

4 January 2021 ASX Announcements

Elmore Ltd (ASX:ELE) Hybrid 2020 Annual General Meeting to be held on Friday, 29 January 2021 at 10:30am (WST)

Elmore Ltd (ASX:ELE) (**Elmore** or **Company**) has today published its Notice of Meeting for an Annual General Meeting (**AGM**) scheduled to take place on Friday 29 January 2021.

The Hybrid AGM is being held primarily for seeking shareholder approval for the 2020 financial statements to ratify previously issued shares, and amongst other items to cleanse the Company's register to maximize options available for the ongoing funding of the Company.

Please note that this meeting is being held on the same day as the 2019 Annual General Meeting.

Virtual meeting

In response to combating the risks associated with the COVID-19 virus, Governments around the world have introduced travel and public gathering restrictions. These measures will impact the AGM scheduled for Friday 29 January 2021 in Perth, including the inability of the east coast based Directors to travel to Western Australia.

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

- 1. Open your internet browser and go to 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 be displayed at the top once the meeting is open for registration, click on "**View**" when this appears
- 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

Meeting Materials

The notice of meeting, accompanying explanatory statement, and annexures (the **Meeting Materials**) are being made available to shareholders electronically. This means that:

- You are able to access the Meeting Materials online at Company's website at www.elmoreltd.com.au/
- On the Company's ASX market announcements page; or
- If you elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the proxy form.

In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at www.automic.com.au and log in with your unique shareholder identification number and postcode (or Country for overseas residents), that you can find on your enclosed personalised proxy forms.

Elmore understands and respects the importance of the AGM to shareholders and regrets any inconvenience caused by these measures, however the Company believes that they are necessary in order to protect the health and safety of its officers, shareholders and the wider community.

Peter Richards Chairman For and on behalf of the Board

ELMORE LIMITED ACN 057 140 922

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:30am (WST)

DATE: 29 January 2021

PLACE: Armada Accountants & Advisors

18 Sangiorgio Court Osborne Park WA 6017 and accessible online

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

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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm WST on 27 January 2021.

IMPORTANT INFORMATION: Due to the COVID-19 pandemic, the AGM will be held as a hybrid meeting. If you are a shareholder and you wish to virtually attend the AGM, please pre-register in advance for the virtual meeting here:

https://us02web.zoom.us/webinar/register/WN -AckSP00SO-gcAtifGw0Lg

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Sean Henbury, on 08 6165 4000.

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:30am (AWST) on 29 January 2021. The Annual General Meeting will be held at Armada Accountants & Advisors, 18 Sangiorgio Court, Osborne Park WA 6017 and will also be made available to Shareholders electronically through a virtual meeting accessible online.

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to also hold the Annual General Meeting as a hybrid meeting accessible online, in a manner that is consistent with the temporary modifications to the Corporations Act 2001 (Cth) introduced by the Commonwealth Treasurer.

In accordance with section 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Notice is being made available to Shareholders electronically and can be viewed and downloaded online at the following link: www.elmoreltd.com.au

Instructions on how to attend the Meeting and vote are in the Explanatory Memorandum which forms part of this Notice of Annual Shareholders' Meeting.

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5:00 pm on, 27 January 2021.

VOTING

To vote in person, attend the Annual General Meeting at 10:30am (AWST) on 29 January 2021 at Armada Accountants & Advisors, 18 Sangiorgio Court, Osborne Park WA 6017. However, given the significant health concerns attributed to the COVID-19 pandemic and restrictions issued by Australian state and federal governments, the Company strongly recommends that you consider attending the Meeting virtually.

Shareholders who wish to virtually attend the Meeting (which will be broadcast as a live webinar), please pre-register in advance for the virtual Meeting here:

https://us02web.zoom.us/webinar/register/WN -AckSP00SO-qcAtifGw0Lg

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the Annual General Meeting. All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting by shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below in the Explanatory Memorandum.

To vote by proxy:

1. please lodge the Proxy Form online at https://investor.automic.com.au/#/loginsh by following the below instructions:

Login to the Automic website using the holding details as shown as the Proxy Form. Click on '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; or

2. please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 have the effect that:

- If proxy holders vote, they must cast all directed proxies as they are directed to; and
- Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the Meeting at which the resolution is voted on the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstance

Section 250BC of the Corporations Act provides that, if

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

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

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

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

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."

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

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution:

- (a) by or on behalf of any Key Management Personnel, the details of whose remuneration are included in the Remuneration Report, and any Closely Related Party of such Key Management Personnel, regardless of the capacity in which the vote is cast;
- (b) as a proxy by a member of the Key Management Personnel at the date of the meeting, or that Key Management Personnel's Closely Related Party.

However, the Company will not disregard a vote cast in favour of this resolution if it is cast as a proxy for a person who is entitled to vote on this resolution:

- (a) in accordance with their directions on how to vote as set out in the proxy appointment; or
- (b) by the Chairman pursuant to an express authorisation on the Proxy Form.

