

Lake Resources N.L.  
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Sydney NSW 2000  
ACN: 079 471 980

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<http://www.lakeresources.com.au>



# Notice of Annual General Meeting and Explanatory Memorandum

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Lake Resources N.L. ACN 079 471 980

Date of Meeting: 25 January 2022

Time of Meeting: 9:00am (Sydney time)

**as a Virtual Meeting**

**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.**

# Venue and Voting Information

## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00am AEDT on 25 January 2022 as a **virtual meeting**. The Company is pleased to provide shareholders with the opportunity to attend and participate in the virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, ask questions and vote online.

## Accessing the Virtual Meeting

To access the virtual meeting:

1. Open your internet browser and go to [investor.automic.com.au](http://investor.automic.com.au).
2. Login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on “Register” when this appears. Alternatively, click on “Meetings” on the left hand menu bar to access registration.
4. Click on “Register” and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting.
6. Once the Chair of the Meeting has declared the poll open for voting click on “Refresh” to be taken to the voting screen.
7. Select your voting direction and click “confirm” to submit your vote. Note that you cannot amend your vote after it has been submitted.

## Your vote is important

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

## Voting Virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM can do so through the online meeting platform. Once the Chair of the Meeting has declared the poll open for voting click on “Refresh” within the platform to be taken to the voting screen.

Select your voting direction and click “confirm” to submit your vote. Note that you cannot amend your vote after it has been submitted.

## No voting in person

Due to the COVID-19 social distancing restrictions, travel restrictions and other requirements imposed by the Federal and State governments, physical attendance at the meeting and hence voting in person will not be permitted. Attendance will only be available by weblink and voting will only be conducted by proxy.

# Venue and Voting Information

## Voting by proxy

A member entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the member may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the proportion is not specified, each proxy may exercise half of the member's voting rights. Fractional votes will be disregarded. Please read carefully the instructions on the Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote "for", "against" or "abstain" from voting on each resolution or you may leave the decision to the appointed proxy after discussion at the meeting.

A proxy need not be a member of the Company.

The Proxy Form must be signed by the member or the member's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act.

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Due to COVID 19 restrictions hand delivery of proxies will not be available

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

## Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

## Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

## Submitting Questions

Shareholders are encouraged to submit any questions they may have of in writing to the Company Secretary at [cosec@lakeresources.com.au](mailto:cosec@lakeresources.com.au) by 9:00am on 24 January 2022, the day prior to the meeting.

# Venue and Voting Information

## **Eligibility to vote - Record Date**

Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) permits the Company to specify a time, not more than 48 hours before the Meeting, at which time a 'snapshot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Directors have determined such time will be 9:00am Sydney time on 23 January 2022 (**Record Date**).

## **Voting Intention of the Chair for all Resolutions**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

# Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Lake Resources N.L. ACN 079 471 980 (**Company**) will be held as a virtual meeting, on 25 January 2022 at 9:00am (Sydney time).

Terms used in this Notice of Meeting are defined in section 14 (Interpretation) of the accompanying Explanatory Memorandum.

## Agenda

### Ordinary business

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#### Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company for the financial year ended 30 June 2021.

#### 1. Remuneration Report

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To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Advisory Resolution of the Company:

*"That the Remuneration Report for the year ended 30 June 2021 (as set out in the Directors Report) is adopted."*

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

#### **Voting restriction pursuant to section 250R(4) of the Corporations Act**

A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, the above persons may cast a vote on Resolution 1 if:

- the person does so as a proxy;
- the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- either:
  - the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
  - the voter is the chair of the meeting and the appointment of the chair as

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proxy:

- does not specify the way the proxy is to vote on the Resolution; and
- expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company or, if the Company is part of a consolidated entity, for the entity.

## **Voting intention of the Chair**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.

## **2. Appointment of auditor**

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

*“That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit Pty Ltd ACN 134 022 870, having been nominated by a Shareholder and having consented in writing to act as the auditor of the Company, be appointed as auditor of the Company with effect from the close of the Meeting.”*

## **3. Re-election of Stuart Crow as a Non-Executive Director**

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

*“That Stuart Crow, who retires by rotation in accordance with Rule 9.1(d) of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Non-Executive Director.”*

## **4. Election of Amalia Saenz as a Non-Executive Director**

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

*“That Amalia Saenz, a Director appointed as an additional Director and holding office until the next general meeting of the Company after her appointment in accordance with Rule 9.1(c) of the Company’s Constitution and ASX Listing Rule 14.4, be elected as a Director of the Company.”*

## **5. Increase in amount available for Non-Executive Director remuneration**

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

*“That in accordance with Listing Rule 10.17 of the Official Listing Rules of the ASX Limited (ASX) and Rule 9.3(a) of the Company’s Constitution, the total aggregate annual*

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*remuneration payable to Non-Executive Directors of the Company be increased by \$200,000.00, from \$350,000.00 to a maximum of \$550,000.00.”*

## **Voting restriction pursuant to section 250BD of the Corporations Act**

As Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 5 must not be cast by:

- any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on this Resolution 5.

However, the Company need not disregard a vote on this Resolution 5 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.

## **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution 5 by or on behalf of:

- a Director of the Company; or
- an associate of that person.

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

- a person as a 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;
- 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.

## **Voting Intention of the Chair**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 5, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which

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case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.

## 6. Ratification of previous issue of options to Roth Capital Partners, LLC

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

*“That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue to Roth Capital Partners, LLC of 1,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.30 each, expiring on 27 January 2023 and otherwise on the terms and conditions set out in the Explanatory Memorandum (**Roth Options**).*

### Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution 6 by or on behalf of:

- a recipient of the Roth Options and any other 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 Shares in the entity); and
- an associate of those persons.

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

- a person as a 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;
- 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.

## 7. Ratification of previous issue of options to Canaccord Genuity (Australia) Limited

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

*“That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue to Canaccord Genuity (Australia) Limited ACN 075 071 466 of 35,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.55 each, expiring on 31 December 2024 and otherwise on the terms and conditions set out in the Explanatory Memorandum (**Canaccord Options**).*

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**Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution 7 by or on behalf of:

- a recipient of the Canaccord Options and any other 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 Shares in the entity); and
- an associate of those persons.

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

- a person as a 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;
- 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.

**8. Ratification of previous issue of options to SD Capital Advisory Limited and GKB Ventures Limited**

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

*“That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue to each of SD Capital Advisory Limited and GKB Ventures Limited of 2,890,000 options each (a total of 5,780,000 options) to subscribe for fully paid ordinary shares in the Company exercisable at \$0.49 each, expiring on 1 August 2024 and otherwise on the terms and conditions set out in the Explanatory Memorandum (**SD GKB Options**).*”

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## Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution 8 by or on behalf of:

- a recipient of the SD GKB Options and any other 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 Shares in the entity); and
- an associate of those persons.

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

- a person as a 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;
- 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.

## 9. Ratification of previous issue of options to Lodge Partners Pty Ltd

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

*“That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue to Lodge Partners Pty Ltd ACN 053 432 769 of 4,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.75 each, expiring on 15 June 2022 and otherwise on the terms and conditions set out in the Explanatory Memorandum (**Lodge Options**).*”

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**Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution 9 by or on behalf of:

- a recipient of the Lodge Options and any other 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 Shares in the entity); and
- an associate of those persons.

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

- a person as a 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;
- 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.

**10. Ratification of previous issue of options to Red Cloud Financial Services Inc.**

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

*“That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue to Red Cloud Financial Services Inc. of 1,500,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.30 each, expiring on 24 May 2023 and otherwise on the terms and conditions set out in the Explanatory Memorandum (**Red Cloud Options**).*”

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## Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution 10 by or on behalf of:

- a recipient of the Red Cloud Options and any other 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 Shares in the entity; and
- an associate of those persons.

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

- a person as a 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;
- 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.

## 11. Ratification of previous issue of options to Peter Neilsen

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

*“That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue, or agreement to issue, Mr Peter Neilsen (the Chief Financial Officer of the Company), 2,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.55 each, expiring on 12 July 2024 and otherwise on the terms and conditions set out in the Explanatory Memorandum (**Neilsen Options**).*

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**Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution 11 by or on behalf of:

- a recipient of the Neilsen Options and any other 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 Shares in the entity; and
- an associate of those persons.

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

- a person as a 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;
- 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.

**Voting restriction pursuant to section 250BD of the Corporations Act**

As Resolution 11 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 11 must not be cast by:

- any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on this Resolution 11.

However, the Company need not disregard a vote on this Resolution 11 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution 11 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution 11 by or on behalf

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of:

- a Director of the Company; or
- an associate of that person.

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

- a person as a 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;
- 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.

## **Voting Intention of the Chair**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 11, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.

## **12. Approval to issue Performance Shares to Peter Neilsen**

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

*“That for the purposes of Listing Rule 7.1 and for all other purposes, the Company is authorised to issue:*

- (a) one Class A performance share;*
- (b) one Class B performance share;*
- (c) one Class C performance share; and*
- (d) one Class D Performance Share,*

*(together, the **Neilsen Performance Shares**) to Mr Peter Neilsen (the Chief Financial Officer of the Company) or an entity controlled by him (**Neilsen Entity**) on the terms and conditions set out in the Explanatory Memorandum.”*

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## **Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution 12 by or on behalf of:

- a recipient of the Neilsen Performance Shares and any other 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 Shares in the entity); and
- an associate of those persons.

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

- a person as a 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;
- 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.

## **Voting restriction pursuant to section 250BD of the Corporations Act**

As Resolution 12 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 12 must not be cast by:

- any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on this Resolution 12.

However, the Company need not disregard a vote on this Resolution 12 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution 12 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.

## **Voting Exclusion Statement**

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The Company will disregard any votes cast in favour of this Resolution 12 by or on behalf of:

- a Director of the Company; or
- an associate of that person.

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

- a person as a 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;
- 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.

## Voting Intention of the Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 12, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.

## 13. Approval to issue Performance Shares to Nicholas Lindsay

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

*“That for the purposes of Listing Rule 10.11, Part 2E of the Corporations Act and for all other purposes, the Company is authorised to issue:*

- (a) one Class E performance share;*
- (b) one Class F performance share;*
- (c) one Class G performance share;*
- (d) one Class H performance share,*

*(together, the **Lindsay Performance Shares**) to Dr Nicholas Lindsay (the Technical Director of the Company) or an entity controlled by him (**Lindsay Entity**) on the terms and conditions set out in the Explanatory Memorandum.”*

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## **Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution 13 by or on behalf of:

- a recipient of the Lindsay Performance Shares and any other 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 Shares in the entity); and
- an associate of those persons.

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

- a person as a 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;
- 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.

## **Voting restriction pursuant to section 250BD of the Corporations Act**

As Resolution 13 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 13 must not be cast by:

- any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on this Resolution 13.

However, the Company need not disregard a vote on this Resolution 13 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution 13 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.

## **Voting Exclusion Statement**

# Notice of Annual General Meeting

The Company will disregard any votes cast in favour of this Resolution 13 by or on behalf of:

- a Director of the Company; or
- an associate of that person.

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

- a person as a 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;
- 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.

## **Voting Intention of the Chair**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 13, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.

## **General business**

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

### **By order of the Board**

Peter Neilsen  
Company Secretary

20 December 2021

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum is provided to Shareholders of Lake Resources N.L. ACN 079 471 980 (**Company**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held as a virtual meeting on 25 January 2022 commencing at 9:00am (Sydney time).

