- (ii) the announcement by the Company that:
 - (A) Shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (1) cancelled; or
 - (2) transferred to a third party; and
 - (B) the Court, by order, approves the proposed scheme of arrangement; or
- (iii) the occurrence of the sale of all or a majority of the Company's main undertaking; or

- (iv) at the absolute discretion of the Board, the occurrence of a sale of at least 50% of the Company's main undertaking.
- (d) **Expiry date**

The expiry date of each ZEPO Option is the date that is five years from date of grant. For the avoidance of doubt, if the vesting condition relevant to a ZEPO Option is not satisfied and/or otherwise waived by the Board before the expiry date, that ZEPO Option will lapse.
- (e) **Exercise period**

A ZEPO Option may only be exercised after the ZEPO Option has vested and at any time prior to their Expiry Date.
- (f) **Notice of exercise**

A ZEPO Option may be exercised by notice in writing to the Company (**Notice of Exercise**). Any Notice of Exercise of a ZEPO Option received by the Company will be deemed to be a notice of the exercise of that ZEPO Option as at the date of receipt.
- (g) **Shares issued on exercise**

Shares issued on exercise of the ZEPO Options will rank equally with the then issued Shares of the Company.
- (h) **ZEPO Options not quoted**

The Company will not apply to ASX for quotation of the ZEPO Options.
- (i) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the ZEPO Options.
- (j) **Timing of issue of Shares**

After a ZEPO Option is validly exercised, the Company must as soon as possible:

 - (i) issue the Share; and
 - (ii) do all such acts, matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the ZEPO Option.
- (k) **Participation in new issues**

There are no participation rights or entitlements inherent in the ZEPO Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the ZEPO Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of ZEPO Options the opportunity to exercise their vested ZEPO Options prior to the date for determining entitlements to participate in any such issue.
- (l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

 - (i) the number of Shares which must be issued on the exercise of a ZEPO Option will be increased by the number of Shares which the option holder would have received if the ZEPO Option holder had exercised the ZEPO Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

(m) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of a ZEPO Option.

(n) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the ZEPO Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(o) **ZEPO Options not transferable**

The ZEPO Options are not transferable.

(p) **Lodgement instructions**

The application for Shares on exercise of the ZEPO Options should be lodged at the Company's share registry.

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

[BARCODE]

Holder Number:
[HolderNumber]

[Name/Address 1]
[Name/Address 2]
[Name/Address 3]
[Name/Address 4]
[Name/Address 5]
[Name/Address 6]

Vote by Proxy: BAT

Your proxy voting instruction must be received by **8.30am (WST) on Monday 25 June 2018** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal:
<https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes

VOTING UNDER STEP 1 - APPOINTING A PROXY

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. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE 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 these 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 Voting 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 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

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE MEETING


Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY


If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

CONTACT

Return your completed form:




BY MAIL
 Automic Registry Services
 PO Box 2226
 Strawberry Hills NSW 2012




IN PERSON
 Automic Registry Services
 Level 3, 50 Holt Street,
 Surry Hills NSW 2010


Contact us – All enquiries to Automic:



WEBCHAT
<https://automic.com.au/>



EMAIL
hello@automic.com.au



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

STEP 1: Please appoint a Proxy

Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the General Meeting of Battery Minerals Limited, to be held at **8.30 am (WST) on Wednesday 27th June 2018 at Quest West Perth, 54 Kings Park Road, West Perth WA** hereby:

Appoint the Chairman of the Meeting (Chair) 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 or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
 Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
 Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 15 and 16 (except where I/we have indicated a different voting intention below) even though Resolutions 15 and 16 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Ratification of Tranche 1 Initial Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Authority for Ms Ivy Chen to participate in the Tranche 2 Initial Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Tranche 1 Initial Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Authority to grant the SPP Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Authority to grant Tranche 1 Initial Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Authority to grant the Director SPP Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Authority to issue Tranche 2 Initial Placement Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Authority to issue the Subsequent Placement Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Authority for Mr David Flanagan to participate in the Tranche 2 Initial Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval of grant of Sign-on Options to Mr Jeff Dowling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Authority for Mr Jeff Dowling to participate in the Tranche 2 Initial Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Approval of grant of Sign-on Options to Ms Ivy Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Authority for Mr Brett Smith to participate in The Tranche 2 Initial Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Amendment and Renewal of Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Authority for Mr Gilbert George to participate In the Tranche 2 Initial Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Approval to issue ZEPO Options to Mr David Flanagan an issue Shares upon exercise of the Options, and to give potential retirement benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date ____ / ____ / ____

Email Address _____

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

[BARCODE]

ASX CODE
[HolderNumber]