3. RESOLUTION 2 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of a person who is expected to participate in the 10% Placement Facility, the subject of this Resolution, and any person who might obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates.

However, the Company will not disregard a vote in favour of this resolution if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form:
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – CONVERTIBLE NOTE

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of a Convertible Note to Twynam Investments Pty Ltd (Twynam Investments), with a total face value of \$500,000 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of Twynam Investments, (or and any of its associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote in favour of this resolution if it is cast by:

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

5. RESOLUTION 4 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

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

"That, for the purposes of ASX Listing Rule 7.2 (Exception 13) and for all other purposes, approval is given for the Company to adopt the employee incentive scheme titled Employee Share Option Plan and for the issue of securities under that ESOP, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who is eligible and likely to be extended an offer to participate in the ESOP, (or his nominees to receive the shares the subject of the Resolution and any of their associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote in favour of this resolution if it is cast by:

- (d) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (e) 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
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 5 – ADOPTION OF EMPLOYEE SHARE PLAN

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

"That, for the purposes of ASX Listing Rule 7.2 (Exception 13) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Share Plan and for the issue of securities under that Share Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who is eligible and likely to be extended an offer to participate in the ESOP, (or his nominees to receive the shares the subject of the Resolution and any of their associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote in favour of this resolution if it is cast by:

- (g) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (h) 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
- (i) 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. RESOLUTION 6 – ISSUE OF REPLACEMENT DIRECTOR INCENTIVE SHARES – DAVID MENDELAWITZ

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 47,000,000 Shares as Director incentive remuneration to David Mendelawitz (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Mendelawitz, (or his nominees to receive the shares the subject of the Resolution and any of their associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote in favour of this resolution if it is cast by:

- (j) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (k) 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
- (I) 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. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – PETER RICHARDS

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Mr Peter Richards (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Richards, (or his nominees to receive the options the subject of the Resolution and any of their associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote in favour of this resolution if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – DR. NIK SENAPATI

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Dr. Nik Senapati (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of Dr Senapati, (or his nominees to receive the options the subject of the Resolution and any of their associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote in favour of this resolution if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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. RESOLUTION 9 – ISSUE OF OPTIONS TO RELATED PARTY – MR TIM WEBSTER

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Mr Tim Webster (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Webster, (or his nominees to receive the options the subject of the Resolution and any of their associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote in favour of this resolution if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form:
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- 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.

Dated: 24 December 2020

By order of the Board

Sean Henbury Company Secretary

EXPLANATORY STATEMENT

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

Resolutions.

1 - FINANCIAL STATEMENTS AND REPORTS

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

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

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

General

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

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

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

Voting consequences

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

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

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will

cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

RESOLUTION 2 - APPROVAL OF 10% PLACEMENT CAPACITY

General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (10% Placement Capacity) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

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

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$13,376,287 (based on the number of Shares on issue and the issue price set out above is the issue price of the shares issued to First Samuel Ltd on 13 August 2019 for 28,125,000 Shares in the Company at a price of \$0.04355 per share for a total subscription sum of \$1,225,000.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or any security that ASX decides to classify as an equity security.

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

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: ELE).

If Shareholders approve Resolution 2, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

If Resolution 2 is not passed, the Company will not be able to proceed with an issue of Equity Securities issued under the 10% Placement Capacity, and the Company will consider other forms of finance.

Resolution 2 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2, for it to be passed.

Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 2:

Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average market price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (b) if the Equity Securities are not issued within 10 ASX trading days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

Date of Issue

An approval under this rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following.

- (a) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (b) The time and date of the entity's next annual general meeting.
- (c) The time and date of the approval by holders of the +eligible entity's +ordinary securities of a transaction under rule 11.1.2 or rule 11.2.;

(10% Placement Capacity Period).

Risk of voting dilution

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

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 31 December 2020.

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

Number of Shares on Issue		Dilu	ution	
(Variable 'A'	Issue Price	\$0.0218	\$0.0435	\$0.0653
Listing Rule 7.1A2)	(per Share)	50% decrease in Issue Price	Issue Price	50% increase in Issue Price
307,147,813 (Current Variable A)	Shares issued - 10% voting dilution	30,714,781 Shares	30,714,781 Shares	30,714,781 Shares
	Funds raised	\$668,814	\$1,337,629	\$2,006,443
460,721,720 (50% increase in	Shares issued - 10% voting dilution	46,072,172 Shares	46,072,172 Shares	46,072,172 Shares
Variable A)	Funds raised	\$1,003,222	\$2,006,443	\$3,009,665
614,295,626 (100% increase in	Shares issued - 10% voting dilution	61,429,563 Shares	61,429,563 Shares	61,429,563 Shares
Variable A)	Funds raised	\$1,337,629	\$2,675,257	\$4,012,886

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

The table above uses the following assumptions:

- 1. There are currently 307,147,813 Shares on issue, being existing Shares as at the date of this Notice of Meeting.
- 2. The issue price set out above is the issue price of the shares issued to First Samuel on 13 August 2019 for 28,125,000 Shares in the Company at a price of \$0.04355 per share for a total subscription sum of \$1,225,000.
- 3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- 4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- 5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- 6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- 7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- 8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

Purpose of Issue under 10% Placement Capacity

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

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

Allocation policy under the 10% Placement Capacity

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

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

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

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

Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 27 November 2018 (**Previous Approval**).