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

Terms used in this Explanatory Memorandum are defined in section 14.

## 2. Consider the Company's Annual Report

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The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and for the financial year ended 30 June 2021 was released to the ASX Limited on 29 October 2021 and subsequently dispatched to shareholders as required.

Shareholders can access a copy of the Company's Annual Report at [www.lakeresources.com.au](http://www.lakeresources.com.au). The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

The Company's Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

## 3. Resolution 1 - Remuneration Report

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The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory resolution in accordance with section 250R of the Corporations Act.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report, amongst other things:

- (a) explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the consolidated entity;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Key Management Personnel of the consolidated entity including details of performance related remuneration and any options or other securities granted as part of remuneration; and
- (d) details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

The Board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business and strategic objectives and current and emerging market practices.

# Explanatory Memorandum

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution. In accordance with the Corporations Act, a vote on this Resolution is advisory only and does not bind the Directors or the Company.

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting (in any capacity) on Resolution 1, details of which are set out in the voting restriction statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

## 4. Resolution 2 - Appointment of auditor

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### 4.1 Explanation

Stanley & Williamson received consent from ASIC to resign from the office of auditor of the Company effective from 15 February 2021 and the Board appointed BDO Audit Pty Ltd (**BDO**) as auditor, pursuant to section 327C(1) of the Corporations Act. In accordance with section 327C(2), an auditor appointed under section 327C(1) holds office until the company's next annual general meeting. The ongoing appointment of the auditor must then be approved by shareholders under section 327B of the Corporations Act.

In accordance with section 328B(1) of the Corporations Act, the Company has obtained a written nomination from a Shareholder for BDO to be appointed as the Company's auditor, a copy of which is attached to this Explanatory Memorandum as Attachment A. In accordance with section 328A(1) of the Corporations Act, BDO has given its written consent to act as the Company's auditor, and, as at the date of this Notice, has not withdrawn this consent.

If Resolution 2 is passed, the appointment of BDO as the Company's auditors will take effect from the close of the Annual General Meeting.

### 4.2 Directors' recommendation

The Directors unanimously recommend that you vote in favour of Resolution 2.

## 5. Resolution 3 - Re-election of Stuart Crow as a Non-Executive Director

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Stuart Crow retires in accordance with Rule 9.1(d) of the Company's Constitution and, being eligible, offers himself for re-election as a Non-Executive Director.

Mr Crow has global experience in financial services, corporate finance, investor relations, international markets, salary packaging and stock broking. Stuart is passionate about assisting emerging listed companies to attract investors and capital and has owned and operated his own businesses.

Further details of Mr Crow's qualifications and experience are set out in the Company's Annual Report, which was released to ASX on 29 October 2021.

The Directors (with Mr Crow abstaining) recommend that you vote in favour of this Ordinary Resolution.

# Explanatory Memorandum

## 6. Resolution 4 - Election of Amalia Saenz as a Non-Executive Director

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The Company's Constitution and ASX Listing Rule 14.4 provide that any Director appointed in addition to the existing Directors will hold office until the next following annual general meeting and is then eligible for re-election.

Sra. Amalia Saenz was appointed as an additional Director of the Company on 28 July 2021 and has since served as a Director of the Company.

An experienced energy and natural resources lawyer based in Buenos Aires, Sra. Sáenz is assisting the Company and its local team in Argentina in engaging with local stakeholders and preparing for the development of clean lithium in Argentina.

Sra. Sáenz is a partner at the law firm, Zang, Bergel & Viñes in Buenos Aires, where she leads the firm's energy and natural resources practice.

A leading member of the Association of International Petroleum Negotiators, Sra. Sáenz has extensive experience in energy and resources, including merger and acquisition, financing, joint venture and operating agreements in Argentina. She has also worked in Central Asia and the United Kingdom, gaining experience in exploration and production development across international borders and cultures.

Further details of Sra. Saenz's qualifications and experience are set out in the Company's Annual Report, which was released to ASX on 29 October 2021.

The Directors (with Sra. Amelia Saenz abstaining) recommend that you vote in favour of this Ordinary Resolution.

## 7. Resolution 5 - Increase in amount available for non-executive Director remuneration

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In order for the total aggregate annual remuneration payable to non-executive Directors of the Company to be increased, Listing Rule 10.17 of the Listing Rules and Rule 9 of the Company's Constitution must be complied with. The Listing Rules and the Constitution provide that the Company must not increase the amount of remuneration payable to non-executive Directors of the Company unless Shareholders approve such an increase.

Currently, non-executive Directors of the Company are entitled to receive board fees as follows:

- (a) Stu Crow – \$180,000 per annum plus GST;
- (b) Dr Robert Trzebski - \$72,000 plus statutory superannuation; and
- (c) Amelia Saenz - \$72,000 plus statutory superannuation if applicable.

Shareholder approval is sought to increase the total aggregate annual remuneration payable to non-executive Directors of the Company from \$350,000.00 to a maximum aggregate amongst all non-executive Directors of \$550,000.00 being an increase of \$200,000 (to be divided between non-executive Directors as the Board determines).

The Board considers that this increase in the total aggregate annual remuneration payable to non-executive Directors is necessary to provide an ability to increase the remuneration payable to the current non-executive Directors and any additional non-executive Directors who might join the Board. Further details on the remuneration paid to non-executive Directors are

# Explanatory Memorandum

set forth in the Remuneration Report contained in the Directors' Report section of the Annual Report.

The following securities have been issued to non-executive Directors with shareholder approval under Listing Rule 10.11 or 10.14 within the preceding 3 years:

- an issue of 5,000,000 performance rights and 5,000,000 options having an exercise price of \$0.09 and expiry date of 31 July 2021 to Dr Nicholas Lindsay approved by shareholders in general meeting on 15 August 2019 (Dr Lindsay has since become an executive director having been appointed Technical Director of the Company); and
- an issue of 5,000,000 performance rights and 5,000,000 options having an exercise price of \$0.09 and expiry date of 31 July 2021 to Stuart Crow approved by shareholders in general meeting on 15 August 2019.

If the Resolution is passed, as noted above the total aggregate annual remuneration payable to non-executive Directors of the Company will be \$550,000.00.

If the Resolution is not passed, the Company will not be able to increase the total aggregate annual remuneration payable to non-executive Directors of the Company. This may make it more difficult for the Company to attract and maintain high quality Directors.

The Company believes that all relevant information concerning Resolution 5 required in respect of Listing Rule 10.17 is included in the text, and accompanying notes, of this resolution in the Notice of Meeting.

## 8. Resolution 6 - Ratification of previous issue of options to Roth Capital Partners, LLC

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### 8.1 Introduction

On 27 January 2021, the Company issued to Roth Capital Partners, LLC (**Roth**) 1,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.165 each, expiring on 27 January 2023 and otherwise on the terms and conditions set out in Schedule 2 (**Roth Options**).

Pursuant to an engagement letter with Roth dated 5 January 2021 (**Roth Agreement**), the Company issued, or agreed to issue, the Roth Options to Roth as a fee for advisory services rendered by Roth as financial advisor, sole placement agent and lead underwriter to the Company with respect to any offering of the Company's debt, equity or equity-linked securities during the engagement period being a period of 12 months from the date of the Roth Agreement.

Roth acted as sole placement agent to the Company's placement of 125,000,000 fully paid ordinary shares at an issue price of \$0.165 per share to institutional investors on 27 January 2021 (**Placement**).

The Roth Agreement provides that upon closing of any transaction the Company will issue to Roth 1,000,000 options at an exercise price equal to the offer price under the transaction. Roth was issued the Roth Options upon closing of the Placement and the exercise price of the Roth Options are the same as the issue price of the shares issued under the Placement, being \$0.165. This issue was undertaken within the Company's Listing Rule 7.1 capacity.

### 8.2 Listing Rule 7.4

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue, or agreement to issue, and allotment of the Roth Options, being issues of securities made by the Company on 27 January 2021 for which shareholder approval has not already been obtained.

# Explanatory Memorandum

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in the 12 month period immediately preceding the date of the issue or agreement (if the entity has been admitted to the official list for 12 months or more) or 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 (if the entity has been admitted to the official list for less than 12 months) without the prior approval of its shareholders.

Equity securities issued with shareholder approval under Listing Rule 7.1 do not count towards the 15% limit under Listing Rule 7.1.

Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 6 is approved it will have the effect of refreshing the Company's ability, to the extent of the Roth Options, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act).

If Resolution 6 is not passed, the Roth Options will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

## 8.3 Information for Listing Rule 7.5

For the purposes of Listing Rule 7.5, the Company provides the following information:

Listing Rule		Information
7.5.1	The names of the persons to whom the Securities are issued or agreed to be issued or the basis on which those persons were identified or selected	Roth Capital Partners, LLC
7.5.2	The number and class of Securities issued or agreed to be issued	1,000,000 Roth Options.
7.5.3	Summary of the material terms of the Securities	The Roth Options were issued on the terms set out in Schedule 2.
7.5.4	Date or dates on which the Securities were or will be issued	The Roth Options were issued on 27 January 2021.
7.5.5	The price or other consideration the entity has received or will receive for the issue	The Roth Options were issued in consideration for services rendered.
7.5.6	The purpose of the issue, including the use or intended use of any funds raised by the issue	No funds are raised from the issue of the Roth Options.
7.5.7	Summary of the material terms of the agreement	The Roth Options were issued or agreed to be issued under the Roth Agreement which sets out the following material terms and conditions: <ul style="list-style-type: none"><li>• Roth is to serve as the exclusive financial advisor, sole placement agent and lead underwriter for the Company</li></ul>

# Explanatory Memorandum

Listing Rule		Information
		<p>with respect to any offering of the Company's debt, equity or equity-linked securities during the engagement period (<b>Offering</b>) and provide a range of services including reviewing the Company's capital requirements and identifying potential strategic partners.</p> <ul style="list-style-type: none"> <li>• The engagement period is from the date of the Roth Agreement being 5 January 2021 for a period of 12 months.</li> <li>• Roth is entitled to an advisory fee upon the closing of any transaction, of 1,000,000 options at an exercise price equal to the share issuance. These are the Roth Options.</li> <li>• Roth is entitled to an annual advisory fee of USD \$120,000 payable monthly.</li> <li>• Roth is to serve as lead underwriter and book-runner on any firm commitment Offering and shall receive a 6% commission or discount upon consummation of the Offering.</li> <li>• With respect to any public or private Offering conducted on an agency basis, Roth will be the sole placement agent and shall receive a 6% commission or discount upon consummation of the offering.</li> <li>• Upon the closing of any Offering, Roth is entitled to options which can be exercised into such number of shares as equal to 6% of securities issued in the Offering by the Company and if options are not issued in the transaction, Roth is to receive options exercisable at a 25% premium to the issue price. Roth was issued 11,250,000 options for its role in conducting the Company's placement to institutional investors on 27 January 2021. These options were approved by Shareholders at the general meeting on 9 March 2021.</li> <li>• The Company or Roth may</li> </ul>

# Explanatory Memorandum

Listing Rule		Information
		<p>terminate the Roth Agreement at any time. If the Company terminates the Roth Agreement during the engagement period, it is required to compensate Roth in accordance with the Roth Agreement for any transaction entered into during the engagement period.</p> <ul style="list-style-type: none"> <li>The Company agrees to indemnify Roth and its affiliates from all losses, claims, damages and liabilities which are related to or result from the performance by Roth of the services contemplated by the Roth Agreement, except in the case of wilful misconduct or gross negligence.</li> </ul>
7.5.8	A voting exclusion statement.	A voting exclusion statement is included in the Notice of Meeting for Resolution 6.

