



Australian Mines Limited
ABN 68 073 914 191

Level 34, 1 Eagle Street
Brisbane, Queensland 4000
+61 7 3184 9184
info@australianmines.com.au

australianmines.com.au

9th October 2020

Dear Shareholders

Australian Mines Limited Annual General Meeting

The Notice of General Meeting of Australian Mines Limited (**Australian Mines** or **the Company**) is now available at www.asx.com.au/asx/share-price-research/company/AUZ

Safety of our shareholders and staff is our paramount concern, and therefore, in line with State Government regulations and ASIC recommendations during the COVID 19 pandemic, we will hold the meeting by way of live video conference. There will be no physical meeting.

The consequences of this are as follows:

1. If you wish to attend the virtual AGM, you must register at admin@advancedshare.com.au at least 24 hours prior to the meeting. You will then be sent a link to the meeting webcast;
2. Questions concerning the business of the meeting should be submitted to investor@australianmines.com.au in advance of the meeting. There will be a facility to put questions in writing during the meeting using a Q&A facility;
3. All resolutions will be determined by way of a poll. The poll will be conducted based on votes submitted by proxy and by Shareholders who have indicated that they intend to vote at the Meeting. The Company's share registry will be facilitating voting during the Meeting.

Shareholders are strongly encouraged to lodge a proxy form to vote at the AGM at least 48 hours before the meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read "Oliver Carton".

Oliver Carton
Company Secretary

AUSTRALIAN MINES LIMITED

ABN 68 073 914 191

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.00 pm Brisbane, QLD time

DATE: 10 November 2020

By videoconference

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

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00 pm Brisbane QLD Time on 10 November 2020 by video conference.

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are registered shareholders as at 5.00pm Brisbane QLD time on 9 November 2020.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

Proxy vote if appointment specifies way to vote

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

- the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

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

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

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

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM 1

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”

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

Voting Prohibition Statement:

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

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

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

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTORS

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

- 3.1 *“That Mr Dominic Marinelli, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

- 3.2 *“That having been appointed during the year, Mr Les Guthrie, a Director, retires, and being eligible, is elected as a Director.”*

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital on the date of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of fully paid ordinary securities (**Shares**)), if the resolution is passed, or any associates of those persons.

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

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

5. RESOLUTION 4 - RATIFICATION OF ISSUE OF SECURITIES

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

“That for the purposes of ASX Listing Rules 7.4, and for all other purposes, Shareholders ratify the issue and allotment by the Company of the Shares to the recipients set out in Section 5 of the Explanatory Statement.”

Voting Exclusion The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the Securities issues, or any associates of that persons.

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

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. **CONDITIONAL RESOLUTION 5 – SPILL RESOLUTION**

Condition for Resolution 5: Resolution 5 will be considered at the AGM only if at least 25% of the votes cast on Item 1 are against the adoption of the Remuneration Report. The Explanatory Statement further explains the circumstances in which Resolution 3 will be put to the meeting.

Conditional on at least 25% of votes being cast against Resolution 1, to consider and if thought fit, to pass the following ordinary resolution:

- 3.1 *a meeting of the Company's members be held within 90 days of the date of the 2020 Annual General Meeting (the spill meeting);*
- 3.2 *each of Dominic Marinelli*, Les Guthrie*, Michael Ramsden and Mick Elias cease to hold office immediately before the end of the spill meeting; and*
- 3.3 *resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.*

** assuming the director is re-elected at this AGM.*

Voting Exclusion

The Company will disregard any votes cast on the proposed resolution by or on behalf of:

- (a) a KMP; or
- (b) a Closely Related Party of a KMP,

whether the votes are cast as a Shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote cast by a KMP or Closely Related Party of a KMP if it is cast as a proxy and it is not cast on behalf of a KMP or a Closely Related Party of a KMP. If the proxy is the Chairman, and the proxy does not specify the way in which the proxy should vote, the Chairman intends to vote against the resolution.