The Company has not issued any shares pursuant to the Previous Approval.

Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (k) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (I) the information required by Listing Rule 3.10.5A for release to the market.

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 2.

RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE - CONVERTIBLE NOTE

General

On 14 January 2020, the Company announced that it had agreed to a secured Convertible Note, to further prepare the Company's basis for a solid future. The Convertible Note has been entered into with Twynam Investments Pty Ltd.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of that Convertible Note (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The issue of the Convertible Note was made in accordance with the Company's 15% placement capacity under ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Terms - Convertible Note

The key terms of the Convertible Note are as follows:

- (m) the term of the Convertible Note is ninety (90) days (subsequently extended to 31 March 2021);
- (n) the face value of the Convertible Note is \$500,000;
- (o) the interest rate payable on the face value of the Convertible Note is twenty percent (20%) per annum. The interest rate becomes 30% on all outstanding sums owed if the issuer is late repaying the Note;
- (p) The method of payment of each tranche is at the discretion of the issuer and will be up to either:
 - (i) \$500,000, plus interest in cash;
 - (ii) A variable number of shares equal to \$500,000 where the Share value is calculated at the lowest of AU\$0.02 or 25% discount to the share price of any equity raise undertaken prior to the Maturity Date. Conversion is at the discretion of the Noteholder.
- (q) The Convertible Note in no way prohibits the Company from undertaking any equity capital raising activities; and
- (r) the Convertible Note is secured by a General Security Agreement (GSA) granting fixed and floating security over all major plant items not secured under equipment finance agreements or leases.

Technical information required by ASX Listing Rule 14.1A

If Resolution 3 is not passed, the Consideration Shares will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consideration Shares.

If Resolution 3 is passed, the base figure (i.e. variable "A") in which the Company's 15% placement capacity is calculated/and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Technical information required by Listing Rule 7.5

Technical information required by ASX Listing Rule 7.5

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

- (a) one Convertible Note will be issued with a face value of \$500,000 and is convertible into Shares at \$0.02 per share. This would equate to approximately 25,000,000 Shares being issued;
- (b) the Convertible Note was issued on 19 December 2019;
- (c) the allottee of the Convertible Note was Twynam Investments Pty Ltd, which is not a related party of the Company;
- (d) the Shares issued on conversion of the Convertible Note will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as existing Shares; and
- (e) the funds raised from the Convertible Note were used as working capital while the Company divested itself of its Indian operations and commenced its Australian operations.

RESOLUTION 4 - APPROVAL OF EMPLOYEE SHARE OPTION PLAN

Resolution 4 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Share Option Plan (**ESOP**) in accordance with ASX Listing Rule 7.2 (Exception 13).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 13) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Options under the ESOP to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 4 is not passed, the Company will not be able to proceed with the ESOP, and the Company will consider other forms of performance based long term incentives, which may include the payment of cash.

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

The Company currently has 307,147,813 shares on issue, therefore the maximum number of options that could be offered is 15,357,391.

Shareholders should note that no Options have previously been issued under the ESOP. A total of 5,000,000 Options were issued under a previous ESOP of the

Company's. The previous ESOP was approved by Shareholders at a general meeting on 30 November 2017.

The objective of the ESOP is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the ESOP and the future issue of Options under the ESOP will provide selected Directors (executive or non-executive), and permitted employees and contractors of the Company with the opportunity to participate in the future growth of the Company.

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

A summary of the key terms and conditions of the ESOP is set out in Schedule 1. In addition, a copy of the ESOP is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the ESOP can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

RESOLUTION 5 - APPROVAL OF EMPLOYEE SHARE PLAN

Resolution 5 seeks Shareholders approval for the adoption of the employee incentive scheme titled, Employee Share Plan (**Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 13).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 13) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Shares under the Share Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 5 is not passed, the Company will not be able to proceed with the Share Plan, and the Company will consider other forms of performance based long term incentives, which may include the payment of cash.

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

The Company currently has 307,147,813 shares on issue, therefore the maximum number of options that could be offered is 15,357,391.

Shareholders should note that no Shares have previously been issued under the Share Plan, and no Shares were issued under a previous Share Plan of the Company's. The previous Share Plan was approved by Shareholders at a general meeting on 30 November 2019.

The objective of the Share Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Share Plan and the future issue of Shares under the Share Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A material feature of the Share Plan is the issue of Shares pursuant to the Share Plan may be undertaken by way of provision of a non-recourse, interest free loan to be used for the purposes of subscribing for the Shares based on a price that will be not less than the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date of acceptance of the offer.

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

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

RESOLUTION 6 - ISSUE OF REPLACEMENT DIRECTOR INCENTIVE SHARES TO DAVID MENDELAWITZ (RELATED PARTY)

Summary

Elmore is proposing to issue up to 47,000,000 Shares (**Plan Securities**) under the Plan to Mr David Mendelawitz (or his nominee).

