



AUSTRALIAN **BAUXITE** LIMITED

## **NOTICE OF THE ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

The Annual General Meeting of

Australian Bauxite Limited

ACN 139 494 885

will be held at Level 5, 52 Phillip Street Sydney at 11.00 am on  
Wednesday 14 July 2021

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## NOTICE OF THE ANNUAL GENERAL MEETING

### Australian Bauxite Limited ACN 139 494 885

Notice is hereby given that the Annual General Meeting of members of Australian Bauxite Limited (the **Company**) will be held on 14 July 2021 at 11.00am (Sydney Time) by teleconference.

If Shareholders have any questions regarding the meeting or seek further information, please contact the Company Secretary at [hkinstlinger@australianbauxite.com.au](mailto:hkinstlinger@australianbauxite.com.au).

#### Ordinary Business

##### 1. Financial Statements and Reports

To receive the Company's financial statements and the reports of the Directors and the Auditors thereon for the financial year ended 31 December 2020.

##### 2. Remuneration Report

###### Resolution 1: Non-binding resolution to adopt the Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**.

*"That the Directors' Remuneration Report for the year ended 31 December 2020 be and is hereby adopted for the purposes of the Corporations Act 2001 (Cth)".*

Note: this Remuneration Report is set out on pages 18 to 20 of the Directors' Report contained in the 2020 Annual Report in accordance with Section 250R(3) of the *Corporations Act 2001 (Cth)*.

###### Voting Exclusion Statement

A voting exclusion applies to this Resolution 1. The Company will disregard any votes cast (in any capacity whether as proxy or as shareholder) by any of the following:

- (a) Key Management Personnel
- (b) Closely Related Parties of Key Management Personnel; and
- (c) As a proxy by a member of Key Management Personnel or a Key Management Personnel's Closely Related Party

However, the Company need not regard a vote if it is:

- Cast by a person as proxy appointed in accordance with the directions on the proxy form that specify how the proxy is to vote on Resolution 1; and the vote is not cast on behalf of a person described in subparagraphs (a), (b) and (c) above; or
- Cast by the chair of the Meeting as proxy appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the remuneration report, and the vote is not cast on behalf of a person described in subparagraphs (a), (b) and (c) above

##### 3. Election of Directors

###### Resolution 2: Ordinary resolution to elect Mr Ken Boundy as a Director of the Company

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

*"That Ken Boundy, retiring in accordance with ASX Listing Rule 14.5 and Article 49.1.3 of the Company's Constitution, be elected as a Director of the Company".*

Note: the qualifications and experience of Mr Boundy is provided in the 2020 Annual Report tabled at this Annual General Meeting.

##### 4. Approval of Participation of Directors in the Placement

###### Resolution 3: Ordinary resolution to Approve Participation in the Placement by Director. Paul Lennon

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue Paul Lennon (and/or his nominee), a director of the Company, 300,000 Shares at an issue price of \$0.10 per Share and 300,000 Options exercisable at \$0.20 before 31 May 2023 on the terms outlined in the Explanatory Statement”.*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 3 by or on behalf of Paul Lennon or an associate of Paul Lennon and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the 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.

**Resolution 4: Ordinary resolution to Approve Participation in the Placement by Director, Ian Levy**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue Ian Levy (and/or his nominee), a director of the Company, 400,000 Shares at an issue price of \$0.10 per Share and 400,000 Options exercisable at \$0.20 before 31 May 2023 on the terms outlined in the Explanatory Statement”.*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 4 by or on behalf of Ian Levy or an associate of Ian Levy and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the 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.

**Resolution 5: Ordinary resolution to Approve Participation in the Placement by Director, Ken Boundy**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue Ken Boundy (and/or his nominee), a director of the Company, 300,000 Shares at an issue price of \$0.10 per Share and 300,000 Options exercisable at \$0.20 before 31 May 2023 on the terms outlined in the Explanatory Statement”.*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 5 by or on behalf of Ken Boundy or an associate of Ken Boundy and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the 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. Approval of issue of new Options under the Placement**

### **Resolution 6: Ordinary resolution to Approve the issue of 31,500,000 Options**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given to issue 31,500,000 Options exercisable at \$0.20 before 31 May 2023 on the terms outlined in the Explanatory Statement”.*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 6 by any person who has participated in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity)

However, this does not apply to a vote cast in favour of the 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 any person who is 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. Share Capital Approvals/ Ratifications**

### **Resolution 7: Ordinary resolution to ratify the previous issue of 76,752 shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders of the Company approve and ratify the allotment and issue of 76,752 fully paid ordinary shares on 16 November 2020 at \$0.107 per share to a contractor for services rendered as set out in the explanatory statement.”*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 7 by any person who participated in, or who will obtain a material benefit as a result of, the issue (except a benefit solely by reason of being a holder of ordinary securities in the entity)

However, this does not apply to a vote cast in favour of the 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 any person who is 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.

**Resolution 8: Ordinary resolution to Ratify the issue of 16,900,000 Shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the allotment and issue of 16,900,000 fully paid ordinary Shares on 28 May 2021 at \$0.10 per shares to sophisticated and professional investors as set out in the explanatory statement attached hereto be approved and ratified.”*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 8 by any person who participated in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity)

However, this does not apply to a vote cast in favour of the 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 Any person who is 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.