## 8.4 Director's recommendation

The Directors unanimously recommend that you vote in favour of Resolution 6.

## 9. Resolution 7 - Ratification of previous issue of options to Canaccord Genuity (Australia) Limited

### 9.1 Introduction

On 28 July 2021, the Company issued to Canaccord Genuity (Australia) Limited (**Canaccord**) 35,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.55 each, expiring on 31 December 2024 and otherwise on the terms and conditions set out in Schedule 2 (**Canaccord Options**).

Pursuant to a mandate letter dated 16 July 2021 (**Canaccord Agreement**), the Company issued, or agreed to issue, the Canaccord Options to Canaccord as a fee for acting as the Company's corporate advisor in connection with its ongoing capital markets strategy requirements, for a minimum of 12 months commencing on execution of the agreement by the Company (being 19 July 2021).

The Canaccord Agreement provides that upon closing of any transaction the Company will issue to Canaccord 35,000,000 options as a fee for providing the corporate advisory services. The Canaccord Options will vest and be exercisable in tranches, as follows:

- (a) Tranche 1 – 10 million options which vest on the date the Company achieves a 5-day VWAP prior to the Expiry Date of A\$0.55 or above.
- (b) Tranche 2 – 10 million options which vest on the date the Company achieves a 5-day VWAP prior to the Expiry Date of A\$0.70 or above.
- (c) Tranche 3 – 10 million options which vest on the date the Company achieves a 5-day VWAP prior to the Expiry Date of A\$0.85 or above.

# Explanatory Memorandum

- (d) Tranche 4 – 5 million options which vest on the date the Company achieves a 5-day VWAP prior to the Expiry Date of A\$1.25 or above.

This issue was undertaken within the Company's Listing Rule 7.1 capacity.

## 9.2 Listing Rule 7.4

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue, or agreement to issue, and allotment of the Canaccord Options, being issues of securities made by the Company on 28 July 2021 for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in the 12 month period immediately preceding the date of the issue or agreement (if the entity has been admitted to the official list for 12 months or more) or 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 (if the entity has been admitted to the official list for less than 12 months) without the prior approval of its shareholders.

Equity securities issued with shareholder approval under Listing Rule 7.1 do not count towards the 15% limit under Listing Rule 7.1.

Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 7 is approved it will have the effect of refreshing the Company's ability, to the extent of the Canaccord Options, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act).

If Resolution 7 is not passed, the Canaccord Options will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

## 9.3 Information for Listing Rule 7.5

For the purposes of Listing Rule 7.5, the Company provides the following information:

Listing Rule		Information
7.5.1	The names of the persons to whom the Securities are issued or agreed to be issued or the basis on which those persons were identified or selected	Canaccord Genuity (Australia) Limited ACN 075 071 466
7.5.2	The number and class of Securities issued or agreed to be issued	35,000,000 Canaccord Options.
7.5.3	Summary of the material terms of the Securities	The Canaccord Options were issued on the terms set out in Schedule 2.
7.5.4	Date or dates on which the Securities were or will be issued	The Canaccord Options were issued on 28 July 2021.
7.5.5	The price or other consideration the entity has received or will receive for the issue	The Canaccord Options were issued in consideration for services rendered.
7.5.6	The purpose of the issue, including	No funds were raised from the issue

# Explanatory Memorandum

Listing Rule		Information
	the use or intended use of any funds raised by the issue	of the Canaccord Options.
7.5.7	Summary of the material terms of the agreement	<p>The Canaccord Options were issued or agreed to be issued under the Canaccord Agreement which sets out the following material terms and conditions:</p> <ul style="list-style-type: none"> <li>• Canaccord is to serve as the Company's corporate advisor, for a minimum period of 12 months from the date of the Canaccord Agreement. The Canaccord Agreement is dated 16 July 2021.</li> <li>• Canaccord may provide a variety of corporate advisory services set out in the Canaccord Agreement as reasonably required and requested by the Company, including advising and assisting the Company on capital management issues.</li> <li>• As set out in Schedule 2, the Canaccord Options will vest in four tranches, if and when the Company achieves a range of 5 day VWAPs prior to the Expiry Date.</li> <li>• Canaccord may terminate the Canaccord Agreement at any time.</li> <li>• If during the term of the Canaccord Agreement (including a period of 30 days after termination), the Company undertakes an equity or hybrid capital raising, the Company agrees to offer Canaccord the opportunity to act as lead manager or a joint lead manager to the offer.</li> </ul>
7.5.8	A voting exclusion statement.	A voting exclusion statement is included in the Notice of Meeting for Resolution 7.

## 9.4 Directors' recommendation

The Directors unanimously recommend that you vote in favour of Resolution 7.

# Explanatory Memorandum

## 10. Resolution 8 - Ratification of previous issue of options to SD Capital Advisory Limited and GKB Ventures Limited

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### 10.1 Introduction

On 1 August 2021, the Company issued to each of SD Capital Advisory Limited (**SD Advisory**) and GKB Ventures Limited (**GKB**) 2,890,000 options each (being a total of 5,780,000 options) to subscribe for fully paid ordinary shares in the Company exercisable at \$0.49 each, expiring on 1 August 2024 and otherwise on the terms and conditions set out in Schedule 3 (**SD GKB Options**).

Pursuant to a debt advisory mandate letter dated 11 February 2021 (**SD GKB Agreement**), the Company issued the SD GKB Options to SD Advisory and GKB as a fee for services provided by SD Advisory and GKB in their capacity as the Company's financial adviser in respect of the debt portion of the project finance for the Company's Kachi Project.

The SD GKB Agreement provides that on receipt of an initiation report outlining interest from export credit agency (**ECA**) candidates which is broadly acceptable to the Company (**Initiation Report**), the Company must issue 0.25% of the "total initiation debt" in options with an exercise price equal to the 20-day VWAP five days after the issue of the Initiation Report. The "total initiation debt" is the amount of debt indicatively sought in USD equivalent for the Kachi Project from one or more ECAs together with any commercial tranches insisted upon by the ECAs.

SD Advisory and GKB are to share in any fees or options to be issued under the SD GKB Agreement equally.

The SD GKB Options represent the options payable following the issue of the Initiation Report.

This issue was undertaken within the Company's Listing Rule 7.1 capacity.

### 10.2 Listing Rule 7.4

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue, or agreement to issue, and allotment of the SD GKB Options, being issues of securities made by the Company on 1 August 2021 for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in the 12 month period immediately preceding the date of the issue or agreement (if the entity has been admitted to the official list for 12 months or more) or 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 (if the entity has been admitted to the official list for less than 12 months) without the prior approval of its shareholders.

Equity securities issued with shareholder approval under Listing Rule 7.1 do not count towards the 15% limit under Listing Rule 7.1.

Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 8 is approved it will have the effect of refreshing the Company's ability, to the extent of the SD GKB Options, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act).

# Explanatory Memorandum

If Resolution 8 is not passed, the SD GKB Options will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

## 10.3 Information for Listing Rule 7.5

For the purposes of Listing Rule 7.5, the Company provides the following information:

Listing Rule		Information
7.5.1	The names of the persons to whom the Securities are issued or agreed to be issued or the basis on which those persons were identified or selected	SD Capital Advisory Limited and GKB Ventures Limited
7.5.2	The number and class of Securities issued or agreed to be issued	5,780,000 SD GKB Options (2,890,000 options issued to each of SD Advisory and GKB).
7.5.3	Summary of the material terms of the Securities	The SD GKB Options were issued on the terms set out in Schedule 3.
7.5.4	Date or dates on which the Securities were or will be issued	The SD GKB Options were issued on 1 August 2021.
7.5.5	The price or other consideration the entity has received or will receive for the issue	The SD GKB Options were issued in consideration for services rendered.
7.5.6	The purpose of the issue, including the use or intended use of any funds raised by the issue	No funds were raised from the issue of the SD GKB Options.
7.5.7	Summary of the material terms of the agreement	<p>The SD GKB Options were issued or agreed to be issued under the SD GKB Agreement which sets out the following material terms and conditions:</p> <ul style="list-style-type: none"> <li>• The Company appoints SD Advisory and GKB as its financial adviser to fund raise the debt portion of its estimated capital expenditure outlay at the Kachi Project of circa USD 480 million.</li> <li>• The term of the SD GKB Agreement is from the commencement date until (i) the drawdown of the project debt against an export credit agency facility commences or (ii) the date the SD GKB Agreement is terminated.</li> <li>• SD Advisory and GKB shall provide various advisory services over stages.</li> <li>• The SD GKB Options are issued pursuant to a requirement to, following receipt of the Initiation Report, issue</li> </ul>

# Explanatory Memorandum

Listing Rule		Information
		<p>0.25% of the “total initiation debt” in options with an exercise price equal to the 20-day VWAP five days after the issue date of the Initiation Report.</p> <ul style="list-style-type: none"> <li>• SD Advisory and GKB are also entitled to the following fees:           <ul style="list-style-type: none"> <li>- a monthly retainer fee equal to USD \$20,000 for a minimum period of 6 months until (i) the later of completion of the equity raise agreed to by the ECA or (ii) drawdown of the debt facility which substantially addresses the Company’s debt needs, and ceasing on completion of the mandate;</li> <li>- upon successful completion of the debt transaction, SD Advisory and GKB are entitled to a success fee equal to 2.25% of commitments against the facility for the Kachi Project and options equal to 2% of total debt arrange by SD and GKB; and</li> <li>- a drop dead fee if the Company decides not to continue with the debt transaction of USD \$1,200,000.</li> </ul> </li> <li>• Either party may terminate the SD GKB Agreement by giving 3 months’ notice in writing.</li> </ul>
7.5.8	A voting exclusion statement.	A voting exclusion statement is included in the Notice of Meeting for Resolution 8.

## 10.4 Director’s recommendation

The Directors unanimously recommend that you vote in favour of Resolution 8.

# Explanatory Memorandum

## 11. Resolution 9 - Ratification of previous issue of options to Lodge Partners Pty Ltd

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### 11.1 Introduction

On 30 August 2021, the Company issued to Lodge Partners Pty Ltd (**Lodge Partners**) 4,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.75 each, expiring on 15 June 2022 and otherwise on the terms and conditions set out in Schedule 4 (**Lodge Options**).

Pursuant to a Nominee Appointment Deed between the Company and Lodge Partners, Lodge Partners was appointed by the Company to act as nominee for Shareholders who were ineligible to participate in the Company's recent bonus option issue made under the Bonus Option Prospectus released to ASX on 17 August 2021. Lodge Partners received the Bonus Options that would have been issued to ineligible shareholders and was required to exercise the Bonus Options, sell the Share and Additional Option issued upon exercise and remit the proceeds to those shareholders (net of fees provided for under the Nominee Appointment Deed).

The Lodge Options are issued in consideration for Lodge acting as nominee pursuant to the Nominee Appointment Deed and were disclosed in the Company's supplementary prospectus dated 1 September 2021 and released to ASX on 2 September 2021.