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

10.14.1 – a director of the company;

10.14.2 – an associate of a director of the company; or

10.14.3 – a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Plan Securties falls within Listing Rule 10.14.1 above and therefore requires the approval of Elmore's shareholders under Listing Rule 10.14.

Resolution 6 seeks the required shareholder approval to the issue under and for the purposes of Listing Rule 10.14.

If Resolution 6 is passed, Elmore will be able to proceed with the issue of the Plan Securities to Mr Mendelawitz (or his nominee).

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Plan Securities to Mr Mendelawitz and the Company will consider other forms of performance based long term incentives for Mr Mendelawitz, which may include the payment of cash.

General

On 15 October 2018, the Company announced the appointment of Mr David Mendelawitz as Managing Director and Chief Executive Officer of the Company.

On 27 November 2018 the Company obtained Shareholder approval to issue a total of up to 31,689,190 Shares (**Plan Securities**) under the Plan to Mr David Mendelawitz (or his nominee) on the terms and conditions set out below.

As the Plan Securities were linked to the performance of the Indian operations, which have been terminated, the Company has proposed a new Incentive Plan in line with the Company's new focus.

The plan is not materially different to the previous plan, though as the capital that has just been or is planned to be raised at a lower price to the price that the Company was trading at the time that the previous plan was approved, if the monetary component was to be paid by the Company at this price (\$0.04 compared to the previously calculated \$0.074) the number of shares issued would be substantially more.

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of up to 47,000,000 Shares (**Plan Securities**) under the Plan to Mr David Mendelawitz (or his nominee) on the terms and conditions set out below.

Resolution 6 seeks Shareholder approval to issue the Plan Securities to David Mendelawitz (or his nominee).

Chapter 2E of the Corporations Act

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

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

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

The issue of the Plan Securities constitutes giving a financial benefit and Mr Mendelawitz is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Mendelawitz, who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Plan Securities because the agreement to issue the Plan Securities, reached as part of the

remuneration package for Mr Mendelawitz, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

ASX Listing Rule 10.14

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

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Plan Securities to Mr Mendelawitz (or his nominee). If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Plan Securities to Mr Mendelawitz and the Company will consider other forms of performance based long term incentives for Mt Mendelawitz, which may include the payment of cash.

Technical Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to Resolution 6:

- (a) the Plan Securities will be issued to David Mendelawitz (or his nominee);
- (b) David Mendelawitz is the Managing Director of the Company and falls into the category stipulated by Listing Rule 10.14.1. In the event that the Plan Securities are issued to a nominee of Mr Mendelawitz, that person will fall into the category stipulated by Listing Rules 10.14.2.
- (c) the maximum number of Plan Securities to be issued to Mr Mendelawitz (or his nominee) is 47,000,000 Shares, being:
 - (i) (**Project Incentive**) 15,000,000 Shares, subject to the following:
 - (A) 7,500,000 Shares to be issued 3 months after the date on which the Company achieves a positive cash flow in three consecutive months;
 - (B) 7,5000,000 Shares to be issued 3 months after the date on which the Company achieves profitability in any 6 month accounting period; and
 - (ii) (Short Term Incentive) 15,750,000 Shares (in the event that the Company's operational requirements require an allocation of Shares rather than a cash payment) as Short Term Incentives under the Plan over the period of three (3) years following the passing of Resolution 6, subject to each of the conditions being satisfied (excluding the 6 month waiting period in respect of each of those conditions), and based on the following:
 - (A) Mr Mendelawitz qualifying for the maximum Short Term Incentive entitlement payable under the Plan in each year (being 60% of his base salary, subject to the Company achieving 100% of its budgeted Earnings before interest and taxation (EBIT) for the relevant financial year, and an additional 1% of his base salary for

each 1% exceeding 100% of the Company's budgeted EBIT, up to a maximum of an additional 25% of his base salary);

- (B) Mr Mendelawitz's current base salary of \$325,000 per annum potentially increasing over that three (3) year period up to \$350,000 in the year ending 30 June 2021 and \$375,000 in the year ending 30 June 2022;
- (C) a notional share price of \$0.04 has been used for the purposes of calculating the maximum number of 15,750,000 Shares to be issued to Mr Mendelawitz over the period of three (3) years following the passing of Resolution 6. If the Company's share price increases over the period of three (3) years following the passing of Resolution 6, the maximum number of Shares that may be issued to Mr Mendelawitz as Short Term Incentives under the Plan will be less than 15,750,000 Shares;
- (D) the issue price for Shares as Short Term Incentives under the Plan is the volume weighted average price of the Company's Shares on the first five trading days of July following the conclusion of the financial year in respect of which the Short Term Incentive entitlement is to be determined: and
- (E) where a Short Term Incentive entitlement arises in respect of a financial year, the entitlement will not be paid (and shares will not be issued) until the Company's auditors have issued an unqualified audit opinion in respect of the relevant financial year. Mr Mendelawitz's salary for the relevant periods will be reported to Shareholders in the Company's Remuneration Report in accordance with the Corporations Act;