**Resolution 9: Ordinary resolution to Ratify the issue of 5,534,000 Options**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the allotment and issue of 5,534,000 options on 28 May 2021 at \$0.000010 per option to be exercised at \$0.20 before 31 May 2023 to the Lead manager, CPS Capital (or their nominees) as set out in the explanatory statement attached hereto be approved and ratified.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 9 by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity)

However, this does not apply to a vote cast in favour of the 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 any person who is 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.

#### **4. Additional Placement Capacity**

##### **Resolution 10: Special resolution to approve an additional 10% placement capacity**

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

*“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, approval is given by the shareholders to allow the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the explanatory statement attached hereto.”*

**Note:** this resolution is a special resolution and can only be passed if at least 75% of the votes cast, in person or by proxy, by members who are entitled to vote on the resolution, vote in favour.

#### **Other Business**

To transact any other business that in accordance with the Company’s Constitution and the Corporations Act, may be legally brought before an Annual General Meeting.

By Order of the Board of Directors



Henry Kinstlinger  
Company Secretary

09 June 2021

**This Notice of Meeting is accompanied by an Explanatory Statement that explains the purpose of the Meeting and the resolutions to be considered at the Meeting.**

## EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide shareholders of Australian Bauxite Limited (**the Company**) with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

If you have any queries regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company or your professional advisor.

### 1. Financial Statements and Reports

*The Corporations Act 2001* (Cth) requires the Financial Report, Directors' Report and Auditor's Report for the past financial year to be tabled before the Annual General Meeting, and the Company's Constitution provides for such reports to be received and considered at that meeting. Neither the *Corporations Act 2001* (Cth) nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such Reports. The Annual General Meeting provides a forum for shareholders to ask questions and make comments on the Company's reports and accounts and on the business and operations of the Company for the year ended 31 December 2020.

In addition, shareholders may, at the meeting, ask questions of the auditor in relation to the following matters:

- the conduct of the audit;
- the content of the auditor's report;
- the accounting policies adopted by the Company for the preparation of the financial statements; and
- the auditor's independence in relation to the above items.

Shareholders may view the Company's Annual Financial Report on the Company's website <http://australianbauxite.com.au/Annual-and-Half-Year-Reports.htm>.

### 2. Resolution 1: Remuneration Report

#### Resolution 1 – Adoption of Directors' Remuneration Report

In accordance with Section 250R(2) of the *Corporations Act 2001* (Cth) a resolution that the Remuneration Report be adopted must be put to a vote at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's 2020 Annual Report and is also available from the Company's website <http://australianbauxite.com.au/Annual-and-Half-Year-Reports.htm>.

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
- sets out the remuneration arrangements in place for each director and for certain members of the senior management team; and
- explains the difference between the bases for remunerating non-executive directors and senior executives, including the Chief Executive Officer.

If the Company's Remuneration Report resolution receives 'NO' votes of 25% or more of the votes cast at the meeting, the Company's subsequent remuneration report will include a report on actions taken by the Board in the Company's next annual report.

The Board will take the outcome of the vote, even if it received a less than 25% 'NO' vote into consideration when reviewing the Company's remuneration policy. A 'NO' vote of 25% or more **was not** received at the Company's 2020 Annual General Meeting.

### 3. Resolution 2: Election of Directors

#### Resolution 2 – Election of Mr Ken Boundy as a Director

Mr Ken Boundy retires in accordance with ASX Listing Rule 14.5 which states that an entity which has directors must hold an election of directors at each annual general meeting and Article 49.1.3 of the Company's Constitution, which provides that one third of the directors automatically retire at the end of each Annual General Meeting of the Company.

Mr Boundy was appointed as a non-executive director of the company on 6 June 2012. Being eligible, Mr Boundy offers himself for re-election.

### 4. Resolutions 3, 4 and 5 Approval of Participation of Directors in the Placement

#### 1.1 General

On 24 May 2021, the Company announced a placement of 32,500,000 fully paid ordinary shares at \$0.10 per share (**New Shares**) with attaching options on a 1 for 1 basis, exercisable at \$0.20 before 31 May 2023 (**Placement Options**) to raise \$3.25 million (before costs) (**the Placement**) to sophisticated investors.

#### Resolution 3 – Approval of Participation of Director Paul Lennon in the Placement

Included in this offering was an allocation of 300,000 New Shares and 300,000 Placement Options to a non-executive director of the Company, Paul Lennon (or his nominee). The written undertaking from Mr Paul Lennon to participate in the Placement is subject to Shareholder approval pursuant to this Resolution.

Resolution 3 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11 to approve the issue of 300,000 New Shares and 300,000 Placement Options to Director Paul Lennon (or his nominee).

#### Resolution 4 – Approval of Participation of Director Ian Levy in the Placement

Included in this offering was an allocation of 400,000 New Shares and 400,000 Placement Options to an executive director of the Company, Ian Levy (or his nominee). The written undertaking from Mr Ian Levy to participate in the Placement is subject to Shareholder approval pursuant to this Resolution.