The Lodge Options are issued on the same terms as the Additional Options issued pursuant to the Additional Option Offer to Shareholders who exercised their Bonus Options under the Bonus Option Offer.

This issue was undertaken within the Company's Listing Rule 7.1 capacity.

### 11.2 Listing Rule 7.4

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue, or agreement to issue, and allotment of the Lodge Options, being issues of securities made by the Company on 30 August 2021 for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in the 12 month period immediately preceding the date of the issue or agreement (if the entity has been admitted to the official list for 12 months or more) or 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 (if the entity has been admitted to the official list for less than 12 months) without the prior approval of its shareholders.

Equity securities issued with shareholder approval under Listing Rule 7.1 do not count towards the 15% limit under Listing Rule 7.1.

Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 9 is approved it will have the effect of refreshing the Company's ability, to the extent of the Lodge Options, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act).

If Resolution 9 is not passed, the Lodge Options will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

# Explanatory Memorandum

## 11.3 Information for Listing Rule 7.5

For the purposes of Listing Rule 7.5, the Company provides the following information:

Listing Rule		Information
7.5.1	The names of the persons to whom the Securities are issued or agreed to be issued or the basis on which those persons were identified or selected	Lodge Partners Pty Ltd ACN 053 432 769
7.5.2	The number and class of Securities issued or agreed to be issued	4,000,000 Lodge Options.
7.5.3	Summary of the material terms of the Securities	The Lodge Options were issued on the terms set out in Schedule 4.
7.5.4	Date or dates on which the Securities were or will be issued	The Lodge Options were issued on 30 August 2021.
7.5.5	The price or other consideration the entity has received or will receive for the issue	The Lodge Options were issued in consideration for services rendered by Lodge as nominee for ineligible shareholders under the Nominee Appointment Deed.
7.5.6	The purpose of the issue, including the use or intended use of any funds raised by the issue	No funds are raised from the issue of the Lodge Options.
7.5.7	Summary of the material terms of the agreement	<p>The Lodge Options were issued or agreed to be issued under the Lodge Agreement which sets out the following material terms and conditions:</p> <ul style="list-style-type: none"> <li>• Lodge agreed to receive the Bonus Options that would otherwise be issued to the Ineligible Shareholders under the Company's Bonus Option Offer, exercise the Bonus Options issued to it and offer the underlying securities which are issued to it upon exercise of the Bonus Options within 45 days after the date of their issue and distribute to the Ineligible Shareholders their proportion of the proceeds net of any fees.</li> <li>• Lodge is entitled to deduct the following fees from the sale proceeds: <ul style="list-style-type: none"> <li>- an administration fee of \$80,000 + GST;</li> <li>- a fee in relation to the sale of the underlying securities on issue of the Bonus Options of 1% of the value of the trade + GST.</li> </ul> </li> </ul>

# Explanatory Memorandum

Listing Rule		Information
		<ul style="list-style-type: none"><li>Lodge is entitled to be issued 4,000,000 options at an exercise price of \$0.75 and expiry date of 15 June 2022, as a performance fee for being appointed nominee under the Lodge Agreement – being the Lodge Options for which approval is sought under Resolution 9.</li></ul>
7.5.8	A voting exclusion statement.	A voting exclusion statement is included in the Notice of Meeting for Resolution 9.

## 11.4 Director's recommendation

The Directors unanimously recommend that you vote in favour of Resolution 9.

## 12. Resolution 10 - Ratification of previous issue of options to Red Cloud Financial Services Inc.

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### 12.1 Introduction

On 24 May 2021, the Company issued to Red Cloud Financial Services Inc. (**Red Cloud**) 1,500,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.30, expiring on 24 May 2023 and otherwise on the terms and conditions set out in Schedule 5 (**Red Cloud Options**).

Pursuant to a letter agreement dated 19 May 2021 (**Red Cloud Options Agreement**), the Company agreed to sell to Red Cloud the Red Cloud Options for consideration of \$100.00 to the Company.

The Red Cloud Options Agreement was entered into at the same time as a broader agreement with Red Cloud pursuant to which it will provide certain marketing and similar advisory services to the Company (**Red Cloud Services Agreement**).

The Red Cloud Options are issued pursuant to the Red Cloud Options Agreement.

This issue was undertaken within the Company's Listing Rule 7.1 capacity.

### 12.2 Listing Rule 7.4

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue, or agreement to issue, and allotment of the Red Cloud Options, being an issue of securities made by the Company on 24 May 2021 for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in the 12 month period immediately preceding the date of the issue or agreement (if the entity has been admitted to the official list for 12 months or more) or 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 (if the entity has been admitted to the official list for less than 12 months) without the prior approval of its shareholders.

# Explanatory Memorandum

Equity securities issued with shareholder approval under Listing Rule 7.1 do not count towards the 15% limit under Listing Rule 7.1.

Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 10 is approved it will have the effect of refreshing the Company's ability, to the extent of the Red Cloud Options, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act).

If Resolution 10 is not passed, the Red Cloud Options will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

## 12.3 Information for Listing Rule 7.5

For the purposes of Listing Rule 7.5, the Company provides the following information:

Listing Rule		Information
7.5.1	The names of the persons to whom the Securities are issued or agreed to be issued or the basis on which those persons were identified or selected	Red Cloud Financial Services Inc.
7.5.2	The number and class of Securities issued or agreed to be issued	1,500,000 Red Cloud Options.
7.5.3	Summary of the material terms of the Securities	The Red Cloud Options were issued on the terms set out in Schedule 5.
7.5.4	Date or dates on which the Securities were or will be issued	The Red Cloud Options were issued on 24 May 2021.
7.5.5	The price or other consideration the entity has received or will receive for the issue	The Red Cloud Options were issued in consideration for \$100.00.
7.5.6	The purpose of the issue, including the use or intended use of any funds raised by the issue	No funds are raised from the issue of the Red Cloud Options.
7.5.7	Summary of the material terms of the agreement	<p>The Red Cloud Options were issued or agreed to be issued under the Red Cloud Options Agreement.</p> <p>The key material term and condition of the Red Cloud Options Agreement is that the Company agrees to sell the Red Cloud Options to Red Cloud in consideration for the sum of \$100.00.</p> <p>The terms of the Red Cloud Options are set out in Schedule 5.</p> <p>The Red Cloud Options Agreement was entered into at the same time as the Red Cloud Services Agreement. Under the Red Cloud Services Agreement, Red Cloud provides</p>

# Explanatory Memorandum

Listing Rule		Information
		<p>various marketing and similar advisory services to the Company including the marketing of targeted potential investors, organising roadshows and introducing the Company to investors.</p> <p>The Red Cloud Services Agreement is for a period of 12 months from the date of the agreement (being 19 May 2021) and may be terminated by either party on one month's written notice.</p> <p>The Red Cloud Services Agreement provides for Red Cloud to receive the following fees:</p> <ul style="list-style-type: none"> <li>• a marketing fee of \$10,000 per month;</li> <li>• a commission of 6% of the gross proceeds of any equity offering involving a party identified by Red Cloud, as well as options equal to 4% of the number of securities sold to the identified party at a 50% premium to the offer price of such securities, exercisable within 2 years of the date of issue; and</li> <li>• a break fee in the event a transaction - other than an equity securities offering - involving a party identified by Red Cloud is announced during the term of the Red Cloud Services Agreement or within a period of 6 months thereafter. The fee is a percentage of the transaction value and the minimum fee is \$75,000.</li> </ul> <p>The Company indemnifies Red Cloud and its directors, officers and agents from all expenses, losses suffered by Red Cloud arising from the performance of its professional services under the Red Cloud Services Agreement.</p>
7.5.8	A voting exclusion statement.	A voting exclusion statement is included in the Notice of Meeting for Resolution 10.

## 12.4 Director's recommendation

The Directors unanimously recommend that you vote in favour of Resolution 10.

# Explanatory Memorandum

## 13. Resolution 11 - Ratification of previous issue of options to Peter Neilsen

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### 13.1 Introduction

On 12 July 2021, the Company issued to the Chief Executive Officer, Peter Neilsen 2,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.55, expiring on 12 July 2024 and otherwise on the terms and conditions set out in Schedule 6 (**Neilsen Options**).

Pursuant to an executive service agreement commencing 12 July 2021 with Neilsen in respect of his appointment as Chief Executive Officer of the Company (**CFO Agreement**), the Company agreed to issue the Neilsen Options as a sign on bonus. The CFO Agreement provides that as soon as practicable after the commencement date, the Company will grant Mr Neilsen 2,000,000 options to subscribe for ordinary shares in the Company, with each option exercisable into one ordinary share at an exercise price equal to a 50% premium to the market price at the commencement date and exercisable within 3 years of the commencement date. The Neilsen Options were issued on 2 August 2021 in accordance with the CFO Agreement.

This issue was undertaken within the Company's Listing Rule 7.1 capacity.

### 13.2 Listing Rule 7.4

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue, or agreement to issue, and allotment of the Neilsen Options, being an issue of securities made by the Company on 12 July 2021 for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in the 12 month period immediately preceding the date of the issue or agreement (if the entity has been admitted to the official list for 12 months or more) or 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 (if the entity has been admitted to the official list for less than 12 months) without the prior approval of its shareholders.

Equity securities issued with shareholder approval under Listing Rule 7.1 do not count towards the 15% limit under Listing Rule 7.1.

Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 11 is approved it will have the effect of refreshing the Company's ability, to the extent of the Neilsen Options, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act).

If Resolution 11 is not passed, the Neilsen Options will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

### 13.3 Information for Listing Rule 7.5

For the purposes of Listing Rule 7.5, the Company provides the following information:

Listing Rule		Information
7.5.1	The names of the persons to whom the Securities are issued or agreed to be issued or the basis on which those persons were identified or	Peter Neilsen

# Explanatory Memorandum

Listing Rule		Information
	selected	
7.5.2	The number and class of Securities issued or agreed to be issued	2,000,000 Neilsen Options.
7.5.3	Summary of the material terms of the Securities	The Neilsen Options were issued on the terms set out in Schedule 6.
7.5.4	Date or dates on which the Securities were or will be issued	The Neilsen Options were issued on 12 July 2021.
7.5.5	The price or other consideration the entity has received or will receive for the issue	The Neilsen Options were issued as a sign on bonus to secure the appointment of Peter Neilsen as Chief Executive Officer and accordingly were issued for no consideration.
7.5.6	The purpose of the issue, including the use or intended use of any funds raised by the issue	No funds are raised from the issue of the Neilsen Options.
7.5.7	Summary of the material terms of the agreement	The Neilsen Options were issued or agreed to be issued under the CFO Agreement.  The terms of the Neilsen Options are set out in Schedule 6.
7.5.8	A voting exclusion statement.	A voting exclusion statement is included in the Notice of Meeting for Resolution 11.

## 13.4 Director's recommendation

The Directors unanimously recommend that you vote in favour of Resolution 11.

## 14. Resolution 12 – Approval to issue Performance Shares to Peter Neilsen

### 14.1 Overview

Pursuant to Resolution 12, the Company is seeking Shareholder approval for the grant of one Class A, Class B, Class C and Class D Performance Share (together, **the Neilsen Performance Shares**) to the Chief Financial Officer of the Company, Mr Peter Neilsen, or an entity controlled by him (**Neilsen Entity**).

