



**RareX Limited
ACN 105 578 756**

Notice of General Meeting

The General Meeting of the Company will be held at Suite 23, 513 Hay Street, Subiaco, Western Australia on Wednesday, 26 May 2021 at 10.00 am (WST).

THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN-PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN-PERSON MEETING, THE COMPANY WILL PROVIDE AN UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional adviser prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company on (08) 6143 6720.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice.

**RareX Limited
ACN 105 578 756
(Company)**

Notice of General Meeting

Notice is hereby given that a general meeting of Shareholders of RareX Limited (**Company**) will be held at Suite 23, 513 Hay Street, Subiaco, Western Australia on Wednesday, 26 May 2021 at 10.00 am (WST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person. Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://www.rarex.com.au/> and the ASX announcement platform.

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 5.00pm (WST) on Monday, 24 May 2021.

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

Terms and abbreviations used in the Notice are defined in the Schedule.

Agenda

1 Resolutions

Resolution 1 – Ratification of issue of Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 29,100,000 Shares on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Approval to issue Director Placement Shares

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Placement Shares to the Directors (or their respective nominees) as follows:

- (a) *up to 250,000 Shares to John Young;*
- (b) *up to 250,000 Shares to Jeremy Robinson;*
- (c) *up to 200,000 Shares to Shaun Hardcastle; and*
- (d) *up to 200,000 Shares to Cameron Henry,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Ratification of issue of LM Options

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 LM Options to Canaccord Genuity (Australia) Limited (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Ratification of issue of Consultant Options

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Consultant Options to the Consultants (or their respective nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Approval of Employee Securities Incentive Plan

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

'That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the RareX Limited Employee Securities Incentive Plan and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Approval of potential termination benefits under the Plan

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

'That, conditional on Resolution 5 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the RareX Limited Employee Securities Incentive Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Approval of issue of Director Performance Rights

To consider and, if thought fit, to pass without or without amendment, each as a **separate** ordinary resolution the following:

'That, conditional on Resolution 5 being approved and pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Performance Rights to the Directors (or their respective nominees) under the Plan as follows:

- (a) *up to 15,000,000 Performance Rights to Jeremy Robinson;*
- (b) *up to 4,500,000 Performance Rights to John Young;*
- (c) *up to 4,500,000 Performance Rights to Shaun Hardcastle; and*
- (d) *up to 4,500,000 Performance Rights to Cameron Henry,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 – Approval to amend terms of existing Director Options

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

'That for the purposes of Listing Rule 6.23.4 and for all other purposes, Shareholders approve the proposed amendment to the terms and conditions of the Director Options to allow the cashless exercise of such options on the terms and conditions in the Explanatory Memorandum.'

Resolution 9 – Approval to increase Non-Executive Directors' Remuneration

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

'That, pursuant to and in accordance with Article 7.8(a) of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors to \$500,000 per annum on the terms and conditions in the Explanatory Memorandum.'

Resolution 10 – Ratification of issue of Strategic Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,000,000 Strategic Placement Shares to Simon Lee AO (or his nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 1 by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates;
- (b) Resolution 2(a) by or on behalf of John Young (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (c) Resolution 2(b) by or on behalf of Jeremy Robinson (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (d) Resolution 2(c) by or on behalf of Shaun Hardcastle (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (e) Resolution 2(d) by or on behalf of Cameron Henry (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (f) Resolution 3 by or on behalf of the Lead Manager (or its nominees), or any of their respective associates;
- (g) Resolution 4 by or on behalf of the Consultants (or their respective nominees), or any of their respective associates;
- (h) Resolution 5 by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates;
- (i) Resolution 7(a) by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates;
- (j) Resolution 7(b) by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates;

- (k) Resolution 7(c) by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates;
- (l) Resolution 7(d) by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates;
- (m) Resolution 8 by or on behalf of any person who holds an Option that is the subject of the approval being sought under this Resolution or an associate of those persons;
- (n) Resolution 9 by or on behalf of a Director, or any of their respective associates; and
- (o) Resolution 10 by or on behalf of Simon Lee AO (or his nominees), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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:
 - (i) 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
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibitions

Resolution 7(a), (b), (c) and (d), Resolution 8 and Resolution 9: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

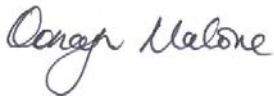
Further, in respect of Resolution 7(a), (b), (c) and (d), in accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: if the Chair is a person referred to in the voting prohibition statement above (section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution. If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD



Oonagh Malone
Company Secretary
RareX Limited
Dated: 12 April 2021

RareX Limited
ACN 105 578 756
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 23, 513 Hay Street, Subiaco, Western Australia on Wednesday, 26 May 2021 at 10.00 am (WST) **(Meeting)**.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Resolution 1 – Ratification of issue of Placement Shares
Section 4	Resolution 2 – Approval to issue Director Placement Shares
Section 5	Resolution 3 – Ratification of issue of LM Options
Section 6	Resolution 4 – Ratification of issue of Consultant Options
Section 7	Resolution 5 – Approval of Employee Securities Incentive Plan
Section 8	Resolution 6 – Approval of potential termination benefits under the Plan
Section 9	Resolution 7 – Approval of issue of Director Performance Rights
Section 10	Resolution 8 – Approval to amend terms of existing Director Options
Section 11	Resolution 9 – Approval to increase Non-Executive Directors' Remuneration
Section 12	Resolution 10 – Ratification of issue of Strategic Placement Shares
Schedule 1	Definitions
Schedule 2	Terms and Conditions of LM Options
Schedule 3	Terms and Conditions of Consultant Options
Schedule 4	Summary of Employee Securities Incentive Plan

Schedule 5	Terms and Conditions of Director Performance Rights
Schedule 6	Black & Scholes Valuation of Director Performance Rights

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

2. Voting and attendance information

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

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 Voting in person

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

2.3 Voting by proxy

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

Please note that:

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

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

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:

- (i) 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);
- (ii) 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;
- (iii) 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
- (iv) 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).