Note:

¹ The quoted amounts of \$350,000 and \$375,000 for Mr Mendelawitz's base salary in respect of the years ending 30 June 2021 and 30 June 2022 are indicative only and have been used purely for the purposes of calculating the maximum number of Shares that may be issued to Mr Mendelawitz as Short Term Incentives under the Plan pursuant to Resolution 6. The Directors of the Company are not bound to increase Mr Mendelawitz's base salary to these amounts, nor are the Directors of the Company constrained to limit Mr Mendelawitz's base salary to these amounts. If, and to the extent that, Mr Mendelawitz's base salary exceeds the quoted amounts of \$350,000 and \$375,000 in respect of the years ending 30 June 2021 and 30 June 2022 respectively, and consequently his entitlement to Shares as Short Term Incentives under the Plan may exceed the maximum number of Shares approved by Shareholders pursuant to Resolution 6, the Company will reduce the number of Shares issued as Short Term Incentives under the Plan to comply with that cap and will gross up the cash component of Mr Mendelawitz's entitlement. For a full explanation of the philosophy of the Directors in relation to remuneration, Shareholders are referred to the Remuneration Report which commences on page 12 of the Company's 2019 Annual Report.

(iii) (Long Term Incentive) 16,250,000 Shares as Long Term Incentives under the Plan over the period of three (3) years following the

passing of Resolution 6, subject to each of the conditions set out in section 4.4(a)(i)(A) - (C) above being satisfied (excluding the 6 month waiting period in respect of each of those conditions), and based on the following:

- (A) Mr Mendelawitz qualifying for the maximum Long Term Incentive entitlement payable under the Plan in each year (being 200% of his base salary of \$325,000 for the financial year ending 30 June 2020, divided into 3 equal parts over 3 years, subject to the Company achieving its total shareholder return target for the relevant financial year);
- (B) a notional share price of \$0.04 has been used for the purposes of calculating the maximum number of 16,250,000 Shares to be issued to Mr Mendelawitz over the period of three (3) years following the passing of Resolution 6. If the Company's share price increases over the period of three (3) years following the passing of Resolution 6, the maximum number of Shares that may be issued to Mr Mendelawitz as Long Term Incentives under the Plan will be less than 16,250,000 Shares;
- (C) the issue price for Shares as Long Term Incentives under the Plan is the volume weighted average price of the Company's Shares on the first five trading days of July following the conclusion of the financial year in respect of which the Long Term Incentive entitlement is to be determined;
- (D) where a Long Term Incentive entitlement arises in respect of a financial year, the entitlement will not be paid (and shares will not be issued) until the Company's auditors have issued an unqualified audit opinion in respect of the relevant financial year; and
- (E) where a Long Term Incentive entitlement arises in respect of a financial year, the entitlement will vest 12 months after the Company's auditors have issued an unqualified audit opinion in respect of the relevant financial year as contemplated in paragraph (D).

The terms of the Plan Securities will otherwise be governed by the rules of the Plan:

- (d) the Plan Securities will be issued to Mr Mendelawitz (and/or his nominee(s)) for nil consideration and no consideration will be payable upon the vesting and exercise of the Plan Securities. Accordingly, no loans will be made in relation to, and no funds will be raised from, the issue or vesting of the Plan Securities;
- (f) the terms and conditions of the Director Options are set out in Schedule 3;
- (e) the issue of the Plan Securities under the Plan has not previously been approved. The Plan was previously approved on 27 November 2018. No

Shares have previously been issued under the Plan to persons referred to in ASX Listing Rule 10.14 (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);

- (f) as at the date of this Notice, all Directors are entitled to participate in the Plan:
- (g) details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14;
- (h) any additional persons referred to in ASX Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 6 is approved and who were not named in the Notice will not participate in the Plan until approval is obtained under ASX Listing Rule 10.14; and
- (i) the Plan Securities will be issued to Mr Mendelawitz (and/or his nominee(s)) no later than 3 years after the Meeting.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Plan Securities to Mr Mendelawitz (and/or his nominee(s)) as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Plan Securities pursuant to Resolution 6 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

RESOLUTION 7,8 AND 9 - ISSUE OF DIRECTOR OPTIONS

Summary

Elmore is proposing to issue up to 6,000,000 Options (**Director Options**) to Messrs Mr Peter Richards, Dr Nik Senapati, and Tim Webster (or their respective nominees).

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1 a director of the company;
- 10.14.2 an associate of a director of the company; or
- 10.14.3 a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Director Options falls within Listing Rule 10.14.1 above and therefore requires the approval of Elmore's shareholders under Listing Rule 10.14.

Resolutions 7, 8 & 9 seek the required shareholder approval to the issue under and for the purposes of Listing Rule 10.14.

If Resolutions 7, 8 & 9 are passed, Elmore will be able to proceed with the issue of the Director Options to Mr Messrs Mr Peter Richards, Dr Nik Senapati, and Tim Webster (or their respective nominees).