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11 to approve the issue of 400,000 New Shares and 400,000 Placement Options to Director Ian Levy (or his nominee).

#### Resolution 5 – Approval of Participation of Director Ken Boundy in the Placement

Included in this offering was an allocation of 300,000 New Shares and 300,000 Placement Options to a non-executive director of the Company, Ken Boundy (or his nominee). The written undertaking from Mr Ken Boundy to participate in the Placement is subject to Shareholder approval pursuant to this Resolution.

Resolution 5 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11 to approve the issue of 300,000 New Shares and 300,000 Placement Options to Director Ken Boundy (or his nominee).

#### 1.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that a company must not issue equity securities to a Related Party without approval of shareholders. Messrs Paul Lennon, Ian Levy and Ken Boundy are related parties by virtue of being Directors as set out in ASX Listing Rule 10.11.1. Pursuant to ASX Listing Rule 7.2 exception 14, where approval under ASX Listing Rule 10.11 is obtained, approval is not required under ASX Listing Rule 7.1 and the issue of securities will not be included in the Company's 15% limit.

If either of Resolutions 3, 4 or 5 are not passed by Shareholders, the Company will not be able to proceed with the issue of 300,000 New Shares and 300,000 Placement Options to either Mr Paul Lennon (or his nominee), or Mr Ken Boundy (or his nominee), or 400,000 New Shares and 400,000 Placement Options to Mr Ian Levy (or his nominee) at \$0.10 per New Share and \$0.20 per Placement Option and the funds raised in relation to the Placement through the issue of these New Shares and Placement Options will not be received by the Company.

If either of Resolutions 3, 4 or 5 are passed by Shareholders, the directors will participate in the Placement and the Company will proceed to issue the 1 million shares and 1 million Placement Options to the directors of the Company upon payment of \$100,000. In addition, the Issue will be excluded from the calculation of the number of equity securities that the Company can issue without [shareholder approval under Listing Rule 7.1.

### **1.3 Resolution 3 Approval of issue of New Shares and Placement Options via Placement to Paul Lennon (or his nominee)**

Resolution 3 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11 to issue to Mr Paul Lennon, a director of the Company (or his nominee), 300,000 New Shares at an issue price of \$0.10 per Share and 300,000 Placement Options exercisable at \$0.20 before 31 May 2023.

In accordance with ASX Listing Rule 10.13 the following information is provided in relation to Resolution 3:

- (a) the related party is Mr Paul Lennon who is a related party by virtue of being a Director
- (b) the maximum number of shares to be issued is 300,000 New Shares and 300,000 Placement Options
- (c) the issue price will be \$0.10 per Share. The Placement Options are attaching to the Shares, hence nil consideration
- (d) The Shares will rank equally in all respects with the existing Shares on issue. The terms of the Placement Options are attached as Annexure A
- (e) The Shares and Placement Options will be issued 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 ASX Listing Rules) and it is intended that the issue of the New Shares will occur on the same day
- (f) The funds raised from the Placement will be used to support Aluminium Fluoride development at the Company's subsidiary, Alcore Limited, an aggressive program planned for Rare Earth Elements discovery strategy and continued bauxite exploration and mine development.
- (g) The Directors (other than Mr Paul Lennon who has an interest in Resolution 3) recommend that Shareholders vote in favour of Resolution 3.

### **1.4 Resolution 4 Approval of issue of New Shares and Placement Options via Placement to Ian Levy (or his nominee)**

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11 to issue to Mr Ian Levy, a director of the Company (or his nominee), 400,000 New Shares at an issue price of \$0.10 per Share and 400,000 Placement Options exercisable at \$0.20 before 31 May 2023.

In accordance with ASX Listing Rule 10.13 the following information is provided in relation to Resolution 4:

- (a) the related party is Mr Ian Levy who is a related party by virtue of being a Director
- (b) the maximum number of shares to be issued is 400,000 New Shares and 400,000 Placement Options
- (c) the issue price will be \$0.10 per Share. The Placement Options are attaching to the Shares, hence nil consideration
- (d) The Shares will rank equally in all respects with the existing Shares on issue. The terms of the Placement Options are attached as Annexure A
- (e) The Shares and Placement Options will be issued 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 ASX Listing Rules) and it is intended that the issue of the New Shares will occur on the same day
- (f) The funds raised from the Placement will be used to support Aluminium Fluoride development at the Company's subsidiary, Alcore Limited, an aggressive program planned for Rare Earth Elements discovery strategy and continued bauxite exploration and mine development.
- (g) The Directors (other than Mr Ian Levy who has an interest in Resolution 4) recommend that Shareholders vote in favour of Resolution 4.

### **1.5 Resolution 5 Approval of issue of New Shares and Placement Options via Placement to Ken Boundy (or his nominee)**

Resolution 5 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11 to issue to Mr Ken Boundy, a director of the Company (or his nominee), 300,000 New Shares at an issue price of \$0.10 per Share and 300,000 Placement Options exercisable at \$0.20 before 31 May 2023.