The purpose of the grant of the Neilsen Performance Shares is to provide Mr Neilsen with short and long-term variable remuneration as incentive to participate in the Company's growth that is directly aligned with the creation of shareholder value.

As noted in the Company's Remuneration Report, the Company engaged Godfrey Remuneration Group to assist in development short term and long-term incentives for its executives.

Mr Neilsen's executive service agreement in respect of his role of Chief Financial Officer commenced on 12 July 2021.

The Base Pay for Mr Neilsen as at the commencement date of his contract is \$330,000 per annum inclusive of statutory superannuation contributions.

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The Class A Performance Share is to be issued to Mr Neilsen as part of his short-term variable remuneration package.

The Class B, C and D Performance Shares are to be issued to Mr Neilsen as part of his long-term variable remuneration package.

## 14.2 Conversion of Neilsen Performance Shares

Each Neilsen Performance Share entitles Mr Neilsen to receive up to a maximum of the following number of ordinary shares in the Company upon conversion of that Performance Share, subject to certain performance measures (set out below) (**Neilsen Performance Measures**) being met:

**Table 1 – Maximum number of ordinary shares to be issued**

<b>Neilsen Performance Share</b>	<b>Maximum number of ordinary shares that the Neilsen Performance Share will convert into</b>
<b>Class A</b>	123,809
<b>Class B</b>	139,285
<b>Class C</b>	167,142
<b>Class D</b>	250,714
<b>Total</b>	<b>680,950</b>

The maximum number of ordinary shares assumes that the VWAP Price under the Neilsen Conversion Formula set out below is at least \$0.35 being the market price of the Company's shares as at 1 July 2021 (**VWAP Floor Price**). If the VWAP Price is lower than the VWAP Floor Price, no more than the maximum number of ordinary shares approved by Shareholders under Resolution 12 will be issued.

### *Conversion of Class A Neilsen Performance Share*

The number of Shares to be granted to Mr Neilsen upon conversion of the Class A Neilsen Performance Share will be calculated using the following formula (**Short-term Neilsen Conversion Formula**):

$$NS = (2/3 \times \$65,000) \times P$$

\_\_\_\_\_

VWAP Price

where:

NS = Number of Shares to be issued on conversion of the relevant Neilsen Performance Share.

P = Percentage assessed by the Company's Remuneration Committee according to assessment of Mr Neilsen's achievement of the relevant Neilsen Performance Measure over the Measurement Period up to the Maximum Weighting.

The Maximum Weighting, Neilsen Performance Measures, Measurement Period and Expiry Date for the A Class Neilsen Performance Share are set out below.

# Explanatory Memorandum

Class A Neilsen Performance Share			
Neilsen Performance Measure	Maximum Weighting	Measurement period	Expiry Date
Delivering comprehensive accounting information with quality timely information in Argentina and at head company levels	40%	12 July 2021 – 12 October 2022	12 December 2022
Closing the debt financing for the Company's Kachi Project (60%)	60%		

## Conversion of Class B, C and D Neilsen Performance Shares

The number of Shares to be granted to Mr Neilsen upon conversion of the Class B, C and D Neilsen Performance Shares will be calculated using the following formula (**Long-term Neilsen Conversion Formula**):

$$NS = (P\% \times \$195,000)$$

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VWAP Price

where:

NS = Number of Shares to be issued on conversion of the relevant Neilsen Performance Share.

P = Percentage assessed by the Company's Remuneration Committee according to assessment of Mr Neilsen's achievement of the relevant Neilsen Performance Measure over the Measurement Period up to the Maximum Weighting.

VWAP Price = the volume weighted average price of the Company's Shares traded on ASX during the 20 trading days prior to the date of conversion of the relevant Neilsen Performance Share.

The Maximum Weighting, Neilsen Performance Measure, Measurement Period and Expiry Date for the Class B, C and D Neilsen Performance Shares are set out below.

Performance Share	Maximum Weighting	Neilsen Performance Measure	Measurement period	Expiry Date
<b>Class B</b>	25%	Delivering and operating a comprehensive reporting package for the debt financiers and potential JV partners post close of the Kachi Project finance	12 July 2021 – 12 January 2023	12 March 2023
<b>Class C</b>	30%	Maintain and deliver accurate reporting across all facets of the business incorporating cash flows, pre-production and budgeting	12 July 2021 – 12 July 2023	12 September 2023

# Explanatory Memorandum

Performance Share	Maximum Weighting	Neilsen Performance Measure	Measurement period	Expiry Date
		Preparation of financial documents to the satisfaction of financiers, project banking syndicates and export credit agencies  Implementation and maintenance of acceptable budgetary and cash flow measures across Australia and Argentina		
<b>Class D</b>	45%	Delivery of the Kachi Project into production with appropriate reporting mechanisms in place	12 July 2021 – 12 July 2024	12 September 2024

The Company's Remuneration Committee will assess whether the Neilsen Performance Measures for the Neilsen Performance Shares are satisfied by the Expiry Date.

## 14.3 Performance Share terms

A summary of the terms of the Neilsen Performance Shares are set out in Schedule 7 to this Explanatory Memorandum.

## 14.4 Listing Rule 7.1 - Issues exceeding 15% of capital

Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any Relevant period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the Relevant period (**15% Capacity**) without either the prior approval of a majority of disinterested shareholders, or the issue otherwise falls within one of the prescribed exceptions to Listing Rule 7.1 (**15% Rule**).

Equity Securities issued with shareholder approval under Listing Rule 7.1 do not count towards the 15% Capacity.

The Neilsen Performance Shares are Equity Securities under the Listing Rules.

Further under Exception 9 in Listing Rule 7.2, an issue of Equity Securities on the conversion of Convertible Securities (including Options) does not count towards the 15% Capacity provided that the Company issued the Convertible Securities:

- (a) before it was listed and disclosed the existence and material terms of the Convertible Securities in the prospectus, PDS or information memorandum lodged with ASX under the Listing Rule 1.1 condition 3; or
- (b) after it was listed and complied with the Listing Rules when it did so.

Therefore the Company is seeking Shareholder approval in accordance with Listing Rule 7.1 to issue the Neilsen Performance Shares so that the Neilsen Performance Shares and any Equity Securities issued upon the conversion of the Neilsen Performance Shares do not count towards the Company's 15% Capacity.

# Explanatory Memorandum

## 14.5 Information for Listing Rule 7.3

For the purposes of Listing Rule 7.3, the Company provides the following information:

Listing Rule		Information
7.3.1:	Allottees of Securities	The Neilsen Performance Shares will be issued to Peter Neilsen or an entity controlled by Peter Neilsen ( <b>Neilsen Entity</b> ).
7.3.2:	Number and class of Securities that will be issued	<p>The Company will issue one Class A, Class B, Class C and Class D Performance Share to the Neilsen Entity.</p> <p>Each Neilsen Performance Share will convert into a particular number of Shares in the Company according to the Short-term Neilsen Conversion Formula for the Class A Neilsen Performance Share and the Long-term Neilsen Conversion Formula for the Class B, C and D Neilsen Performance Shares. The maximum number of Shares that may be issued on the conversion of the Neilsen Performance Shares is 680,950.</p>
7.3.3	Terms of the Securities	A summary of the terms of the Neilsen Performance Shares is set out in Schedule 7 to this Explanatory Memorandum. Any Shares issued upon the conversion of a Neilsen Performance Share shall rank pari passu with all other existing Shares on issue in the Company.
7.3.4:	Date or dates on or by which the Company will issue the Securities	The Neilsen Performance Shares will be issued within three months of the date of the Meeting.
7.3.5:	Price of the Securities	The Neilsen Performance Shares are being issued as a part of Mr Neilsen's short-term and long-term variable remuneration package under the CFO Agreement, in exchange for services rendered by Mr Neilsen to the Company as Chief Financial Officer.
7.3.6:	Purpose of issuing the Securities	The Neilsen Performance Shares are issued for the purpose of providing Mr Neilsen with short-term and long-term variable remuneration. No funds will be raised from the issue of the Neilsen Performance Shares.
7.3.7	Summary of agreement	<p>The CFO Agreement contains the following key terms:</p> <ul style="list-style-type: none"> <li>• Mr Neilsen's annual base salary is \$330,000 inclusive of statutory superannuation contributions.</li> <li>• Mr Neilsen is entitled to a sign on bonus being the issue of the Neilsen Options to be ratified under Resolution 11.</li> <li>• Mr Neilsen is employed on a full-time basis.</li> <li>• The term of the CFO Agreement is 3 years.</li> <li>• Mr Neilsen's salary will be reviewed annually on or about 1 July.</li> </ul>

# Explanatory Memorandum

Listing Rule		Information
		<ul style="list-style-type: none"><li>• Mr Neilsen's employment may be terminated on 3 months' notice by either party.</li><li>• Mr Neilsen may be summarily dismissed for serious misconduct, serious breach of contract, criminal offence, failure to comply with instructions, bankruptcy or if his qualifications / experience is found to be misleading.</li></ul>
7.3.9:	Voting exclusion statement	A voting exclusion statement is included in the Notice of Meeting.

## 14.6 Outcome of voting for and against the Resolution

If the Resolution is passed, the Neilsen Performance Shares will be issued to the Neilsen Entity as part of Mr Neilsen's short-term and long-term variable remuneration package. The Neilsen Performance Shares will be excluded from the calculation of the Company's 15% limit in ASX Listing Rule 7.1, maintaining the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue of the Neilsen Performance Shares.

If the Resolution is not passed, Mr Neilsen will not be issued with Neilsen Performance Shares under his variable remuneration package.

## 14.7 Directors' recommendation

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

## 15. Resolution 13 – Approval to issue Performance Shares to Dr Nicholas Lindsay

### 15.1 Overview

Pursuant to Resolution 13, the Company is seeking Shareholder approval for the grant of one Class E, F, G and H performance share to the Executive Technical Director of the Company, Nicholas Lindsay, or an entity controlled by him (**together, the Lindsay Performance Shares**).

The purpose of the grant of the Lindsay Performance Shares is to provide Dr Lindsay with short and long-term variable remuneration as incentives to participate in the Company's growth that is directly aligned with the creation of shareholder value.

As noted in the Company's Remuneration Report, the Company engaged Godfrey Remuneration Group to assist in development short term and long-term incentives for its executives.

Dr Lindsay's executive service agreement commenced on 1 January 2021.

The Base Pay for Dr Lindsay as at the commencement date of his contract is \$300,000 per annum exclusive of statutory superannuation contributions. The value of the Lindsay Performance Shares are expressed in the Technical Director Agreement as a proportion of Dr Lindsay's Base Pay plus Benefits namely including superannuation. Dr Lindsay's Base Pay for the first year from the commencement date inclusive of minimum statutory superannuation contributions will be \$323,202.

# Explanatory Memorandum

The Class E Performance Share is to be issued to Dr Lindsay as part of his short-term variable remuneration package.

The Class F, G and H Performance Shares are to be issued to Dr Lindsay as part of his long-term variable remuneration package.