If Resolutions 7, 8, & 9 are not passed, the Company will not be able to proceed with the issue of the Director Options to Messrs Mr Peter Richards, Dr Nik Senapati, and Tim Webster, and the Company will consider other forms of performance based long term incentives for Messrs Mr Peter Richards, Dr Nik Senapati, and Tim Webster, which may include the payment of cash.

General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 6,000,000 Options (**Director Options**) to Messrs Mr Peter Richards, Dr Nik Senapati, and Tim Webster (or their respective nominees) (**Related Parties**) on the terms and conditions set out below.

Summaries of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 are set out in sections 5.2 and 5.3 of this Explanatory Statement.

The grant of the Director Options constitutes giving a financial benefit and Messrs Richards, Senapati, and Webster are related parties of the Company by virtue of being Directors.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Options to the Related Parties.

Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (g) the related parties are Messrs Mr Peter Richards and Dr Nik Senapati (or their respective nominees) and they are related parties by virtue of being Directors:
- (h) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 2,000,000 Director Options to Mr Peter Richards (or his nominee);
 - (ii) 2,000,000 Director Options to Dr Nik Senapati (or his nominee); and
 - (iii) 2,000,000 Director Options to Mr Tim Webster
- (i) if any of the resolutions 7 to 9 are approved by shareholders, the Director Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date. If the Resolutions are not

- passed no Director Options will be granted and the Company will consider other forms of performance based long term incentives.
- (j) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (k) the terms and conditions of the Director Options are set out in Schedule 4;
- (I) the value of the Director Options and the pricing methodology is set out in Schedule 5;
- (m) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Mr Peter Richards	5,650,629	Nil
Dr Nik Senapati	Nil	Nil
Mr Tim Webster	9,922,074	NIL

(n) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	2019/2020 Financial Year ¹	2018/2019 Financial Year
Mr Peter Richards	\$60,000	\$58,000
Dr Nik Senapati	\$48,000	\$36,321
Mr Tim Webster	\$4,000	-

At the election of the Directors, a portion or all of their fees have not been paid and have been deferred.

(o) if the Director Options granted to the Related Parties are exercised, a total of 6,000,000 Shares would be issued. This will increase the number of Shares on issue from 307,147,813 to 313,147,813 (assuming that no other Options are exercised and no other Shares are issued), with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.95%, comprising, 0.65% by Mr Peter Richards, 0.65% by Dr Nik Senapati, and 0.65% Mr Tim Webster.

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

- (p) the Company has been suspended from trading, and so no history of the Shares on ASX in the 12 months.
- (q) the Board acknowledges the grant of Director Options to Mr Peter Richards, Dr Nik Senapati, and Mr Tim Webster is contrary to Recommendation 8.3 of The Corporate Governance Principles and

Recommendations with 2010 Amendments (2nd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Director Options to Mr Peter Richards, Dr Nik Senapati, and Mr Tim Webster reasonable in the circumstances for the reason set out in paragraph I;

- (r) the primary purpose of the grant of the Director Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the future performance of the Related Parties in their respective roles as Directors;
- (s) Mr Peter Richards declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Director Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 6, 8 and 9 Mr Richards recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph I;
- (t) Dr Nik Senapati declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Director Options in the Company should Resolution 8 be passed. However, in respect of Resolutions 6, 7 and 9, Dr Senapati recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph I;
- (u) Mr Tim Webster declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Director Options in the Company should Resolution 9 be passed. However, in respect of Resolutions 6, 7 and 8, Mr Webster recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph I;
- (v) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Director Options to be granted as well as the exercise price and expiry date of those Director Options; and
- (w) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7 to 9.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Elmore Limited (ACN 057 140 922).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share.

Option holder means a holder of an Option or Related Party Options as the context requires.

Placement Resolutions means Resolution 2 and Resolution 3.

Proxy Form means the proxy form accompanying the Notice.

Related Party Performance Right means a Performance Right granted pursuant to Resolution 6 with the terms and conditions set out in Schedule 3.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Undertaking has the meaning given to that term in chapter 19 of the ASX Listing rules:

"includes assets or businesses"

VWAP means the Volume Weighted Average Price.

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

SCHEDULE 1 - SUMMARY OF TERMS AND CONDITIONS OF ESOP

The material terms and conditions of the ESOP are as follows:

- (a) **Eligibility**: Participants in the ESOP may be:
 - a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a Group Company);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Options under the ESOP (Eligible Participants).

- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the ESOP and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

The Company currently has 307,147,813 shares on issue, therefore the maximum number of options that could be offered is 15,357,391.

- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the ESOP will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting**: The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the ESOP or their nominee where the Options have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Options due to:

- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Options, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or Total or Permanent Disability of a Relevant Person; or
 - (II) Retirement or Redundancy of a Relevant Person;
 - (B) a Relevant Person suffering Severe Financial Hardship;
 - (C) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
- (ii) a Change of Control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option**: An Option will lapse upon the earlier to occur of:
 - (i) an unauthorised dealing in the Option;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Option only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Options only, a relevant person ceases to be an Eligible Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option;

- (vii) the expiry date of the Option.
- (h) **Shares**: Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer paragraph (i)) from the date of issue, rank on equal terms with all other Shares on issue.
- (i) Sale Restrictions: The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (j) **No Participation Rights**: There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (k) Change in exercise price of number of underlying securities: Unless specified in the offer of the Options and subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (I) **Reorganisation**: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (m) **Trust**: The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the ESOP to effect the establishment of such a trust and the appointment of such a trustee.

SCHEDULE 2 - SUMMARY OF TERMS AND CONDITIONS OF THE SHARE PLAN

The key terms of the Elmore Incentive Scheme (Share Plan) are as follows:

- (a) **Eligibility**: Participants in the Share Plan may be directors, employees or contractors of the Company or any of its subsidiaries or any other related body corporate of the Company (**Eligible Participants**).
- (b) **Administration of Plan**: The Board is responsible for the operation of the Share Plan and has a broad discretion to determine which Eligible Participants will be offered Shares under the Share Plan.
- (c) **Invitation**: The Board may make an invitation to an Eligible Participant to participate in the Share Plan. The invitation:
 - (i) will invite application for the number of Shares specified in the invitation;
 - (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated:
 - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Eligible Participant in accordance with the invitation;
 - (iv) will specify any restriction conditions applying to the Shares;
 - (v) will specify an acceptance period; and
 - (vi) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price**: the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to the date Share Plan Shares are offered for issue under the Share Plan, or such other price as the Board determines.
- (e) **Renounceability**: Eligible Participants may renounce their Invitation in favour of an associate (the Eligible Participants and their associates are each **Participants**).
- (f) **Restriction Conditions**: Shares may be subject to restriction conditions relating to milestones (**Milestone Conditions**) (such as a period of employment) or escrow restrictions (**Escrow Conditions**) which must be satisfied before the Shares can be sold, transferred, or encumbered (**Restriction Conditions**). Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Share Plan.
- (g) **Extension of Escrow Condition**: If an Eligible Participant ceases to be an Eligible Participant as a result of an occurrence other than certain bad leaver occurrences prior to the satisfaction of all Restriction Conditions, the escrow restriction applied under the Escrow Condition in relation to the Share Plan Shares held by the Participant will be extended by 6 months.
- (h) **Loan**: An Eligible Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:

- (i) the Loan will be interest free unless the Company and the Participant agree otherwise;
- (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
- (iii) the Loan repayment date will be 5 years following the issue of Shares under the Share Plan and the manner for making such payments shall be determined by the Board and set out in the invitation;
- (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
- (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to buy-back, cancel or sell those Shares in accordance with the terms of the Share Plan;
- (vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
- (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (i) **Unfulfilled Milestone Condition**: Where a Milestone Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company may, unless the Milestone Condition is waived by the Board, either:
 - (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.I of the Corporations Act in consideration for the cancellation of any Loan granted; or
 - (ii) in the event that such a buy-back and cancellation of Shares cannot occur, require the Participant to sell the Shares as soon as reasonably practicable either on the ASX and give the Company the sale proceeds (Sale Proceeds), which the Company will apply in the following priority:
 - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
 - (C) lastly, any remainder to the Company to cover its costs of managing the Share Plan.

(j) Sale of Shares to Repay Loan:

- (i) A Loan shall become repayable in full on the earlier of:
 - (A) 5 years following the issue of Shares under the Share Plan;

- (B) the date determined under (ii) below;
- (C) any Shares issued to the Participant in relation to the Loan being sold, transferred, assigned, mortgaged, charged or otherwise encumbered (unless any such actions were undertaken by or on behalf of the Company);
- (D) the Participant suffering an event of insolvency;
- (E) the Participant breaching any condition of the Loan or the Share Plan; or
- (F) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
- (ii) In the event that the Eligible Participant to whom the invitation was made ceases to be an Eligible Participant, the date for repayment of the Loan under paragraph (j)(i)(B) will subject to the Company buying back, cancelling or selling any Shares where the Eligible Participant ceases such a role for to certain bad leaver reasons (including acting fraudulently or dishonestly, being grossly negligent, demonstrating serious and wilful misconduct, or causing a material adverse effect on the reputation of the Company), be the later of:
 - (A) if all Restriction Conditions have been satisfied or waived, within 30 days;
 - (B) if a Milestone Condition in relation to Shares is not satisfied or waived, immediately. Such payment obligation shall be satisfied as set out in (A) above; or
 - (C) if all Milestone Conditions have been satisfied or waived, but the Escrow Condition has not been satisfied or waived, immediately upon satisfaction.
- (iii) Where a Loan becomes repayable under paragraph (j), other than paragraph (j)(i)(B) and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Company may elect to buy-back or cancel in consideration for cancellation of the Loan or sell the Shares, with the Sale Proceeds being applied to repay the Loan in accordance the Share Plan.
- (iv) Where a Loan in relation to Shares becomes repayable under paragraph (j), other than paragraphs (j)(i)(B) or (j)(i)(E) or (j)(ii)(B) and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company may buy-back, cancel or sell the Shares and, if sold, apply the Sale Proceeds in accordance with the Share Plan.
- (k) **Power of Attorney**: The Participant irrevocably appoints each of the Company and each Director severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Share Plan.