In accordance with ASX Listing Rule 10.13 the following information is provided in relation to Resolution 5:

- (a) the related party is Mr Ken Boundy who is a related party by virtue of being a Director
- (b) the maximum number of shares to be issued is 300,000 New Shares and 300,000 Placement Options
- (c) the issue price will be \$0.10 per Share. The Placement Options are attaching to the Shares, hence nil consideration
- (d) The Shares will rank equally in all respects with the existing Shares on issue. The terms of the Placement Options are attached as Annexure A
- (e) The Shares and Placement Options will be issued 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 ASX Listing Rules) and it is intended that the issue of the New Shares will occur on the same day
- (f) The funds raised from the Placement will be used to support Aluminium Fluoride development at the Company's subsidiary, Alcore Limited, an aggressive program planned for Rare Earth Elements discovery strategy and continued bauxite exploration and mine development.
- (g) The Directors (other than Mr Ken Boundy who has an interest in Resolution 5) recommend that Shareholders vote in favour of Resolution 5.

## 5. Resolution 6 Approval of issue of 31,500,000 new Options under the Placement

Resolution 6 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 to issue 31,500,000 Placement Options exercisable at \$0.20 before 31 May 2023. The Placement Options are attached on a 1 for 1 basis to the 31,500,000 New Shares to be issued under the Placement.

No funds have been raised from the issue of the Placement Options as they are attached to the Shares issued in the Placement however if all Placement Options are exercised before 31 May 2023 the Company will received \$\$6.3 million.

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

Resolution 6 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If resolution 6 is passed, the Company will be able to proceed with the Issue of the Placement Options. In addition, the Issue will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If resolution 6 is not passed, the Issue will still proceed under Listing Rule 7.1 to the extent allowed by the available capacity under listing rule 7.1.

Number of Securities	31,500,000 Placement Options
Price	Nil. Attached to shares issued under the Placement
Terms of Securities	Exercisable at \$0.20 before 31 May 2023. Full terms are attached as Annexure A
Date of Issue	Within three months from the date of this AGM.
Persons to be Issued	The Placement Options will be issued to 45 unrelated sophisticated investors who participated in the Placement. The Lead Manager, CPS Capital, proposed the Placement to existing clients who qualify as sophisticated investors and have previously shown an interest in offers of this nature.
Purpose of Issue / Use of Funds	Attaching options to shares issued under the Placement
Voting Exclusion	A voting exclusion statement applies to this Resolution.

## 6. Resolutions 7, 8 and 9 Share Capital Approvals/ Ratifications

**Resolution 7** seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 to ratify the previous issue of 76,752 shares on 16 November 2020 to a contractor in lieu of receiving cash payment for services rendered.

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 months period which amount to more than 15% of the Company's ordinary securities on issue at the commencement of that period without shareholder approval.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold in ASX Listing Rule 7.1. If subsequent approval for the issue is provided by shareholders, it will "refresh" the Company's ability to issue shares up to the 15% limit without the need for shareholder approval.

The Company seeks shareholder ratification of the issue of shares under the previous share issue on 16 November 2020 so that the Company will have flexibility to issue further securities should the need or opportunity arise.

If Resolution 7 is not passed, the securities will be included in calculating the Company's combined 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the securities.

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided to shareholders to allow them to assess Resolution 7:

- a) A total number of 76,752 Shares were allotted and issued.
- b) The shares were issued at an issue price of \$0.107 per share.
- c) The shares were issued to Denny Payne of CPG Consulting for recruitment services provided to the Company
- d) The shares were issued for cash consideration.
- e) The shares issued were fully paid ordinary shares and rank equally in all respects with the existing fully paid ordinary shares on issue.
- f) The shares issued were used to conserve the Company's cash reserves.
- g) The securities were issued on 16 November 2020.
- h) A Voting Exclusion Statement has been included for the purpose Resolution 7.

**Resolution 8** seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 to ratify the previous issue of 16,900,000 shares on 27 May 2021 to sophisticated investors under the Placement.

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 months period which amount to more than 15% of the Company's ordinary securities on issue at the commencement of that period without shareholder approval.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold in ASX Listing Rule 7.1. If subsequent approval for the issue is provided by shareholders, it will "refresh" the Company's ability to issue shares up to the 15% limit without the need for shareholder approval.

The Company seeks shareholder approval to provide the Company flexibility to issue further securities in the Company should the need arise as for the Company to undertake an acquisition using securities as consideration, to conduct a capital raising, or for other purposes.

If Resolution 8 is not passed, the securities will be included in calculating the Company's combined 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the securities.

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided to shareholders to allow them to assess Resolution 8:

- a) A total number of 16,900,000 Shares were allotted and issued.

- b) The shares were issued at an issue price of \$0.10 per share.
- c) The shares were issued to 45 unrelated sophisticated investors who participated in the Placement. The investors are clients of the Lead Manager, CPS Capital, who were invited to participate in the Placement. The Lead Manager proposed the Placement to existing clients who qualify as sophisticated investors and have previously shown an interest in offers of this nature.
- d) The shares were issued for cash consideration.
- e) The shares issued were fully paid ordinary shares and rank equally in all respects with the existing fully paid ordinary shares on issue.
- f) The shares issued were under the Placement to raise \$3.25 million (before costs) to fund the Company's operations.
- g) The securities were issued on 27 May 2021.
- h) A Voting Exclusion Statement has been included for the purpose Resolution 8.