BY ORDER OF THE BOARD



**BENJAMIN BELL
MANAGING DIRECTOR
9th OCTOBER 2020**

EXPLANATORY STATEMENT

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

Unless stated otherwise, information concerning the number of Shares on issue, market capitalisation and Share price are as at the date of the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM 1

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.australianmines.com.au/>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

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

Further details are set out in Conditional Resolution 5.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were more than 25%. Accordingly, a Spill Resolution will be put to this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy.

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, **you should note that the Chair intends to vote all undirected proxies in favour of resolutions 1 to 4 and against resolution 5.**

If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTORS

Clause 7.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded down to the nearest whole number), shall retire from office. Directors appointed during the year must also retire at the AGM following their appointment and can be elected.

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

A Director who retires by rotation is eligible for re-election.

The Company currently has 4 Directors (excluding the Managing Director) and accordingly 1 must retire.

Mr Dominic Marinelli retires by rotation and seeks re-election. His details can be found in the Directors' Report section of the Annual Report. All Directors recommend that you vote in favour of his re-election.

Mr Les Guthrie retires having been appointed during the year and seeks election. His details can be found in the Directors' Report section of the Annual Report. All Directors recommend that you vote in favour of his election.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 4.2 below).

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue on the date of issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1, being a total of 25% of the Company's fully paid ordinary securities on issue.

If resolution 3 is not passed, the Company will not be able to access the additional 10% placement capacity in Listing Rule 7.1A and will be limited to its placement capacity under Listing Rule 7.1 without first obtaining shareholder approval.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 ASX Listing Rule 7.1A

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

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

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation less than \$300 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 1 class of Equity Securities on issue, being the Shares (ASX Code: AUZ).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue at the commencement of the relevant period:
- plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2, other than exceptions 9, 16 or 17;
 - plus the number of Shares issued in the relevant period on conversion of convertible securities within Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or take under these rules to have been approved, under Rule 7.1 or 7.4;
 - plus the number of Shares issued in the relevant period under an agreement to issue securities within Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or take under these rules to have been approved, under Rule 7.1 or 7.4;
 - plus the number of Shares issued in the relevant period with approval of holders of Shares under rules 7.1 or 7.4;
 - plus the number of partly paid shares that became fully paid in relevant period; and
 - less the number of Shares cancelled in relevant period.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under Listing Rule 7.1 or 7.4.

Relevant period means:

- If the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- If the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

4.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

4.3.1 Minimum Price

Any Equity Securities issued under Rule 7.1A.2 must be in an existing quoted class of the eligible entity's quoted securities and issued for a cash consideration per security which is not less than 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

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

4.3.2 Date of Issue

An approval under this Rule 7.1A commences on the date of the AGM at which the approval is obtained and expires on the first to occur of the following:

- the date that is 12 months after the date of the AGM;
- the time and date of the entity's next AGM;
- the time and date of approval by holders of Shares of any transaction under Listing Rules 11.1.2 or 11.2.

(10% Placement Capacity Period).

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature and scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

4.3.3 Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at 29 September 2020.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.007 50% decrease in Issue Price	\$0.014 Issue Price	\$0.021 50% increase in Issue Price
3,961,453,850 (Current)	10% Voting Dilution	396,145,385	396,145,385	396,145,385
	Funds raised	\$2,773,017	\$5,546,035	\$8,319,053
5,942,180,775 (50% increase)	10% Voting Dilution	594,218,077	594,218,077	594,218,077
	Funds raised	\$4,159,526	\$8,319,053	\$12,478,579
7,922,907,700 (100% increase)	10% Voting Dilution	792,290,770	792,290,770	792,290,770
	Funds raised	\$5,546,035	\$11,092,070	\$16,638,106

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer), that are issued as a result of the exercise of unlisted options.

The table above uses the following assumptions:

- There are currently 3,961,453,850 Shares on issue.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The issue price set out above is the closing price of the Shares on the ASX on 29 September 2020.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity being 10% of the Company's issued capital on the date of issue.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.

The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

4.3.4 Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration (expenditure funds may then be used for project, feasibility studies and ongoing project administration) and general working capital.

4.3.5 Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

At this point in time no decision has been made concerning use of the 10% placement capacity during the relevant period, including the number of placements, the number of Equity Securities it may issue and when this may occur.