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

- (i) 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;
- (v) the appointed proxy is not the chair of the meeting;
- (vi) at the meeting, a poll is duly demanded on the resolution; and
- (vii) either the proxy is not recorded as attending the meeting or 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.

2.4 Chair's voting intentions

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 7(a), (b), (c) and (d), Resolution 8 and Resolution 9 even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

Subject to the following paragraph, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form for that Resolution.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at info@rarex.com.au by 5.00 pm on Monday, 24 May 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Resolution 1 – Ratification of issue of Placement Shares

3.1 General

On 13 November 2020, the Company announced that it had received binding commitments for a placement to raise \$3,000,000 (before costs) by the issue of up to 30,000,000 Shares at \$0.10 each (**Placement**). The Placement is comprised of the following tranches:

- (a) 29,100,000 Shares issued using the Company's placement capacity under Listing Rule 7.1A (**Placement Shares**); and
- (b) up to 900,000 Shares proposed to be issued to the Directors (or their respective nominees) subject to the receipt of prior Shareholder approval (the subject of Resolution 2(a), (b), (c) and (d)) (**Director Placement Shares**).

On 20 November 2020, the Company issued the Placement Shares using the Company's placement capacity under Listing Rule 7.1A.

Resolution 1 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

3.2 Listing Rules 7.1A and 7.4

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 27 November 2020.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Placement Shares.

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

The effect of Shareholders passing Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 10% additional placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

If Resolution 1 is passed, 29,100,000 Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity

Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, 29,100,000 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 29,100,000 Equity Securities for the 12 month period following the issue of the Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

3.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) The Placement Shares were issued to institutional, sophisticated and professional investors, none of whom is a related party of the Company or a Material Investor. The placement participants were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from existing contacts of the Company and clients of the Lead Manager.
- (b) A total of 29,100,000 Placement Shares were issued within the Company's 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued on 20 November 2020.
- (e) The Placement Shares were issued at \$0.10 each.
- (f) The proceeds from the issue of the Placement Shares have been or are intended to be used to:
 - (i) fund the drilling program at the Company's Weld North Rare Earths Project;
 - (ii) complete a Mineral Resource update, initial scoping studies and further exploration at the Cummins Range Rare Earths Project; and
 - (iii) provide general working capital.
- (g) There are no other material terms to the agreement for the subscription of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

3.4 Additional information

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

4. Resolution 2 – Approval to issue Director Placement Shares

4.1 General

The background to the proposed issue of the Director Placement Shares is in Section 3 above.

Resolution 2(a), (b), (c) and (d) seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the proposed issue of the Director Placement Shares.

4.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

The Directors are related parties of the Company by virtue of being Directors. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Shares to the Directors (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 2(a), (b), (c) and (d) will be to allow the Company to issue the Director Placement Shares, raising a further \$90,000 (before costs).

If Resolution 2(a), (b), (c) and/or (d) is not passed, the Company will not be able to proceed with the issue of the relevant Director Placement Shares, and the Company will not receive the additional funds committed by the Directors. The Company considers that it has adequate working capital to achieve its stated objectives at this time and therefore does not intend to seek a further approval or raise further capital at this stage, if these Resolutions are not passed.

4.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Shares:

- (a) The Director Placement Shares will be issued to Messrs John Young, Jeremy Robinson, Shaun Hardcastle and Cameron Henry (or their respective nominees).
- (b) The Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of being Directors of the Company.
- (c) Up to a maximum of 900,000 Director Placement Shares will be issued in the following proportions:
 - (i) up to 250,000 Shares to John Young;
 - (ii) up to 250,000 Shares to Jeremy Robinson;
 - (iii) up to 200,000 Shares to Shaun Hardcastle; and
 - (iv) up to 200,000 Shares to Cameron Henry,(or their respective nominees).
- (c) The Director Placement Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Director Placement Shares will be issued no later than one month after the date of the Meeting.
- (e) The Director Placement Shares are proposed to be issued at an issue price of \$0.10 each, being the same price at which the Placement Shares were issued.
- (f) The proceeds from the issue of the Director Placement Shares are intended to be used to advance the Company's projects and provide general working capital as described in Section 3.3(f) above.
- (g) The proposed issue of the Director Placement Shares are not intended to remunerate or incentivise the Directors.
- (h) There are no other material terms to the proposed issue of the Director Placement Shares.
- (i) A voting exclusion statement is included in the Notice.

4.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The proposed issue of the Director Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Shares because the Shares will be issued on the same terms as the Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

4.5 Additional information

Each of the resolutions which forms part of Resolution 2 is an ordinary resolution.