**Resolution 9** seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 to ratify the issue of 5,534,000 Options on 27 May 2021 to the Lead Manager CPS Capital (or their nominees) as provided under the Placement mandate.

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 months period which amount to more than 15% of the Company's ordinary securities on issue at the commencement of that period without shareholder approval.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold in ASX Listing Rule 7.1. If subsequent approval for the issue is provided by shareholders, it will "refresh" the Company's ability to issue shares up to the 15% limit without the need for shareholder approval.

The Company seeks shareholder approval to provide the Company flexibility to issue further securities in the Company should the need arise such as for the Company to undertake an acquisition using securities as consideration, to conduct a capital raising, or for other purposes.

If Resolution 9 is not passed, the securities will be included in calculating the Company's combined 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the securities.

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided to shareholders to allow them to assess Resolution 9:

- a) A total number of 5,534,000 Options were allotted and issued.
- b) The Options were issued at an issue price of \$0.00001 per share.
- c) The Options were issued to brokers engaged by CPS Capital, a leading Perth based boutique Corporate Finance and Stockbroking firm, acting as the Lead manager of the Placement, who introduced the Placement to their clients. The nominees are unrelated to the Company.
- d) The Options were issued for cash consideration.
- e) The Options issued were for exercise on or by 31 May 2023 at an exercise price of 20 cents for the Company's fully paid ordinary shares and if exercised will rank equally in all respects with the existing fully paid ordinary shares on issue.
- f) The Options were issued pursuant to the Placement mandate to raise \$3.25 million (before costs) to fund the Company's operations.
- g) The securities were issued on 27 May 2021.
- h) A Voting Exclusion Statement has been included for the purpose Resolution 9.

## 7. Additional Placement Capacity

### Resolution 10 Special Resolution – Additional 10% Placement Capacity

The Company previously obtained the same approval under ASX Listing Rule 7.1A at the previous AGM and **did not use the 10% Placement Facility**. The company currently has no plans to use this additional placement capacity. This special resolution is put to members so that the Company retains a high level of capital raising flexibility to meet significant opportunity.

Listing Rule 7.1A enables “eligible entities” to seek the approval of shareholders to issue Equity Securities of up to 10% of its issued share capital through placement over a 12-month period after the Annual General Meeting. The 10% Placement Facility is in addition to the Company’s 15% placement capacity under Listing Rule 7.1 and will only be issued if Resolution 10 is passed at the Annual General Meeting.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility, without subsequent Shareholder approval and without using the Company’s 15% annual placement capacity granted under Listing Rule 7.1.

If Resolution 10 is approved as a **special resolution**, the Company will be able to issue ‘equity securities’ under Listing Rule 7.1 and 7.1A without further shareholder approval such that the Company’s total annual placement capacity will be up to 25% of its issued capital.

If Resolution 10 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1 and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The proposed allottees of any Equity Securities under the 10% Placement Facility are not as yet known or identified. In these circumstances, Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

### Description of Listing Rule 7.1A

#### (a) General

- **Shareholder Approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. Hence, at least 75% of votes cast by Shareholders present and eligible to vote at the Annual General Meeting must be in favour of Resolution 10 for it to be passed.

- **Equity Securities**

Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

A = The number of fully paid ordinary shares on issue at the commencement of the 12 months immediately preceding the date of issue or agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception to ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid ordinary securities issued in the 12 months period prior to the proposed date of issue (**Relevant Period**) on the conversion of convertible securities within ASX Listing 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 taken under these rules to have been approved under ASX Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the Relevant Period under an agreement to issue securities within ASX Listing 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 taken under these rules to have been approved under ASX Listing Rule 7.1 or rule 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid ordinary securities cancelled in the Relevant Period

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D = 10%

E = the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the last 12 months immediately preceding the date of issue of the shares where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under ASX Listing Rule 7.4

The following information is provided to shareholders for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 7.3A:

**(b) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price ("VWAP") of Equity Securities in the same class calculated over the 15 trading days immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
- if the Equity Securities are not issued within 10 Trading Days of the date in the paragraph above, the date on which the Equity Securities are issued.

**(c) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur to the following:

- the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- the time and date of the Company's next annual general meeting; or
- the time and date of the approval by shareholders of ordinary securities of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**(d) Risk of Voting Dilution**

If Resolution 10 is approved by shareholders and the Company issues equity securities under the 10% Placement Facility, existing shareholders voting power in the Company will be diluted as shown in the table below. There is a risk that:

- the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of this approval under rule 7.1A; and

- the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue of the equity securities.