Therefore the allottees of the Equity Securities that may be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

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

4.3.6 Previous Approval under ASX Listing Rule 7.1A

The Company has previously obtained approval under Listing Rule 7.1A at the 2014, 2015, 2016, 2017, 2018 and 2019 Annual General Meetings.

During the 12 months prior to the date of this meeting, the Company has not issued any equity securities under Listing Rule 7.1A.2.

4.3.7 Compliance with ASX Listing Rules 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will

- state in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A; and
- give to ASX immediately after the issue a list of names of the persons to whom the entity issued the Equity Securities and the number of Equity Securities issued to each.

4.3.8 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5. RESOLUTION 4 - RATIFICATION OF ISSUE OF SECURITIES

5.1 Background

On the dates set out in Table 1 of Annexure A, the Company agreed to issue the Equity Securities set out in that table, for the reasons referred to in that table. The Board is allowed to issue or agree to issue up to 15% of its issued capital without Shareholder approval each 12 months under ASX Listing Rule 7.1, with a number of exceptions. The Company has issued securities for the purposes as set out in Table 1 of Annexure A within this limit that do not fit within any of the exceptions. Accordingly, those issues use up part of the 15% limit under Listing Rule 7.1, reducing the Company's capacity to issue Equity Securities without Shareholder approval for 12 months from the date of issue.

Under Listing Rule 7.4, the Company can seek Shareholder ratification of an issue made within the limit of ASX Listing Rule 7.1, and, if given, the effect of the ratification is to deem that the securities issued were issued with Shareholder approval, meaning that, from the date of the approval, the Board is again able to issue up to a further 15% of the issued capital without Shareholder approval.

The Company wishes to obtain as much flexibility as possible to issue Equity Securities in the future without having to obtain Shareholder approval each time. Accordingly, shareholder approval is sought.

As stated above, if Shareholder approval is given, the Equity Securities set out in Table 1 of Annexure A will not count in calculating the Company's 15% limit under Listing Rule 7.1, thereby increasing the number of Equity Securities it can issue in the 12 months following the issue dates.

If shareholder approval is not given, the Equity Securities set out in Table 1 of Annexure A will count in calculating the Company's 15% limit, thereby decreasing the number of Equity Securities it can issue in the 12 months following the issue dates.

5.2 Terms of Securities

The Securities issued were Shares ranking equally with other Shares on issue.

5.3 ASX Listing Rule requirements for Resolution 4

- (a) ASX Listing Rule 7.4

As stated, ASX Listing Rule 7.4 enables the Company to ratify an issue of securities made without prior Shareholder approval under ASX Listing Rule 7.1 if:

- i. the issue of securities did not breach ASX Listing Rule 7.1; and
- ii. Shareholders subsequently approve the issue of those securities by the Company.

The securities issued did not breach ASX Listing Rule 7.1.

(b) Technical information required by ASX Listing Rule 7.4

Pursuant to, and in accordance with, ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) The number of securities issued is set out in Schedule 1;
- (b) the issue price of the Securities was as set out in Schedule 1;
- (c) the terms of the Securities were as set out in Schedule 1;
- (d) the names of the persons to whom the Company issued the Securities were as set out in Schedule 1;
- (e) the funds raised from the issue of the Securities were used for the purposes set out in Schedule 1.

5.4 Recommendation of directors

All Directors recommend that Shareholders vote in favour of Resolution 4.

6. CONDITIONAL RESOLUTION 5 – SPILL RESOLUTION

Shareholders should note that Resolution 5 will be considered at the AGM only if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report.

The Corporations Act was amended in June 2011 to introduce the “two-strikes” rule. The two strikes rule provides that if at least 25% of the votes cast (excluding KMP and their Closely Related Parties) on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on the Spill Resolution.

At last year’s AGM, at least 25% of the votes cast on the resolution to adopt the remuneration report were against adopting the report. This constitutes a “first strike”.

If less than 25% of the votes cast on Resolution 1 are against adopting the remuneration report at the 2020 AGM, then there will be no second strike and the Spill Resolution will not be put to the meeting.