The Board declines to make a recommendation in relation to each of the resolutions which form part of Resolution 2 due to their personal interests in the outcome of the resolutions.

5. Resolution 3 – Ratification of issue of LM Options

5.1 General

Refer to Section 3 above for the background to the Placement.

Canaccord Genuity (Australia) Limited acted as lead manager and bookrunner to the Placement (**Lead Manager**). As part consideration for the provision of lead manager services, the Company agreed to issue the Lead Manager (or its nominees) 10,000,000 Options exercisable at \$0.15 each and expiring on 30 November 2023 (**LM Options**).

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the LM Options.

5.2 Summary of LM Mandate

The Company entered into a mandate with the Lead Manager for the provision of lead manager services and bookrunner services, including the coordination and management of the Placement as well as marketing services (**LM Mandate**).

Under the LM Mandate, the Company agreed to pay the Lead Manager a management fee of 2% and a placing fee of 4%, plus GST, where applicable, of the total funds raised under the Placement, plus the LM Options.

The Lead Manager shall be entitled to reimbursement of reasonable expenses as required to perform their role, provided that approval of the Company is obtained prior to incurring expenses above \$2,000 for general expenses and \$5,000 for legal expenses.

The LM Mandate contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

5.3 Listing Rules 7.1 and 7.4

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

The issue of the LM Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the LM Options.

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

The effect of Shareholders passing Resolution 3 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 3 is passed, 10,000,000 LM Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 3 is not passed, 10,000,000 LM Options will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 10,000,000 Equity Securities for the 12 month period following the issue of those LM Options.

5.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the LM Options:

- (a) The LM Options were issued to the Lead Manager (or its nominees), none of whom is a related party of the Company.
- (b) A total of 10,000,000 LM Options were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The LM Options were issued on 23 November 2020.
- (d) The LM Options are exercisable at \$0.15 each and expire on 30 November 2023. The LM Options are subject to the terms and conditions in Schedule 2.
- (e) The LM Options were issued for nil cash consideration and no funds were raised by their issue.
- (f) A summary of the material terms of the LM Mandate is in Section 5.2 above.
- (g) A voting exclusion statement is included in the Notice.

5.5 Additional information

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

6. Resolution 4 – Ratification of issue of Consultant Options

6.1 General

On 5 February 2021, the Company issued a total 2,000,000 Options to two consultants (**Consultants**) as follows:

- (a) 1,000,000 Options to a consultant as partial consideration for geological consultancy services provided to the Company; and
 - (b) 1,000,000 Options to a consultant as partial consideration for investor relations services provided to the Company,
- (together the **Consultant Options**).

The Consultant Options were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 4 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Consultant Options.

6.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 are summarised at Section 5.3 above.

The effect of Shareholders passing Resolution 4 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 4 is passed, 2,000,000 Consultant Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 4 is not passed, 2,000,000 Consultant Options will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 2,000,000 Equity Securities for the 12 month period following the issue of those Consultant Options.

6.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Consultant Options:

- (a) The Consultant Options were issued to the Company's geological and investor relations consultants (or their respective nominees), none of whom is a related party of the Company.

- (b) A total of 2,000,000 Consultant Options were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The Consultant Options were issued on 5 February 2021.
- (d) The Consultant Options are exercisable at \$0.15 each and expire on 31 December 2023. The Consultant Options are subject to the terms and conditions in Schedule 3.
- (e) The Consultant Options were issued for nil cash consideration and no funds were raised by their issue.
- (f) A voting exclusion statement is included in the Notice.

6.4 Additional information

Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

7. Resolution 5 – Approval of Employee Securities Incentive Plan

7.1 General

The Company considers that it is desirable to adopt an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 5 seeks Shareholder approval for the adoption of the employee incentive scheme titled the RareX Limited Employee Securities Incentive Plan (**Plan**) in accordance with Listing Rule 7.2 exception 13(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions is in Schedule 4. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the 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.

7.2 Listing Rules 7.1 and 7.2, exception 13(b)

A summary of Listing Rule 7.1 is in Section 5.3 above.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice in Schedule 4.

If Resolution 5 is passed, the Company will be able to issue Equity Securities under the Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three

years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking Shareholder approval for the proposed issue of the Director Performance Rights pursuant to the Plan under Resolution 7(a), (b), (c) and (d).

If Resolution 5 is not passed, the Company will not be able to adopt the Plan.

7.3 Specific information required by Listing Rule 7.2, exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) A summary of the material terms of the Plan is in Schedule 4.
- (b) This is the first time the Company is seeking Shareholder approval of the Plan and no Equity Securities have been issued under the Plan as at the date of this Notice.
- (c) The maximum number of Equity Securities proposed to be issued under the Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 5 is 43,364,320 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises 10% of the Company's Equity Securities currently on issue.
- (d) A voting exclusion statement is included in the Notice.

7.4 Additional information

Resolution 5 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 5 due to their personal interests in the outcome of the resolution.

8. Resolution 6 – Approval of potential termination benefits under the Plan

8.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is

obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 6.

If Resolution 6 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the Plan.

8.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 5, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

8.3 Valuation of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

8.4 Valuation of the termination benefits

Resolution 6 is conditional on the passing of Resolution 5. If Resolution 5 is not approved at the Meeting, Resolution 6 will not be put to the Meeting.