As at the date of this Notice, the Company would have capacity to issue:

- 22,534,134 (150,227,562 x 15%)** ordinary shares; or
- 15,022,756 (150,227,562 x 10%)** ordinary shares on the basis that Resolution 10 is approved pursuant to ASX Listing Rule 7.1A,

The below table shows examples of possible dilution of existing shareholders, on the basis of the market price of \$0.12 per share on 19 May 2021 and the current number of fully-paid ordinary shares on issue of **150,227,562** as at the date of this Notice pursuant to the definition of variable "A" under ASX Listing Rule 7.1A;

Variable A as per ASX Listing Rule 7.1A2		Dilution		
		\$0.06 50% decrease in issue price	\$0.12 issue price	\$0.24 100% increase in issue price
<b>Current Variable A</b> 150,227,562 shares	10% Voting Dilution	15,022,756 shares	15,022,756 shares	15,022,756 shares
	Funds Raised	\$901,365	\$1,802,731	\$3,605,461
<b>50% Increase in Current Variable A</b> 225,341,343 shares	10% Voting Dilution	22,534,134 shares	22,534,134 shares	22,534,134 shares
	Funds Raised	\$1,352,048	\$2,704,096	\$5,408,192
<b>100% Increase in Current Variable A</b> 300,455,124 shares	10% Voting Dilution	30,045,512 shares	30,045,512 shares	30,045,512 shares
	Funds Raised	\$1,802,730	\$3,605,460	\$7,210.920

This table has been prepared on the following assumptions:

- All shares have been issued.
- the Company issues the maximum number of equity securities available under the 10% Placement Facility.
- the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- the table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% Placement Capacity under ASX Listing Rule 7.1.

**(e) Expiry of approval**

The Company will only issue and allow the Equity Securities during the 10% Placement Period detailed in paragraph (c).

**(f) Purpose of new issues**

The Company may seek to issue the equity securities for cash consideration. As disclosed in recent ASX announcements and reports, the Company is actively pursuing further growth opportunities. Any funds raised using this additional 10% capacity may be used to grow the business and/or additional working capital to fund growth opportunities.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A (4) and 3.10.3 upon issue of any equity securities. In the event Resolution 10 is approved, when the Company issues Equity Securities pursuant to the 10% Placement Facility, it will:

- state in its announcement of the proposed issue under rule 3.10.3 or in its application for quotation of the securities under rule 2.7 that the securities are being issued under 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. This list is not for release to the market.

**Allocation Policy**

Allocations will be made by the Company dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. Allocations will be made considering, amongst other factors, the following:

- The time frame over which the Company will make placements under the approval;
- any specific intentions in relation to parties that it may approach to participate in a placement of equity securities;
- whether the Company will offer securities to existing security holders or any class or group of existing holders; and
- whether the securities will be offered exclusively to new investors who have not previously been security holders in the Company.

The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including, but not limited to, the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broker advisers (if applicable).

The allottees under this facility have not been determined as at the date of this notice but may include new or existing shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

**(h) Detail of new issues under Listing Rule 7.1A for previous year**

The Company previously obtained approval for its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting and the Company has not issued any fully paid ordinary shares pursuant to this previous approval.

**(i) Voting Exclusion Statement**

A voting exclusion statement is included in the Notice for the purpose of Resolution 10.

**Voting Information:**

**Voting Entitlement at the Annual General Meeting in accordance with Regulation 7.11.37 of the Corporations Regulations 2001.**

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of shares if that person is registered as a holder of those shares at 11.00 am (Sydney Time) on 14 July 2021, being within 48 hours of the Annual General Meeting.

#### **Votes of Members**

On a show of hands, each member present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) shall have one vote for each share held provided that all shares are fully paid.

#### **Voting**

Please note that for a resolution to be passed, except where otherwise indicated, a simple majority of votes from shareholders attending in person or voting by proxy is required.

#### **Amendments to proxy voting**

Shareholders are advised that the Federal government has introduced the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth) (the **CA Act**), which came into effect on 1 July 2011. The CA Act introduced new prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given informed consent, in the form of an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel (**Informed Consent**).

In light of these legislative requirements, the Company recommends that shareholders consider the following options to ensure the validity of their votes:

- a) that shareholders direct proxies on a remuneration related resolution instead of leaving them undirected; or
- b) that shareholders nominate a proxy who is not a member of Key Management Personnel or any of their Closely Related Parties to vote on a remuneration related resolution; or
- c) that shareholders who wish to vest their undirected proxies in the chair on a remuneration related resolution ensure that they follow instructions provided on the proxy form in order to provide Informed Consent.

#### **Attendance at the Meeting – Covid-19 Restrictions**

The Company advises shareholders that the Meeting will be held in compliance with the Australian Government's restrictions on public gatherings. The Company strongly encourages all shareholders to vote by directed proxy rather than attend the meeting in person. Proxy forms for the Meeting should be lodged before 11am (Sydney time) 12 July 2021.

Should you have any questions regarding the meeting or wish to withdraw a proxy form you have submitted after considering the attached documents, please contact us on (02) 9251 7177 or email us at [corporate@australianbauxite.com.au](mailto:corporate@australianbauxite.com.au).

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and the Company's website <http://www.australianbauxite.com.au/>.