## 15.2 Conversion of Lindsay Performance Shares

Each Lindsay Performance Share entitles Dr Lindsay to receive up to a maximum of the following number of ordinary shares in the Company upon conversion of that Performance Share, subject to certain Performance Measures (set out below) being met:

**Table 1 – Maximum number of ordinary shares to be issued**

<b>Performance Share</b>	<b>Maximum number of ordinary shares that the Lindsay Performance Share will convert into</b>
<b>Class E</b>	92,343
<b>Class F</b>	147,749
<b>Class G</b>	147,749
<b>Class H</b>	73,874
<b>Total</b>	<b>461,715</b>

The maximum number of ordinary shares assumes that the VWAP Price under the Lindsay Conversion Formula set out below is \$0.35 (**VWAP Floor Price**). If the VWAP Price is lower than the VWAP Floor Price, no more than the maximum number of ordinary shares approved by Shareholders under Resolution 13 will be issued.

The number of Shares to be granted to Dr Lindsay upon conversion of the Lindsay Performance Shares will be calculated using the following formula (**Lindsay Conversion Formula**):

$$NS = (P\% \times BP)$$

\_\_\_\_\_

VWAP Price

where:

NS = Number of Shares to be issued on conversion of the relevant Lindsay Performance Share.

BP = means the base pay component being in respect of the Class D Performance Share, \$32,320.20 and in respect of the Class E, Class F and Class G Performance Shares, \$129,280.80.

P = Percentage assessed by the Company's Remuneration Committee according to assessment of relevant Performance Measure over the Measurement Period up to the Maximum Weighting.

VWAP Price = the volume weighted average price of the Company's Shares traded on ASX during the 20 trading days prior to the date of conversion of the relevant Lindsay Performance Share.

The Maximum Weighting, Lindsay Performance Measures, Measurement Period and Expiry Date for the Lindsay Performance Shares are set out below.

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Performance Share	Maximum Weighting	Lindsay Performance Measure	Measurement period	Expiry Date
<b>Class D</b>	100%	Commencement of exploration and testing of brines from at least one of the Company's other projects	1 January 2021 – 1 April 2022	1 June 2022
<b>Class E</b>	40%	The Company putting a project team in place to build the Project DFS and building the demonstration plant on site	1 January 2021 – 1 April 2022	1 June 2022
<b>Class F</b>	40%	The Company closing the debt and equity financing for the Company's Kachi Project on terms satisfactory to the Company	1 January 2021 – 1 January 2023	1 March 2023
<b>Class G</b>	20%	The Company receiving approval for the financing of an expansion case being up to 50,000 tonnes per annum lithium carbonate equivalent total production at the Kachi Project	1 January 2021 – 1 January 2024	1 March 2024

The Company's Remuneration Committee will assess whether the Lindsay Performance Measures are satisfied within the relevant assessment periods.

Approval for the issue of the Lindsay Performance Shares is sought in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

## 15.3 Relevant legislation - Chapter 2E of the Corporations Act and Listing Rule 10.11

### (a) Chapter 2E of the Corporations Act

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

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

# Explanatory Memorandum

The Lindsay Entity is a related party of the Company as it will be Dr Lindsay who is a Director of the Company or an entity controlled by him.

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

A copy of this Notice and the Explanatory Memorandum has been lodged with ASIC in accordance with section 218 of the Corporations Act.

## (b) **Listing Rule 10.11**

Listing Rule 10.11 requires that an entity must obtain the approval of Shareholders to issue Securities to any of the following persons:

- (1) a Related Party;
- (2) person who is, or was at any time in the six months before the issue or agreement, a substantial (30%) holder in the entity;
- (3) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity (in the case of a trust, to the board of the responsible entity of the trust) pursuant to a relevant agreement which gives them a right or the expectation to do so;
- (4) an associate of a person referred to in items 15.3(b)(1) to 15.3(b)(3); or
- (5) a person whose relationship with the entity or a person referred to in items 15.3(b)(1) to 15.3(b)(4) is such that, in ASX’s opinion, the issue or agreement should be approved by security holders,

(individually referred to as an **Allottee** and jointly as **Allottees**) and in doing so must provide the information specified in Listing Rule 10.13, unless an exception applies.

If Resolution 13 is passed, the Lindsay Performance Shares must be issued within one month of that approval or else the approval will lapse.

## (c) **Listing Rule 7.1 - Issues exceeding 15% of capital**

Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in the Relevant period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the Relevant period (**15% Capacity**) without either the prior approval of a majority of disinterested shareholders, or the issue otherwise falls within one of the prescribed exceptions to Listing Rule 7.1 (**15% Rule**).

However, under Listing Rule 7.2 (Exception 14), if approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. Therefore the Lindsay Performance Shares will not count towards the Company’s 15% Capacity under Listing Rule 7.1.

Relevant period, in terms of the Listing Rule 7.1, means:

- (1) 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

# Explanatory Memorandum

- (2) 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.

## 15.4 Shareholder approval requirement

This proposed Resolution 13, if passed, will confer Financial Benefits and involve the issue of Securities (namely, the Lindsay Performance Shares) to a Related Party, being the Lindsay Entity.

The Lindsay Entity is a Related Party of the Company because it will be Dr Lindsay who is a Director of the Company or an entity controlled by Dr Lindsay.

Therefore, the Company seeks to obtain Shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act and Listing Rule 10.11.

As approval is being sought under Listing Rule 10.11, in accordance with Listing Rule 7.2 (Exception 14) approval will not be required under Listing Rule 7.1. Therefore the Lindsay Performance Shares will not count towards the Company's 15% Capacity under Listing Rule 7.1.

Therefore the Company is seeking Shareholder approval in accordance with Chapter 2E to confer a Financial Benefit to a Related Party and under Listing Rule 10.11 to issue the Lindsay Performance Shares to the Lindsay Entity as an Allottee so that the Lindsay Performance Shares do not count towards the Company's 15% Capacity.

## 15.5 Information for Shareholders

### ***Chapter 2E of the Corporations Act***

For the purposes of Chapter 2E of the Corporations Act and for all other purposes the following information is provided to shareholders:

(a) **The Related Parties to whom Resolution 13 would permit the Financial Benefit to be given (section 219(1)(a))**

The proposed Financial Benefits will be given to the Lindsay Entity which is a Related Party of the Company because it will be Dr Lindsay who is a Director of the Company or an entity controlled by him.

(b) **The nature of the Financial Benefit (section 219(1)(b))**

The nature of the proposed Financial Benefits to be given is the issue of the Lindsay Performance Shares.

(c) **Directors' recommendation (section 219(1)(c))**

The Directors (with Dr Lindsay abstaining) recommend that Shareholders vote in favour of Resolution 13.

(d) **Directors' interest and other remuneration (section 219(1)(d))**

Dr Lindsay has a material personal interest in the outcome of Resolution 13, as it is proposed that the Lindsay Performance Shares be issued to the Lindsay Entity as set out in Resolution 13.

Excluding the Lindsay Performance Shares, Dr Lindsay (and entities associated with him) holds Shares and 650,000 options to subscribe for Shares. In addition, Dr Lindsay currently receives remuneration of \$300,000 plus statutory superannuation

# Explanatory Memorandum

contributions per annum from the Company for his services as the Technical Director of the Company.

No other Director has any interest in the outcome of Resolution 13 or any other relevant agreement.

(e) **Directors' interests in Shares**

If the Lindsay Performance Shares are issued it will have the following effect on their holdings in the Company and the dilutionary impact on current Shareholders of the Company:

Shareholder	Current Share Holding	% of Total Share Capital (shares on issue)	Maximum number of Shares held upon conversion of Performance Shares	% of total Capital (shares on issue)
Current Shareholders	1,188,854,251	97.15%	1,188,854,251	97.11%
Lindsay Entity holding	3,566,667	0.29%	4,028,382	0.33%
Stu Crow	20,138,906	1.65%	20,138,906	1.65%
Steve Promnitz	11,206,150	0.92%	11,206,150	0.92%
Total	1,223,765,974	100.0%	1,224,227,689	100.0%

Notes:

1. Assuming that no other Shares are issued and no existing options are exercised.

(f) **Valuation**

The Lindsay Performance Shares will be converted into ordinary shares according to the formulas set out in section 15.2 of this Explanatory Memorandum.

As set out in the conversion formulas, the Lindsay Performance Shares entitle Dr Lindsay to receive up to a particular percentage of his base salary in the form of Shares in the Company.

Dr Lindsay's current base salary is \$300,000 exclusive of superannuation. His salary for the first year from the commencement date inclusive of minimum statutory superannuation contributions would be \$323,202.

Dr Lindsay's short term variable remuneration is up to 20% of his Base Pay plus Benefits (being statutory superannuation) being \$64,640.40, half of which is paid in cash and half of which is comprised of the grant of the Class D Performance Share. Accordingly the value of the Class E Performance Share is \$32,320.20.

Dr Lindsay's long term variable remuneration is up to 40% of his Base Pay plus Benefits as at the Commencement Date being a total of \$129,280.80, comprised of the Class F, G and H Lindsay Performance Shares.

The actual number of Shares issued to Dr Lindsay will depend on his performance against the Lindsay Performance Measures.

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The value of each of the Class E, F, G and H Performance Shares is set out below.

<b>Class of Performance Share</b>	<b>Value as percentage of Base Salary as at Commencement Date</b>	<b>Value in \$</b>
E	10%	\$32,320.20
F	16%	\$51,712.32
G	16%	\$51,712.32
H	8%	\$25,856.16

(g) **Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors (section 219(1)(e) and 219(2))**

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

***Market Price movements***

The value of each of the Lindsay Performance Shares is a proportion of Dr Lindsay's base salary as the Commencement Date, as set out above and is not affected by market price movements.

The Performance Shares will not be listed on the ASX.

***Trading history***

The Company does not intend to apply for listing of the Performance Shares on the ASX. However, the Company shall apply for listing of the resultant Shares of the Company issued upon conversion of the Performance Share. In the 12 months prior to 3 December 2021, the Company's trading history is as follows:

- (1) the highest trading price was \$1.185 on 5 November 2021;
- (2) the lowest trading price was \$0.07 on 30 December 2020; and
- (3) the VWAP per Share over the 12-month period prior to 3 December 2021 was \$0.446.

The trading price of the Shares on the close of trading on 7 December 2021 was \$0.825.

***Opportunity costs***

The opportunity costs and benefits foregone by the Company issuing the Performance Shares is the potentially dilutionary impact on the issued share capital of the Company. To the extent that the dilutionary impact caused by the issue of the Performance Shares will be detrimental to the Company, this is considered to be more than offset by the advantages accruing from the Company securing the services of experienced and skilled Directors on appropriate incentive terms. Increase in the value of the Directors Shares is dependent upon a concomitant increase in the value of the Company generally.

# Explanatory Memorandum

## ***Taxation consequences***

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

## ***Dilutionary effect***

The issue of the Lindsay Performance Shares will have a nominal dilutive effect.

The effect of Lindsay Performance Shares being converted into the maximum number of ordinary shares if the VWAP at the time of issue is the VWAP Floor Price and assuming that none of the existing options on issue in the Company have been exercised and no shares are issued to Mr Lindsay on conversion of the Lindsay Performance Shares, is as follows:

	Current		Conversion of Lindsay Performance Shares into maximum number approved by shareholders	
	Securities	Percentage	Securities	Percentage
Ordinary shares - current Shareholders (excluding Lindsay)	1,220,199,307	99.71%	1,220,199,307	99.67%
Lindsay shares	3,566,667	0.29%	4,028,382	0.33%
<b>Total ordinary shares</b>	<b>1,223,765,974</b>	<b>100.0%</b>	<b>1,224,227,689</b>	<b>100.0%</b>

The above table does not account for any options, convertible notes or unquoted securities on issue.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to the benefits contemplated by Resolution 13.