Resolution 6 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 6 due to their potential personal interests in the outcome of the resolution.

9. Resolution 7 – Approval of issue of Director Performance Rights

9.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 28,500,000 Performance Rights to the Directors (or their respective nominees) (**Director Performance Rights**) as follows:

Tranche	Vesting Condition	Number of Director Performance Rights			
		Jeremy Robinson	John Young	Shaun Hardcastle	Cameron Henry
Tranche 1	20 Day VWAP of \$0.20 and 12 months continuous service	5,000,000	1,500,000	1,500,000	1,500,000
Tranche 2	20 Day VWAP of \$0.25 and 18 months continuous service	5,000,000	1,500,000	1,500,000	1,500,000
Tranche 3	20 Day VWAP of \$0.30 and 24 months	5,000,000	1,500,000	1,500,000	1,500,000

Tranche	Vesting Condition	Number of Director Performance Rights			
		Jeremy Robinson	John Young	Shaun Hardcastle	Cameron Henry
	continuous service				
TOTAL		15,000,000	4,500,000	4,500,000	4,500,000

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue of the Director Performance Rights seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Resolution 7(a), (b), (c) and (d) seeks Shareholder approval pursuant to Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act for the issue of the Director Performance Rights to the Directors (or their respective nominees) under the Plan.

9.2 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of its Shareholders:

- (a) a director of the entity (Listing Rule 10.14.1);
- (b) an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2); and
- (c) a person whose relationship with the entity 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 Shareholders.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Performance Rights as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Director Performance Rights to the Directors (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 7(a), (b), (c) and (d) will be to allow the Company to issue the Director Performance Rights.

If Resolution 7(a), (b), (c) and (d) is not passed, the Company will not be able to proceed with the issue of the Director Performance Rights, and the Company will have to consider alternative commercial means to incentivise its Directors.

9.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Performance Rights:

- (a) The Director Performance Rights will be issued under the Plan to Messrs Jeremy Robinson, John Young, Shaun Hardcastle and Cameron Henry (or their respective nominees).
- (b) The Directors fall into the category stipulated by Listing Rule 10.14.1 by virtue of being Directors of the Company.
- (c) Up to a maximum of 28,500,000 Director Performance Rights will be issued to the Director (or their respective nominees) in the proportions in Section 9.1 above.
- (d) The current total annual remuneration package for each of the Directors as at the date of this Notice are set out below:

Related Party	Salary and fees (inclusive of superannuation) ¹
Jeremy Robinson	\$295,650
John Young	\$65,000
Shaun Hardcastle	\$55,000
Cameron Henry	\$55,000

Notes:

- 1. Effective 1 February 2021.

- (e) No Equity Securities have previously been issued under the Plan.
- (f) The Director Performance Rights will be issued on the terms and conditions in Schedule 5.
- (g) The Board considers that Performance Rights, rather than Shares or Options, are an appropriate form of incentive because they reward the Directors for achievement of sustained growth in the value of the Company.
- (h) The value attributed by the Company to the Director Performance Rights is \$3,156,850.
- (i) The Director Performance Rights will be issued to the Directors as soon as practicable following the Meeting and in any event not later than three years after the Meeting.
- (j) The Director Performance Rights will be issued for nil cash consideration and are intended to incentivise the Directors for their services to the Company.
- (k) A summary of the material terms of the Plan is in Schedule 4.

- (l) No loan will be provided to the Directors in relation to the issue of the Director Performance Rights.
- (m) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (o) A voting exclusion statement is included in the Notice.

9.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is in Section 4.4 above.

The proposed issue of the Director Performance Rights constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is required in respect of the issue of the Director Performance Rights because the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances.

9.5 Information required under Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of Director Performance Rights:

- (a) **Identity of the related parties to whom Resolution 7(a), (b), (c) and (d) permit financial benefits to be given**

Refer to Section 9.3(a) above.

- (b) **Nature of the financial benefit**

Resolution 7(a), (b), (c) and (d) seeks Shareholder approval to allow the Company to issue the Director Performance Rights in the amounts specified in Section 9.1 above to the Directors (or their respective nominees).

The Director Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 5.

The Shares to be issued upon conversion of the Director Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Director recommendations**

The Board declines to make a recommendation to Shareholders in relation to Resolution 7(a), (b), (c) and (d) due to their personal interests in the outcome of the resolutions.

(d) **Valuation of financial benefit**

Using a Monte Carlo valuation model, the Company's valuation of the Director Performance Rights is in Schedule 6, with a summary for each Director below:

Director	Value of Director Performance Rights			
	Tranche 1	Tranche 2	Tranche 3	TOTAL
Jeremy Robinson	\$584,500	\$551,500	\$525,500	\$1,661,500
John Young	\$175,350	\$165,450	\$157,650	\$498,450
Shaun Hardcastle	\$175,350	\$165,450	\$157,650	\$498,450
Cameron Henry	\$175,350	\$165,450	\$157,650	\$498,450
TOTAL	\$1,110,550	\$1,047,850	\$998,450	\$3,156,850

(e) **Remuneration of Directors**

Refer to Section 9.3(d) above.