## Annexure A

### Australian Bauxite Limited Option Conditions

#### 1. Definitions

In these option conditions:

**ASX** means ASX Limited;

**Bonus Issue** has the same meaning as ascribed to the expression "bonus issue" in the Listing Rules;

**Business Day** means any day except a Saturday or a Sunday or other public holiday in any State or Territory of Australia;

**Exercise Commencement Date** means the date on which the Options are issued;

**Exercise Notice** means a notice in writing by the Optionholder to the Issuer pursuant to which the Optionholder states that the Optionholder wishes to exercise the Option duly completed and signed accompanied by the Exercise Price;

**Exercise Period** means the period between the Exercise Commencement Date and 31 May 2023;

**Exercise Price** means \$0.20 per Share;

**Issuer** means Australian Bauxite Limited ACN 139 494 885;

**Listing Rules** means the listing rules of the ASX;

**Option** means an option to acquire a Share on the terms and conditions set out in this Schedule;

**Option Certificate** means a certificate of holding of an Option issued by or on behalf of the Issuer;

**Pro Rata Issue** has the same meaning as the expression "pro rata issue" has in the Listing Rules;

**Register** means the register of Optionholders maintained by or for and on behalf of the Issuer;

**Share** means a fully paid ordinary share in the Issuer;

**Tax** includes all income tax, company tax, fringe benefits tax, withholding tax, undistributed profits tax, group tax, payroll tax, sales tax, GST, customs or excise duties, land tax, stamp duty or any other tax or levy imposed by a governmental authority together with any interest, penalty, charge, fee or other amount imposed or made on or in respect of any of the foregoing and "Taxation" has a corresponding meaning.

#### 2. Interpretation

In these Option Conditions, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;
- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more persons means each of them individually and any two or more of them jointly;
- (j) if a party comprises two or more persons:
- (k) reference to a party means each of the persons individually and any two or more of them jointly;
- (l) a promise by that party binds each of them individually and all of them jointly;
- (m) a right given to that party is given to each of them individually;
- (n) a representation, warranty or undertaking by that party is made by each of them individually;
- (o) a provision must not be construed against a party only because that party prepared it;

- (p) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (q) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (r) another grammatical form of a defined expression has a corresponding meaning;
- (s) an expression defined in the Corporations Act 2001 has the meaning given by the act at the date of this agreement.

### **3. Option Certificates**

The Issuer must issue to the Optionholder an Option Certificate with respect to the Options.

#### **4. Registration**

The Issuer must register the Optionholder as the Optionholder of the Options in the Register.

### **5. Exercise of the Options**

#### **5.1 Method**

The Optionholder must exercise the Options during the Exercise Period by completing and lodging with the Issuer an Exercise Notice duly executed by the Optionholder and paying the Exercise Price.

### **6. Allotment of Shares**

The Issuer must after an Exercise Notice and payment of the Exercise Price is received in accordance with this clause 6 allot the number of Shares referred to in the Exercise Notice to the Optionholder in accordance with the Listing Rules.

### **7. Cancellation or endorsement of Option Certificate**

Upon the allotment of Shares in accordance with clause 6, the Issuer must in respect of the Option Certificate lodged with the Issuer for the purposes of an exercise of Options:

- (a) if the outstanding Options have been exercised, cancel the Option Certificate; or,
- (b) if part only of the outstanding Options have been exercised, endorse the Option Certificate with the number of Options that have been exercised and the number of outstanding Options and return the same to the Optionholder.

### **8. Issues and Reorganisations**

#### **8.1 New Issues**

The Optionholder is not entitled by reason only of being a Optionholder of Options to participate in any Bonus Issue, Pro Rata Issue or any other issue of rights to subscribe for additional Shares or any other securities to be issued by the Issuer.

#### **8.2 Reorganisation of Capital**

- (a) If an Option has not been exercised and the Issuer reorganises its issued capital including without limitation
  - (1) a consolidation of capital;
  - (2) a subdivision of capital
  - (3) a return of capital;
  - (4) a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled;
  - (5) a pro rate cancellation or capital,

the number or the Exercise Price of the Options or both to which the Optionholder is entitled will be adjusted in accordance with Listing Rule 7.22.
- (b) This clause 8.2 is subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reorganisation of capital.
- (c) Any other rights of the Holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of reorganisation but in all other respects the terms for the exercise of the Options shall remain unchanged.

### 8.3 Rights issues

If the Issuer makes an offer of Shares pro rata to all or substantially all holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted in respect of an Option before the date for determining entitlements to the rights issue then the new Exercise Price of the Option will be adjusted in accordance with the following formula:

$$O^1 = \frac{O - E(P - (S + D))}{N + 1}$$

Where	$O^1$	=	the new exercise price of the Option;
	$O$	=	the old exercise price of the Option;
	$E$	=	the number of Shares into which one Option is exercisable;
	$P$	=	average market price per share (weighted by reference to volume) of the Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date;
	$S$	=	the subscription price (application money plus calls) for new Shares Issued under the rights issue;
	$D$	=	any dividends declared but not yet paid on existing Shares which will not be payable in respect of new Shares issued under the rights issue; and
	$N$	=	the number of Shares required to be held to receive a right to one new share under the rights issue.

The number of Shares which the Optionholder is entitled to subscribe for on exercise of the Option will not change.