If at least 25% of the votes cast on Resolution 1 are against adopting the Remuneration Report this will constitute a second strike and Resolution 5 will be put to the meeting and voted on as required by section 250V of the Corporations Act.

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

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

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

If the spill resolution is passed, Shareholders should note that each of the Relevant Directors intends to stand for re-election at the spill meeting. Shareholders should also note that there are no voting restrictions for the spill meeting and Directors have advised that they will vote their shares to re-elect each Relevant Director.

Glossary

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

Annual Report means the Company's annual financial report for the year ended 30 June 2020

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Brisbane, QLD Time means Australian Eastern Standard Time as observed in Brisbane Queensland.

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

Chair means the chair of the Meeting.

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

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

Company means Australian Mines Limited (ACN 073 914 191).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity has the meaning given to that term in the ASX Listing Rules.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and

responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Annual Report.

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

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

Shareholder means a holder of a Share.

Annexure A

Table 1 - Issued under Listing Rule 7.1

No of securities	Date of issue announcement	Date of issue	Class	Issue Price (\$)	Close market price (\$)	Discount	Consideration cash (\$)	Consideration non-cash – current value	Purpose of issue	Persons issued to or basis on which those persons were determined
181,250,000	14.04.20	17.04.20	ORD	0.008	0.11	27.3%	0.008		To produce battery grade metals and working capital (i)	Clients of Canaccord Genuity (ii)
45,312,500	03.08.20	03.08.20	ORD	0.015	0.021	28.6%	0.015		Exercise of options (i)	Option holders
290,148,871	26.08.20	02.09.20	ORD	0.018	0.020	10%	0.018		Development of Sconi	Clients of Canaccord Genuity

(i) As announced to the market on 14 April 2020, Australian Mines raised \$1.45m by way of a placement comprising the issue of 181,250,000 new shares in the Company (“New Shares”) at an issue price of \$0.008 per New Share with one (1) free attaching unlisted option for every four (4) New Shares subscribed with an exercise price of \$0.015 and expiring two (2) years from the date of issue. Options were exercised on 3 August 2020.

Funds raised were used to produce battery-grade nickel sulphate and cobalt sulphate for potential offtake and financing partners, and for general working capital. For further details see announcement dated 14 April 2020.

(ii) Canaccord Genuity is a global independent investment advisory and financial services company. It acted as sole lead manager to the issues of Equity Securities and identified investors from its client base at its discretion.

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

IMPORTANT NOTE:

Due to the continued restrictions in relation to COVID-19, the Company has adopted measures to allow shareholders to participate in the Annual General Meeting ("AGM" or "Meeting") online this year. The AGM will be made accessible to shareholders via a live webcast with an online platform to facilitate shareholder questions in relation to the business.

2020 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Australian Mines Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting **OR**



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

STEP 1

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **virtually on 10 November 2020 at 2.00 pm Brisbane, QLD time** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

VOTING DIRECTIONS

Ordinary Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(a) Re-Election of Directors - Mr Dominic Marinelli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(b) Re-Election of Directors - Mr Les Guthrie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Conditional

Please note that if you vote in favour of adoption of the Remuneration Report you should vote against the Spill Resolution.

	Against	For	Abstain*
5 Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

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

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

STEP 3

COVID-19: AUSTRALIAN MINES LIMITED ANNUAL GENERAL MEETING

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to listen to the Meeting and vote online.

Shareholders who wish to attend the Meeting virtually must first register their attendance with the Company by no later than 2.00 pm Brisbane, QLD time on 6 November 2020, the day prior to the day of the Meeting, by email to admin@advancedshare.com.au, including the Shareholder's name, address and HIN or SRN. The Company will then email the Shareholder the details to participate in the virtual Meeting via www.advancedshare.com.au/Virtual-Meeting.

Shareholders may submit questions ahead of the Meeting via the portal from 9 October 2020.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

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

COMPLIANCE WITH LISTING RULE 14.11

In accordance to Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on a resolution where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

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

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 2.00 pm Brisbane, QLD time on 8 November 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033