(f) **Existing relevant interests of Directors**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Options	Performance Rights
Jeremy Robinson ¹	10,050,000	17,750,000	Nil
John Young ²	2,397,000	6,000,000	Nil
Shaun Hardcastle ³	3,008,823	2,000,000	750,000
Cameron Henry ⁴	1,000,000	6,000,000	Nil

Notes:

1. Securities are held as follows:

- (a) 8,250,000 Shares and 17,750,000 Options are held directly by Jeremy Robinson. 15,000,000 Options are exercisable at \$0.025 and expire on 27 September 2022, 2,750,000 are exercisable at \$0.025 and expire on 27 September 2021; and
 - (b) 800,000 Shares are held by Mr Kim Robinson & Mrs Jennifer Robinson ATF <Kim Robinson Super Fund A/C>, an entity associated with Jeremy Robinson.
2. Securities are held as follows:
- (a) 1,897,000 Shares are held by Mr John A Young & Mrs Cheryl K Young ATF <The Forever Young Superannuation Fund>, an entity associated with John Young; and
 - (b) 500,000 Shares and 6,000,000 Options are held Mr John A Young & Mrs Cheryl K Young ATF <The Forever Young Family Trust>, an entity associated with John Young. The Options are exercisable at \$0.0607 and expire on 22 December 2022.
3. Securities are held by Rod Dog Pty Ltd. Shaun Hardcastle is a director and beneficiary of this entity. The Options are exercisable at \$0.0607 and expire on 12 December 2022.
4. Securities are held by Meesha Investments Pty Ltd ATF <The Henry Family Trust>. Cameron Henry is a director and beneficiary of the entity. The Options are exercisable at \$0.0607 and expire on 22 December 2022.

Assuming that each of the resolutions which form part of Resolution 7, and each of the resolutions which form part of the issue of the Director Placement Shares under Resolution 2, are approved by Shareholders, all of the Director Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Options or Performance Rights held by the Directors as at the date of this Notice), the respective interests of the Directors in the Company would be as follows:

- (i) Jeremy Robinson's interest would represent approximately 5.46% of the Company's issued Share capital;
- (ii) John Young's interest would represent approximately 1.54% of the Company's issued Share capital;
- (iii) Shaun Hardcastle's interest would represent approximately 1.66%% of the Company's issued Share capital; and
- (iv) Cameron Henry's interest would represent approximately 1.23% of the Company's issued Share capital.

(g) **Dilution**

The issue of the Director Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Performance Rights vest and are exercised. The potential dilution effect is summarised below:

Director Performance Rights	Dilutionary Effect
Tranche 1	2.14%
Tranche 2	2.10%
Tranche 3	2.06%

The above table assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Performance Rights. The exercise of all of the Director Performance Rights will result in a total dilution of all other Shareholders' holdings of 5.01% on a fully diluted basis (assuming that all Options and Performance Rights are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.205 per Share on 7 October 2020

Lowest: \$0.017 per Share on 14 and 15 April 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.115 per Share on 9 April 2021.

(i) **Corporate governance**

Jeremy Robinson is an Executive Director of the Company and therefore the Board believes that the grant of the Director Performance Rights is in line with Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The Board acknowledges that the grant of the Director Performance Rights to Messers John Young, Shaun Hardcastle and Cameron Youn, the Non-Executive Directors, is contrary to Recommendation 8.2 of the Recommendations. However, the Board considers the grant of Director Performance Rights to the Non-Executive Directors to be reasonable in the circumstances for the reasons provided in Section 9.1 above. The Board also considers that the grant does not affect the independence of the Directors as there is no performance based milestones (other than Share price performance) attaching to the Director Performance Rights.

(j) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Performance Rights (including fringe benefits tax).

(k) **Other information**

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 Resolution 7(a), (b), (c) and (d).

9.6 Additional information

Each of the resolutions which forms part of Resolution 7 is an ordinary resolution.

The Board declines to make a recommendation in relation to each of the resolutions which form part of Resolution 7 due to their personal interests in the outcome of the resolution.

10. Resolution 8 – Approval to amend terms of existing Director Options

10.1 General

The Company has on issue the following Options issued to Directors as part of their remuneration packages:

- (a) 15,000,000 Options exercisable at \$0.025 and expire on 27 September 2022;
- (b) 4,000,000 Options exercisable at \$0.0607 and expire on 12 December 2022; and
- (c) 12,000,000 Options exercisable at \$0.0607 and expire on 22 December 2022,

(together the **Director Options**).

The terms of the Director Options contemplate exercise in a traditional manner, being the payment of the exercise price in cash with receipt of one new Share per Director Option exercised.

The Company is proposing to vary the terms of the Director Options on issue, which remain unexercised (as of the date of this Notice), to include a cashless exercise mechanism (**Cashless Exercise Facility**) to provide the Directors the option to use the Cashless Exercise Facility. To amend the terms of these Director Options to include this Cashless Exercise Facility, the Company is required to seek Shareholder approval under Listing Rule 6.23.4.

The Cashless Exercise Facility will enable the Directors to set-off the exercise cost of their Director Options against the number of Shares which they are entitled to receive upon the exercise of their Director Options. The Director Options may still be exercised in the traditional manner.

The Director Options, the subject of this Resolution 8, were issued either as an incentive to the Directors for their services to the Company or as part of their remuneration package, which did not allow or contemplate for cashless exercise.

If a Director elects to use the Cashless Exercise Facility, the Director will only be entitled to that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the exercise price otherwise payable for the Director Options and the market value of the Shares at the time of exercise. The market value will be based on the 20 Day VWAP of the Company's Shares prior to the notice of exercise being given by the Director, unless otherwise determined by the Board at its sole discretion.