### 8.4 ASX Listing Rules

- This clause 8 is to be read subject to the requirements of the Listing Rules.
- In the event of any inconsistency between the provisions of this clause 8 and the provisions of the Listing Rules, the provisions of the Listing Rules must prevail.

## 9. Shares

### 9.1 Rights attaching to Shares

Shares issued pursuant to the exercise of an Option rank pari passu in all respect with all other issued Shares of the Issuer.

### 9.2 Quotation of Shares

The Issuer must apply to the ASX within ten (10) business days after the date of issue of any Shares issued upon exercise of the Options, for such Shares to be admitted to quotation.

### 9.3 Interest in Shares

A Holder has no interest in the Shares the subject of the Optionholder's Options until those Options are exercised in accordance with this agreement and the Shares allotted to the Optionholder pursuant to the exercise.

### 9.4 Assignment

The Options are transferable but will not be quoted on the ASX (unless the Issuer determines otherwise).

### 9.5 Duty

The Optionholder must pay all stamp duty with respect to this agreement and/or the exercise of an Option.

## 10. Application of Listing Rules

- Notwithstanding anything contained in these option conditions, if the Listing Rules prohibit an act being done, the act must not be done.
- Nothing contained in this agreement prevents an act being done that the Listing Rules required to be done.
- If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done as the case may be.
- If the Listing Rules require this agreement not to contain a provision and it contains such a provision, this agreement is deemed not to contain that provision.
- If any provision of this agreement is or become inconsistent with the Listing Rules, this agreement is deemed not to contain that provision to the extent of any inconsistency.

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**GENERAL MEETING OF SHAREHOLDERS PROXY FORM**

Please complete, sign and return this document to:

To: AUSTRALIAN BAUXITE LIMITED  
Level 5  
52 Phillip Street  
SYDNEY NSW 2000

Email executed form to: [corporate@australianbauxite.com.au](mailto:corporate@australianbauxite.com.au)  
fax executed form to: +61 2 9251 7500  
By 11.00 am on 12 July 2021

I/We.....

being a member of Australian Bauxite Limited (ASX: ABX) (the Company) appoint the following as my proxy:

Name of proxy:.....

Address of proxy: .....

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my / our proxy to act generally at the Meeting on my / our behalf and 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 on 14 July 2021 and at any adjournment of or postponement of that Meeting.

Your proxy may vote on any procedural motions as your proxy sees fit. A procedural motion is a motion dealing with the conduct of the meeting itself (examples are motions to change the order of business or to adjourn the meeting).

The Chairman intends to vote all undirected proxies that he receives in favour of each resolution to be brought before the meeting, except where the Chairman is expressly forbidden to do so, under the Corporations Act 2001.

**Items of Business**

**Please mark X to indicate your directions.**

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

<b>RESOLUTIONS</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Non-binding resolution to adopt director’s remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ordinary resolution to elect Mr Ken Boundy as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 –Ordinary resolution to approve Paul Lennon’s participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 –Ordinary resolution to approve Ian Levy’s participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 –Ordinary resolution to approve Ken Boundy’s participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 –Ordinary resolution to approve issue of 31,500,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 –Ordinary resolution to ratify prior 76,752 share issue in November 2020	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 –Ordinary resolution to ratify the issue of 16,900,000 share issue in May 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 –Ordinary resolution to ratify the issue of 5,534,000 Options in Mat 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 –Special resolution to approve additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the meeting intends to vote all available proxies in favour of each item of business.

## SIGNATURE OF MEMBER(S)

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Individual or Member 1

Member 2

Member 3

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Sole Director/Company Secretary

Director

Director/Company Secretary

Date: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Contact Phone (daytime): \_\_\_\_\_

### Notes on Proxies

- 1) Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box, your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.
- 2) A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in their stead pursuant to the Constitution.
- 3) If a member appoints one proxy only, that proxy shall be entitled to vote on a show of hands, but if a member appoints two proxies neither shall be entitled to vote on a show of hands.
- 4) Where more than one proxy is appointed, each proxy must be appointed to represent a specific portion of the member's voting rights.  
  
Otherwise, each proxy may exercise half of your votes.
- 5) A proxy need not be a security holder of the Company.
- 6) Signing instructions:
  - a) Individual: Where the holding is in one name, the security holder must sign.
  - b) Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
  - c) Power of Attorney: If you have not already lodged the Power of Attorney with the registry or the Company, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - d) Companies: Where the company has a Sole Director, who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to Section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise, this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.
- 7) Your proxy may vote on any procedural motions as your proxy sees fit. A procedural motion is a motion dealing with the conduct of the meeting itself (examples are motions to change the order of business or to adjourn the meeting).
- 8) For your vote to be effective, the completed proxy form must be received by 11.00 am on 12 July 2021 (Sydney Time).

### Votes of Members

On a show of hands, each member present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting shall have one vote. On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) shall have one vote for each Share held provided that all Shares are fully paid.

### Voting

Please note that for a resolution to be passed, except where otherwise indicated, a simple majority of votes from Shareholders attending in person or voting by proxy is required.