- (I) **Restriction on Transfer**: Other than as specified in the Share Plan, Participants may not sell or otherwise deal with a Share until the Loan Amount in respect of that Share has been repaid and any Restriction Conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
- (m) **Quotation on ASX**: The Company will apply for each Share to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
- (n) **Rights Attaching to Shares**: Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Share Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

SCHEDULE 3 - TERMS AND CONDITIONS OF DIRECTOR INCENTIVE RIGHTS

A summary of the terms and conditions of the Performance Rights is set out below:

- (a) (**Vesting Condition**): The Performance Rights of each holder shall vest as follows:
 - (i) 50% of Maximum PIS payable on the Company achieving a positive cash flow in three consecutive months;
 - (ii) 50% of Maximum PIS payable on the Company achieving profitability in any 6 month accounting period;
- (b) (**Vesting**): Upon the Vesting Condition being satisfied, the Company shall notify the holder in writing that the relevant Performance Rights have vested (**Vested Performance Rights**).
- (c) (Consideration): The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights.
- (d) (Automatic Vesting): Upon satisfaction of the Vesting Condition, each Performance Right will automatically vest into one Share.
- (e) (Lapse of a Performance Right): A Performance Right will lapse upon the earlier to occur of:
 - (i) 12 months from the date of completion of the Project; or
 - (ii) the Performance Right lapsing in accordance with rule (f).
- (f) (Ceasing to be an Eligible Holder): If a holder ceases to be a consultant, contractor or employee of the Company, or a subsidiary of the Company, then:
 - (i) the Board must deem any unvested Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - (ii) any Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.
- (g) (Other circumstances): The Performance Rights will not lapse and be forfeited where the holder ceases to be a consultant, contractor or employee of the Company for one of the following reasons:
 - (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable to work in his or her own or any occupation for which they are suited by training, education, or experience for a period beyond one year); or
 - (ii) any other reason that the Board determines is reasonable to permit the holder to retain his Performance Rights,

and in those circumstances the Performance Rights will continue to be subject to the Vesting Condition.

(h) (Takeover, Scheme of Arrangement or Change of Control): The Performance Rights will automatically vest where:

- (i) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the Shareholders of the Company approve the proposed compromise or arrangement at such meeting;
- (ii) a takeover bid:
 - (A) is announced;
 - (B) has become unconditional; and
 - (C) the person making the takeover bid has a Relevant Interest (as that term is defined in the Corporations Act) in 50% or more of the Shares; or
- (iii) any person acquires a Relevant Interest (as that term is defined in the Corporations Act) in 50.1% or more of the Shares by any other means.
- (i) (**Share ranking**): All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (j) (Listing of Shares on ASX): The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (k) (**Transfer of Performance Rights**): A Performance Right is only transferable:
 - (i) with the consent of the Board; or
 - (ii) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.
- (I) (Participation in new issues): There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (m) (Adjustment for bonus issue): If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (n) (Adjustment for reconstruction): If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the Vesting Condition) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) (**Dividend and Voting Rights**): A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

SCHEDULE 4 - TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be 200% of the 5-day volume weighted average price prior to grant date; or

200% of the price at which equity is raised, but no less than \$0.05. (Exercise Price)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 May 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

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

(h) Shares issued on exercise

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

(i) Reconstruction of capital

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

(j) Participation in new issues

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

(k) Change in exercise price

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

(I) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 5 - VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to the Related Parties pursuant to Resolutions 8, 9 and 10 have been independently valued.

Using the Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed the following value:

Assumptions:	
Valuation date	17 December 2020
Market price of Shares	4 cents
Exercise price	8 cents
Expiry date (length of time from issue)	1 February 2024
Risk free interest rate	1.50%
Volatility (discount)	50%
Indicative value per Director Option	0.37 cents
Total Value of Director Options	\$35,817
- Mr Peter Richards	\$11,939
- Dr Nik Senapati	\$11,939
- Mr Tim Webster	\$11,939

Note: The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.



Elmore Ltd | ACN 057 140 922

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by 10.30am (WST) on Wednesday, 27 January 2021, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

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

STEP 1 - APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah

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:

 $\underline{meetings@automicgroup.com.au}$

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

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

STEP 1 - How to vote

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the 2020 Annual General Meeting of Elmore Ltd, to be held at 10.30am (WST) on Friday, 29 January 2021 virtually and at Armada Accountants & Advisors, 18 Sangiorgio Court, Osborne Park WA 6017 hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to unto undirected manifes in favorus of all Decelutions in which

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

VIRTUAL PARTICIPATION AT THE AGM:

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

- Open your internet browser and go to 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

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