Expressed as formula, the number of Shares that a Director is entitled to when using the Cashless Exercise Facility will be determined in the following manner:

$$\text{Shares Received} = (A) \times (\text{Number of Director Options Exercised})$$

Where:

$$A = \frac{(B) - (\text{exercise price per Director Option})}{(B)}$$

B = VWAP of Shares on the ASX over the 5 trading days prior to notice of exercise, unless otherwise determined by the Board.

10.2 Worked example

The example below has been provided to demonstrate the difference between the traditional exercise of a Director Option and the exercise under the Cashless Exercise Facility:

- (i) 500,000 Director Options to be exercised;
- (ii) Exercise price of \$0.25 per Director Option; and
- (iii) Market value of each Share ("B") = \$0.35.

	Traditional Exercise	Cashless Exercise Facility
Total exercise price	= \$125,000 (i.e. 500,000 x \$0.25)	-
"A"	-	$(0.35 - 0.25) / 0.35 = 0.29$
Shares received	500,000	= 142,857 (i.e. 0.29 x 500,000)
Value of Shares	= \$175,000 (i.e. 500,000 x \$0.35)	= \$50,000 (i.e. 142,857 x \$0.35)
Net position	= \$50,000 (i.e. \$175,000 - \$125,000)	\$50,000

10.3 Effect of proposed amendment to Director Option terms

The proposed Cashless Exercise Facility will only affect the manner in which the Director Options are exercised. It will not change the entitlements of the Directors.

In addition, as demonstrated by the worked example above, the net position of an Option holder is the same irrespective of whether the Director Options are exercised in a traditional manner or by using the Cashless Exercise Facility.

There are a number of benefits in offering a Cashless Exercise Facility alternative including, for example:

- (i) it limits dilution to existing Shareholders as fewer Shares are issued under the Cashless Exercise Facility;
- (ii) it makes exercising the Director Options a more attractive prospect for the Director, who may otherwise not have the necessary funds available to fund the exercise in a traditional manner; and
- (iii) it makes retention of the Shares issued on exercise more attractive as the Director would not need to sell all or part of the Shares to recoup the money paid to exercise the Director Options.

Whilst less cash would be received by the Company where the Cashless Exercise Facility is used, this is not seen as a material consideration as the Director Options were issued principally to provide reasonable remuneration for the Director, and also to assist in attracting, incentivising and rewarding the Company's Directors. For completeness, the Company wishes to advise Shareholders that if all the affected Director Options were exercised in traditional manner, the Company would raise approximately \$1,346,200.

Whilst there is no certainty that any or all of the Director Options will vest or otherwise be exercised, if Shareholders approve this Resolution 8 and all of the Directors elect to exercise their Director Options via the Cashless Exercise Facility, the Company will not be raising any funds up to the maximum potential amount noted above. The Company notes that at the date of this Notice, the Share price is above the exercise price of all Director Options currently on issue.

10.4 Listing Rule 6.23.4

Shareholder approval is being sought to approve the amendment to the terms and conditions of the Director Options already on issue as at the date of this Notice in accordance with the requirements of Listing Rule 6.23.4.

Listing Rule 6.23.4 provides that a change to the terms of existing Director Options, which is not prohibited under Listing Rule 6.23.3, can only be made if Shareholders approve the change. The proposed amendments to the terms and conditions of the Director Options, would not have the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise, which are prohibited by Listing Rule 6.23.3.

If Resolution 8 is passed, the Company will be able to proceed with the amendments to the terms and conditions of the Director Options.

If Resolution 8 is not passed, the Company will not be able to proceed with the amendments to the terms and conditions of the Director Options and the Directors will be required to make payment of the exercise price to exercise the Director Options.

10.5 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is in Section 4.4 above.

The proposed amendment to the terms and conditions of the Director Options will result in the giving of a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

The Board considers that approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the proposed amendment to the terms and conditions of the Director Options, as the amendment falls within the arm's length exception on the basis that the proposed variation to the terms does not offer any more of an economic benefit to a related party than any other Option holder of the Company, as there is no difference to the net benefit obtained from the exercise of the Director Options by accepting the offer to use the Cashless Exercise Facility.

For the reasons set out above, the Company will not seek Shareholder approval pursuant to section 208 of the Corporations Act and Shareholders are being asked to consider approving the variation of the terms and conditions of the Directors Options to permit the Cashless Exercise Facility in accordance with Listing Rule 6.23.4.

10.6 Board Recommendation

Resolution 8 is an ordinary resolution.

The Board declines to make a recommendation in relation to this resolution due to their personal interests in the outcome of the resolution.

11. Resolution 9 – Approval to increase Non-Executive Directors' Remuneration

11.1 General

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of Directors' fees payable to all of its Non-Executive Directors without the approval of its Shareholders.

Article 7.8(a) of the Constitution also requires that remuneration payable to the Non-Executive Directors will not exceed the sum determined by the Company in a general meeting from time to time, and the total aggregate fixed sum will be divided between the Non-Executive Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

The maximum aggregate amount of fees payable to all of the non-executive Directors is currently set at \$200,000. This level was set by the Board prior to the Company's listing on ASX on 11 July 2007 and has not been increased. Resolution 9 seeks the approval of Shareholders pursuant to Listing Rule 10.17 and Article 7.8(a) of the Constitution to increase the total aggregate fixed sum per annum to be paid to the Non-Executive Directors to \$500,000.