## ***Listing Rule 10.13***

For the purposes of Listing Rule 10.13 and for all other purposes the following information is provided to Shareholders:

### **(a) 10.13.1 and 10.13.2: Name and categorisation of the Allottee**

The Allottee is the Lindsay Entity. The Lindsay Entity is an Allottee for the purposes of Listing Rule 10.11 because it will either be Dr Lindsay, who is a Director of the Company, or an entity controlled by Dr Lindsay. Dr Lindsay is a related party of the Company within Listing Rule 10.11.1 and an entity controlled by Dr Lindsay would be an associate of Dr Lindsay within Listing Rule 10.11.4. As at the date of this Notice, Nicholas Lindsay and parties associated with him hold 3,566,667 ordinary shares, 650,000 options exercisable at \$0.75 having an expiry date of 15 June 2022 and

# Explanatory Memorandum

2,500,000 performance rights the conversion of which is subject to the successful establishment of a pilot plant on the Kachi site.

(b) **10.13.3: Number and class of Securities to be issued (if known) or the maximum number of the formula for calculating the number of Securities to be issued**

The number of securities to be issued is one Class E, Class F, Class G and Class H Lindsay Performance Share.

The Lindsay Performance Shares will be converted into a maximum number of 461,715 fully paid ordinary shares.

(c) **10.13.4: Summary of the material terms of the Securities**

The Company will issue the Lindsay Performance Shares on the terms set out in Schedule 7.

Any shares issued on conversion of the Lindsay Performance Shares will rank pari passu with all of the other fully paid ordinary shares on issue in the Company.

(d) **10.13.5: Date or dates on or by which the Securities will be issued**

The Company will issue the Lindsay Performance Shares as soon as possible but in any event within one month following this Meeting.

(e) **10.13.6: Issue price or other consideration the Company will receive for the issue**

The Lindsay Performance Shares are being issued for no consideration.

(f) **10.13.7: The purpose of the issue, including the Intended use of funds raised**

The Lindsay Performance Shares will be issued for the purpose of providing Dr Lindsay with short-term and long-term variable remuneration. There will be no funds raised by the issue of the Lindsay Performance Shares.

(g) **10.13.8: Details of the Director's remuneration package**

As the Executive Technical Director of the Company, the current remuneration package for Nicholas Lindsay is as follows:

- (1) an annual base salary of \$300,000 per annum exclusive of statutory superannuation contributions; and
- (2) short-term and long-term variable remuneration incentives are as set out in this Explanatory Memorandum and the Remuneration Report.

(h) **10.13.9 Summary of the material terms of the agreement**

The Performance Shares will be issued under the Technical Director Agreement entered between the Company and Nicholas Lindsay with a commencement date of 1 January 2021. The following is a summary of the material terms and conditions of that agreement:

- (1) Dr Lindsay is employed on a full-time basis.
- (2) The term of the Technical Director Contract is indefinite (until terminated).
- (3) Dr Lindsay's salary will be reviewed annually on or about 1 July.

# Explanatory Memorandum

- (4) Dr Lindsay's employment may be terminated on 3 months' notice by either party.
- (5) Dr Lindsay may be summarily dismissed for serious misconduct, serious breach of contract, criminal offence, failure to comply with instructions, bankruptcy or if his qualifications / experience is found to be misleading.

(i) **10.13.10: Voting exclusion statement**

A voting exclusion statement is set out in Resolution 13.

## 15.6 Outcome of voting for and against the Resolution

If the Resolution is passed, Dr Lindsay will be issued with the Lindsay Performance Shares.

If the Resolution is not passed, Dr Lindsay will not be issued with Lindsay Performance Shares under his variable remuneration package.

## 16. Interpretation

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**Additional Options** means options issued to each holder of Bonus Options who exercised their Bonus Options pursuant to the Additional Option Offer set out in the Bonus Option Prospectus, having an exercise price of \$0.75 and exercisable before 15 June 2022.

**Additional Option Offer** means the additional option offer set out in the Bonus Option Prospectus dated 17 August 2021.

**Advisory Resolution** means a Resolution which, the result of voting by Shareholders, does not bind the Company.

**Annual Report** means the annual report for the Company released to the ASX on 29 October 2021.

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

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

**Bonus Option** means a bonus option to acquire one fully paid ordinary share and one further option to acquire a fully paid ordinary share at an exercise price of \$0.35 on or before 15 October 2021.

**Bonus Option Offer** means the bonus option offer made under the Bonus Option Prospectus.

**Bonus Option Prospectus** means the prospectus released to ASX on 17 August 2021.

**Chair** means the person who chairs the Meeting.

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**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant 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 dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this definition.

**Company** means Lake Resources N.L. 079 471 980.

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

**Convertible Securities** has the meaning given to that term in the Corporations Act.

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

**Director** means a director of the Company.

**Equity Securities** has the meaning given to that term in the Listing Rules.

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

**Financial Benefit** has the meaning given to that term in section 229 of the Corporations Act.

**Kachi Project** means the Company's lithium brine project in Catamarca, Argentina.

**Key Management Personnel** or **KMP** has the definition given in *Accounting Standards AASB 124 Related Party Disclosure* as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

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

**Market Price** has the meaning given to that term in the Listing Rules.

**Meeting, Annual General Meeting or AGM** means the annual general meeting to be held as a virtual meeting on 25 January 2022 as convened by the accompanying Notice of Meeting.

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

**Official List** means the official list of ASX.

**Options** means an option to subscribe for Shares.

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

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**Related Party** has the meaning in section 228 of the Corporations Act.

**Relevant period** means:

- (a) 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
- (b) 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.

**Remuneration Report** means the remuneration report as contained in the annual Directors Report of the Company for the financial year ending 30 June 2021.

**Resolution** means a resolution as set out in the Notice of Meeting.

**Securities** has the meaning in section 92(1) of the Corporations Act.

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

**Shareholder** means a holder of Shares in the Company.

**Special Resolution** means a resolution:

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

**VWAP** means the volume weighted average closing price.

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Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Peter Neilsen (**Company Secretary**) at [pneilsen@lakeresources.com.au](mailto:pneilsen@lakeresources.com.au).

# Explanatory Memorandum

## Schedule 1 - Summary of the Roth Option Terms

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1. The Roth Options are issued in accordance with the terms of an engagement letter between the Company and Roth Capital Partners, LLC (**Option holder**) dated 5 January 2021.
2. The exercise price of each Roth Option is \$0.165 (**Exercise Price**).
3. The Roth Options shall vest and be exercisable immediately.
4. The Roth Options will expire at 5:00pm (Sydney time) on 27 January 2023 (**Expiry Date**) unless earlier exercised.
5. The Roth Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative).
6. The Roth Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Roth Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
7. Upon the valid exercise of the Roth Options and payment of the Exercise Price, the Company will issue one fully paid ordinary share for each Roth Option exercised ranking pari passu with the then issued ordinary shares.
8. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
9. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the number of Roth Options, the Exercise Price of the Roth Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Roth Options will remain unchanged.
11. If there is a pro rata issue (except a bonus issue), the Exercise Price of a Roth Option may be reduced according to the following formula:

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

Where:

- $O^n$  = the new exercise price of the Roth Option;  
 $O$  = the old exercise price of the Roth Option;

## Explanatory Memorandum

- E = the number of underlying securities into which one Roth Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities during the five trading days ending on the day before the ex rights date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
12. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Roth Option is exercisable may be increased by the number of shares which the Option holder would have received if the Roth Option had been exercised before the record date for the bonus issue.
13. The terms of the Roth Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Roth Options shall not be changed to reduce the Exercise Price, increase the number of Roth Options or change any period for exercise of the Roth Options.
14. The Company does not intend to apply for listing of the Roth Options on the ASX.
15. The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Roth Option.

# Explanatory Memorandum

## Schedule 2 – Summary of the Canaccord Option Terms

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1. The Canaccord Options are issued in accordance with the terms of a mandate to act as corporate advisor between the Company and Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Option holder**) dated 16 July 2021.
2. The exercise price of each Canaccord Option is \$0.55 (**Exercise Price**).
3. The Canaccord Options shall vest and be exercisable in four tranches, with the Canaccord Options in each tranche vesting on the date on which the Vesting Condition is satisfied:

Tranche	No. of Options	Vesting Condition
1	10,000,000	The Company achieving a 5 day volume weighted average price ( <b>VWAP</b> ) prior to the Expiry Date of \$0.55 or above
2	10,000,000	The Company achieving a 5 day VWAP prior to the Expiry Date of \$0.70 or above
3	10,000,000	The Company achieving a 5 day VWAP prior to the Expiry Date of \$0.85 or above
4	5,000,000	The Company achieving a 5 day VWAP prior to the Expiry Date of \$1.25 or above

4. The Canaccord Options will expire at 5:00pm (Sydney time) on 31 December 2024 (**Expiry Date**) unless earlier exercised.
5. The Canaccord Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative).
6. The Canaccord Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Canaccord Option to the Company at any time on or after the date of issue of the Canaccord Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
7. Upon the valid exercise of the Canaccord Options and payment of the Exercise Price, the Company will issue one fully paid ordinary share for each Canaccord Option exercised ranking pari passu with the then issued ordinary shares.
8. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Canaccord Options, in accordance with the requirements of the Listing Rules.
9. Option holders do not participate in any dividends unless the Canaccord Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

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- (a) the number of Canaccord Options, the Exercise Price of the Canaccord Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Canaccord Options which are not conferred on shareholders; and
- (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Canaccord Options will remain unchanged.
11. If there is a pro rata issue (except a bonus issue), the Exercise Price of a Canaccord Option may be reduced according to the following formula:
- $$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$
- Where:
- $O^n$  = the new exercise price of the Option;
- $O$  = the old exercise price of the Option;
- $E$  = the number of underlying securities into which one Option is exercisable;
- $P$  = the volume weighted average market price per security of the underlying securities calculated over the five trading days ending on the day before the ex rights date or the ex entitlements date;
- $S$  = the subscription price for a security under the pro rata issue;
- $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.
12. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Canaccord Option is exercisable may be increased by the number of shares which the Option holder would have received if the Canaccord Option had been exercised before the record date for the bonus issue.
13. The terms of the Canaccord Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Canaccord Options shall not be changed to reduce the Exercise Price, increase the number of Canaccord Options or change any period for exercise of the Options.
14. The Company does not intend to apply for listing of the Canaccord Options on the ASX.
15. The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Canaccord Option.

# Explanatory Memorandum

## Schedule 3 – Summary of the SKB GD Option Terms

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1. The SKB GD Options are issued in accordance with the terms of a letter agreement between the Company and SD Capital Advisory Limited and GKB Ventures Limited (**Option holder**) dated 11 February 2021.
2. The exercise price of each SKB GD Option is \$0.49 (**Exercise Price**).
3. The SKB GD Options shall vest and be exercisable immediately.
4. The SKB GD Options will expire at 5:00pm (Sydney time) on 1 August 2024 (**Expiry Date**) unless earlier exercised.
5. The SKB GD Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative).
6. The SKB GD Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per SKB GD Option to the Company at any time on or after the date of issue of the SKB GD Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
7. Upon the valid exercise of the SKB GD Options and payment of the Exercise Price, the Company will issue one fully paid ordinary share for each SKB GD Option exercised ranking pari passu with the then issued ordinary shares.
8. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
9. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the number of SKB GD Options, the Exercise Price of the SKB GD Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the SKB GD Options which are not conferred on shareholders; and
  - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the SKB GD Options will remain unchanged.
11. If there is a pro rata issue (except a bonus issue), the Exercise Price of a SKB GD Option may be reduced according to the following formula:

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

Where:

$O^n$  = the new exercise price of the SKB GD Option;

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- O = the old exercise price of the SKB GD Option;
- E = the number of underlying securities into which one SKB GD Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities calculated over the five trading days ending on the day before the ex rights date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
12. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the SKB GD Option is exercisable may be increased by the number of shares which the Option holder would have received if the SKB GD Option had been exercised before the record date for the bonus issue.
13. The terms of the SKB GD Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the SKB GD Options shall not be changed to reduce the Exercise Price, increase the number of SKB GD Options or change any period for exercise of the SKB GD Options.
14. The Company does not intend to apply for listing of the Options on the ASX.
15. The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any SKB GD Option.

# Explanatory Memorandum

## Schedule 4 – Summary of the Lodge Option terms

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1. The Lodge Options are issued in accordance with the terms of a nominee appointment deed between the Company and Lodge Partners Pty Ltd 053 432 769 (**Option holder**) dated on or about 23 August 2021.
2. The exercise price of each Lodge Option is \$0.75 (**Exercise Price**).
3. The Lodge Options shall vest and be exercisable immediately.
4. The Lodge Options will expire at 5:00pm (Sydney time) on 1 August 2024 (**Expiry Date**) unless earlier exercised.
5. The Lodge Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative).
6. The Lodge Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Lodge Option to the Company at any time on or after the date of issue of the Lodge Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
7. Upon the valid exercise of the Lodge Options and payment of the Exercise Price, the Company will issue one fully paid ordinary share for each Lodge Option exercised ranking pari passu with the then issued ordinary shares.
8. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
9. Option holders do not participate in any dividends unless the Lodge Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the number of Lodge Options, the Exercise Price of the Lodge Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Lodge Options which are not conferred on shareholders; and
  - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Lodge Options will remain unchanged.
11. If there is a pro rata issue (except a bonus issue), the Exercise Price of a Lodge Option may be reduced according to the following formula:

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

Where:

$O^n$  = the new exercise price of the Lodge Option;

# Explanatory Memorandum

- O = the old exercise price of the Lodge Option;
- E = the number of underlying securities into which one Lodge Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities calculated over the five trading days ending on the day before the ex rights date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
12. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Lodge Option is exercisable may be increased by the number of shares which the Option holder would have received if the Lodge Option had been exercised before the record date for the bonus issue.
13. The terms of the Lodge Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Lodge Options shall not be changed to reduce the Exercise Price, increase the number of Lodge Options or change any period for exercise of the Lodge Options.
14. The Company does not intend to apply for listing of the Options on the ASX.
15. The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Lodge Option.

# Explanatory Memorandum

## Schedule 5 – Summary of the Red Cloud Option terms

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1. The Red Cloud Options are issued in accordance with the terms of a letter agreement between the Company and Red Cloud Financial Services, Inc (**Option holder**) dated 19 May 2021.
2. The exercise price of each Option is \$0.30 (**Exercise Price**).
3. The Red Cloud Options shall vest and be exercisable immediately.
4. The Red Cloud Options will expire at 5:00pm (Sydney time) on 24 May 2023 (**Expiry Date**) unless earlier exercised.
5. The Red Cloud Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative).
6. The Red Cloud Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Red Cloud Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
7. Upon the valid exercise of the Red Cloud Options and payment of the Exercise Price, the Company will issue one fully paid ordinary share for each Red Cloud Option exercised ranking pari passu with the then issued ordinary shares.
8. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Red Cloud Options, in accordance with the requirements of the Listing Rules.
9. Option holders do not participate in any dividends unless the Red Cloud Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the number of Red Cloud Options, the Exercise Price of the Red Cloud Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Red Cloud Options which are not conferred on shareholders; and
  - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Red Cloud Options will remain unchanged.
11. If there is a pro rata issue (except a bonus issue), the Exercise Price of a Red Cloud Option may be reduced according to the following formula:

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

Where:

- $O^n$  = the new exercise price of the Red Cloud Option;  
 $O$  = the old exercise price of the Red Cloud Option;

# Explanatory Memorandum

- E = the number of underlying securities into which one Red Cloud Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities calculated over the five trading days ending on the day before the ex rights date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
12. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Red Cloud Option is exercisable may be increased by the number of shares which the Option holder would have received if the Red Cloud Option had been exercised before the record date for the bonus issue.
13. The terms of the Red Cloud Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Red Cloud Options shall not be changed to reduce the Exercise Price, increase the number of Red Cloud Options or change any period for exercise of the Red Cloud Options.
14. The Company does not intend to apply for listing of the Red Cloud Options on the ASX.
15. The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Red Cloud Option.

# Explanatory Memorandum

## Schedule 6 – Summary of the Neilsen Option terms

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1. The Neilsen Options are issued in accordance with the terms of an employment contract between the Company and the Company's Chief Executive Officer, Peter Neilsen (**Option holder**) which commenced on 12 July 2021.
2. The exercise price of each Option is \$0.55 (**Exercise Price**).
3. The Neilsen Options shall vest and be exercisable immediately.
4. The Neilsen Options will expire at 5:00pm (Sydney time) on 12 July 2024 (**Expiry Date**) unless earlier exercised.
5. The Neilsen Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative).
6. The Neilsen Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Neilsen Option to the Company at any time on or after the date of issue of the Neilsen Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
7. Upon the valid exercise of the Neilsen Options and payment of the Exercise Price, the Company will issue one fully paid ordinary share for each Neilsen Option exercised ranking pari passu with the then issued ordinary shares.
8. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
9. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the number of Neilsen Options, the Exercise Price of the Neilsen Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Neilsen Options which are not conferred on shareholders; and
  - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Neilsen Options will remain unchanged.
11. If there is a pro rata issue (except a bonus issue), the Exercise Price of a Neilsen Option may be reduced according to the following formula:

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

Where:

$O^n$  = the new exercise price of the Neilsen Option;

# Explanatory Memorandum

O	=	the old exercise price of the Neilsen Option;
E	=	the number of underlying securities into which one Neilsen Option is exercisable;
P	=	the volume weighted average market price per security of the underlying securities calculated over the five trading days ending on the day before the ex rights date or the ex entitlements date;
S	=	the subscription price for a security under the pro rata issue;
D	=	dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
N	=	the number of securities with rights or entitlements that must be held to receive a right to one new security.

12. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Neilsen Option is exercisable may be increased by the number of shares which the Option holder would have received if the Neilsen Option had been exercised before the record date for the bonus issue.
13. The terms of the Neilsen Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Neilsen Options shall not be changed to reduce the Exercise Price, increase the number of Neilsen Options or change any period for exercise of the Neilsen Options.
14. The Company does not intend to apply for listing of the Neilsen Options on the ASX.
15. The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Neilsen Option.

# Explanatory Memorandum

## Schedule 7 – Summary of terms Performance Shares

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### 1. General

- 1.1 For the purposes of these terms, “Performance Shares” refers to and means, collectively or separately as appropriate, the Lindsay Performance Shares and Neilsen Performance Shares.

### 2. Terms

#### 2.1 Rights attaching to Performance Shares:

- (a) Each Performance Share is a share in the capital of Lake Resources N.L. (**LKE** or the **Company**).
- (b) A Performance Share shall confer on the holder (**Holder**) the right to receive notices of general meetings, financial reports and accounts of the Company that are circulated to shareholders of the Company (**Shareholders**).
- (c) The Holder has the right to attend general meetings of Shareholders (**General Meeting**). A Performance Share does not entitle the Holder to vote on any resolutions proposed at a General Meeting.
- (d) A Performance Share does not entitle the Holder to any dividends.
- (e) The Holder of a Performance Share is not entitled to participate in the surplus profits or assets of the Company upon the winding up of the Company.
- (f) The Holder of a Performance Share is not entitled to a return of capital upon a reduction of capital or otherwise.
- (g) A Performance Share is not transferable, except as otherwise contemplated by these terms.
- (h) The Holder of a Performance Share will not be entitled to participate in new issues of capital offered to holders of shares such as bonus issues and entitlement issues.
- (i) A Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (j) The Performance Shares will not be quoted on ASX. However, upon conversion of the Performance Shares into Shares, the Shares will (as and from allotment) rank equally with and confer rights identical with all other Shares then on issues and the Company must within five (5) Business Days after the conversion, apply for official quotation of the Shares arising from the conversion on ASX.
- (k) Shares issued on conversion of the Performance Shares must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Shares are freely tradeable, without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.
- (l) The terms of the Performance Shares may be amended as required from time to time in order to comply with the ASX Listing Rules or a direction of the ASX regarding the terms.
- (m) If the Company is listed on the ASX and undertakes a reconstruction or reorganisation of its issued capital, all rights of a Holder of Performance Shares will be changed to the

# Explanatory Memorandum

extent necessary to comply with the ASX Listing Rules at the time of the reconstruction or reorganisation.

- (n) The Performance Shares give the holder no other rights save for those expressly set out in these terms and any other rights provided by law which cannot be excluded by these terms.

## 2.2 Conversion of Performance Shares

- (a) Subject to the below clauses, a Performance Share will convert into a particular number of fully paid ordinary shares in LKE (**Share**) according to:
  - (1) for the Class A Neilsen Performance Share, the Short-term Neilsen Conversion Formula set out in section 14.2 of the Explanatory Memorandum;
  - (2) for the Class A, B and C Neilsen Performance Shares, the Long-term Neilsen Conversion Formula set out in section 14.2 of the Explanatory Memorandum;
  - (3) the Lindsay Performance Shares, the Lindsay Conversion Formula set out in section 15.2 of the Explanatory Memorandum.
- (b) The Company will issue the Holder with a new Share certificate for the Shares as soon as practicable following the conversion of a Performance Share into a Share.
- (c) Any Performance Shares which are not converted into Shares pursuant to the Neilsen Short-term Conversion Formula, Neilsen Long-term Conversion Formula or Lindsay Conversion Formula will convert into one ordinary Share within 10 business days of the Expiry Date.
- (d) Notwithstanding anything else in these terms, the conversion of a Performance Share is subject to compliance at all times with the Corporations Act and the ASX Listing Rules.
- (e) The Shares into which Performance Shares will convert will rank pari passu in all respects with existing Shares and will confer rights identical with all other Shares then on issue.
- (f) The Performance Measures may only be amended with approval of Shareholders in General Meeting and a voting exclusion statement applies in relation to any holder of Performance Shares.

# Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]  
[EntityRegistrationDetailsLine2Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

## [HolderNumber]

Holder Number:  
[HolderNumber]

Your proxy voting instruction must be received by **9.00am (AEDT) on Sunday, 23 January 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY

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

#### YOUR NAME AND ADDRESS

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

#### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIR OF THE MEETING

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

#### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

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

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### Lodging your Proxy Voting Form:

##### Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



##### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

##### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

##### BY EMAIL:

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

##### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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