11.2 Rationale for the increase

The maximum aggregate amount of fees proposed to be paid to the Non-Executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

The proposed level of fees does not mean that the Company must pay the entire amount approved as fees in each year, rather the proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new Non-Executive Directors joining the Board;
- (b) remunerates its Non-Executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) has the ability to attract and retain Non-Executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

11.3 Specific information required by Listing Rule 10.17

Pursuant to and in accordance with Listing Rule 10.17, the following information is provided in relation to the proposed increase to the aggregate amount payable to Non-Executive Directors:

- (a) The Company is proposing to increase the total aggregate fixed sum per annum to be paid to the Non-Executive Directors by \$300,000.
- (b) The maximum aggregate amount per annum to be paid to all Non-Executive Directors is \$500,000, and includes superannuation contributions made by the Company for the benefit of Non-Executive Directors and any fees which a Non-Executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine 'special exertion' fees paid in accordance with the Constitution, or securities issued to a Non-Executive Director under Listing Rules 10.11 or 10.14 with Shareholder approval.
- (c) In the past three years, the Company has issued Equity Securities to the current Non-Executive Directors, or their nominees, pursuant to Listing Rules 10.11 and 10.14 as follows:

Non-Executive Director	Shareholder Approval (Listing Rule)	Equity Securities	Number of Securities	Date of Issue
Jeremy Robinson	Listing Rule 10.11	Shares	500,000	1 October 2020
John Young	Listing Rule 10.11	Shares	2,000,000	1 October 2020
Shaun Hardcastle	Listing Rule 10.14	Performance Rights	1,000,000 ²	20 August 2018
	Listing Rule 10.11	Shares	1,164,706	27 September 2019

Non-Executive Director	Shareholder Approval (Listing Rule)	Equity Securities	Number of Securities	Date of Issue
			500,000	1 October 2020
		Options ¹	3,000,000	12 December 2019
Cameron Henry	Listing Rule 10.11	Shares	1,000,000	1 October 2020

Notes:

- Options exercisable at \$0.0607 and expire on 12 December 2022.
- Adjusted for the 25:1 consolidation approved by Shareholders at the general meeting held on 2 August 2019.

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

11.4 Board Recommendation

Resolution 9 is an ordinary resolution.

Jeremy Robinson, being the sole Director without an interest in the outcome of the resolution, recommends that Shareholders vote in favour of Resolution 9.

12. Resolution 10 – Ratification of issue of Strategic Placement Shares

12.1 General

On 22 February 2021, the Company announced that it had secured a binding commitment for a strategic placement to raise \$2,750,000 (before costs) by the issue of 25,000,000 Shares at \$0.11 each to Simon Lee AO (**Strategic Placement Shares**).

On 1 March 2021, the Company issued the Strategic Placement Shares using the Company's placement capacity under Listing Rule 7.1.

Resolution 10 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Strategic Placement Shares.

12.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 are summarised at Section 5.3 above.

The effect of Shareholders passing Resolution 10 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 10 is passed, 25,000,000 Strategic Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 10 is not passed, 25,000,000 Strategic Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 25,000,000 Equity Securities for the 12 month period following the issue of those Strategic Placement Shares.

12.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Strategic Placement Shares:

- (a) The Strategic Placement Shares were issued to Simon Lee AO (or his nominees), who is not a related party of the Company.
- (b) A total of 25,000,000 Strategic Placement Shares were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The Strategic Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Strategic Placement Shares were issued on 1 March 2021.
- (e) The Strategic Placement Shares were issued at \$0.11 each.
- (f) The proceeds from the issue of the Strategic Placement Shares are intended to be used to advance the Company's projects and provide general working capital as described in Section 3.3(f) above.
- (g) There are no other material terms to the agreement for the subscription of the Strategic Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

12.4 Additional information

Resolution 10 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 10.

Schedule 1 Definitions

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

\$	means Australian Dollars.
20 Day VWAP	means the volume weighted average price of Shares traded on ASX during the 20 days on which sales of Shares were recorded on ASX, ending on the day before the relevant date (as applicable).
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Cashless Exercise Facility	has the meaning in Section 10.1.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means RareX Limited (ACN 105 578 756).
Consultants	has the meaning in Section 6.1.
Consultant Options	means the 2,000,000 Options, the subject of Resolution 4.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
Director	means a director of the Company.
Director Options	has the meaning in Section 10.1.
Director Performance Rights	means the 28,500,000 Performance Rights, the subject of Resolution 7(a), (b), (c) and (d).
Director Placement Shares	means the 900,000 Shares, the subject of Resolution 2(a), (b), (c) and (d).
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Lead Manager	means Canaccord Genuity (Australia) Limited.

LM Mandate	means the mandate between the Company and Lead Manager for the provision of lead manager services and bookrunner services in relation to the Placement.
LM Options	means the 10,000,000 Options, the subject of Resolution 3.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received Shares which constituted more than 1% of the Company's capital structure at the time of issue.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Performance Rights	means a right to be issued a Share, subject to the satisfaction or waiver of specified vesting conditions.
Placement	has the meaning in Section 3.
Placement Shares	means the 29,100,000 Shares, the subject of Resolution 1.
Plan	has the meaning in Section 7.1.
Plan Securities	has the meaning in Section 8.1.
Proxy Form	means the proxy form attached to the Notice.
Recommendations	means the 4 th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
Resolution	means a resolution referred to in the Notice.

Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strategic Placement Shares	means the 25,000,000 Shares, the subject of Resolution 10.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and Conditions of LM Options

The terms and conditions of the Lead Manager Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
1. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
2. **(Exercise Price)**: The Options have an exercise price of \$0.15 per Option (**Exercise Price**).
3. **(Expiry Date)**: The Options expire at 5.00 pm (WST) on three years from date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
4. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
5. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
6. **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
7. **(Notice of Exercise)**: The Options may be exercised 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.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt 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**).

8. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will:
 - (a) allot and 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;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) 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.
9. **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph 9(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

10. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
11. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
12. **(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 Listing Rules at the time of the reconstruction.
13. **(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.
14. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue;
and
 - (b) no change will be made to the Exercise Price.

Schedule 3 Terms and Conditions of Consultant Options

1. **(Number of Options):** 2,000,000
2. **(Entitlement):** Each Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.
3. **(Exercise Price):** Each Option is exercisable at \$0.15.
4. **(Expiry Date):** Each Option will expire at 5:00 pm (WST) on 31 December 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period):** The Options are exercisable at any time prior to the Expiry Date (**Exercise Period**), after which the Options will lapse.
6. **(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.
7. **(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**).
8. **(Timing of Issue of Shares on Exercise):** Within 5 Business Days after the Exercise Date, the Company will:
 - (a) 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;
 - (b) 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
 - (c) 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 paragraph 8(b) 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.

9. **(Shares Issued on Exercise)**: Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
10. **(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.
11. **(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.
12. **(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.
13. **(Transferability)**: The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Schedule 4 Summary of Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below:

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (a) is an "eligible participant" (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant

by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in

and/or benefit from any transaction arising from or in connection with the change of control event.

12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction. For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
16. **(Amendment of Plan):** Subject to the following, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
17. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants. If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Schedule 5 Terms and Conditions of Director Performance Rights

1. Plan

- (a) The Performance Rights are granted under the Plan for nil cash consideration.
- (b) In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

2. Entitlement

Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on conversion, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

3. Milestones

The Performance Rights have the following milestones attached to them:

Number	Milestone
9,500,000	20 Day VWAP of \$0.20 and 12 months service
9,500,000	20 Day VWAP of \$0.25 and 18 months service
9,500,000	20 Day VWAP of \$0.30 and 24 months service

4. Consideration

The Performance Rights will be granted to the Participant (or their permitted nominee) for nil cash consideration.

5. Exercise Price

The Exercise Price of each vested Performance Right is nil.

6. Expiry Date

Each Performance Right will expire on the earlier to occur of:

- (a) 5pm (AEST) on the date that is three years from the date of issue; and
- (b) the Performance Right lapsing and being forfeited under the Plan or these terms and conditions,

(Expiry Date). For the avoidance of doubt any vested but unexercised Performance Rights will automatically lapse on the Expiry Date.

7. Conversion

Upon vesting, each Performance Right will, at the Participant's election, convert into one Share. The Participant may apply to exercise vested Performance Rights at any time prior to the Expiry Date by filling out a notice of exercise in the form provided by the Company and returning to the Company Secretary (**Notice of Exercise**).

8. Timing of Issue of Shares and Quotation of Shares on Exercise

Timing of issue of Shares and quotation of Shares on exercise As soon as practicable after the issue of a Notice of Exercise by the holder, the Company will:

- (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- (b) if required, issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
- (c) if required and subject to paragraph 10, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) in the event the Company is admitted to the official list of ASX, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

9. Restrictions on Transfer of Shares

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

10. Shares Issued on Exercise

All Shares issued upon the exercise of Performance Rights will upon issue rank pari passu in all respects with the then Shares of the Company.

11. Transfer

The Performance Rights are not transferable unless they have vested and only with the prior written approval of the Board and subject to compliance with the Corporations Act and the Listing Rules.

12. Quotation

No application for quotation of the Performance Rights will be made by the Company.

13. Voting Rights

The Performance Rights do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

14. Participation In Entitlements and Bonus Issues

Subject to the rights under paragraphs 15 and 16 below, during the currency of any Performance Rights and prior to their exercise, the holder is not entitled to participate in any new issue of Shares of the Company such as bonus issues and entitlement issues, as a result of their holding of the Performance Rights.

15. Adjustment for Bonus Issue

- (a) If Shares are issued by the Company 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 holder of the Performance Rights is entitled, upon exercise of the

Performance Rights, to receive, in addition to the Shares in respect of which the Performance Rights are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a Shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Performance Rights are exercised.

- (b) Additional Shares to which the holder of the Performance Rights becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Performance Rights are exercised for the purposes of subsequent applications of paragraph 15(a) above, and any adjustments which, after the time just mentioned, are made under paragraph 16 below to the number of Shares, will also be made to the additional Shares.

16. No rights to return of capital

The Performance Rights do not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

17. Rights on winding up

The Performance Rights do not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

18. Reorganisation of Capital

If there is a reorganisation of the issued Share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

19. Leaver

Where the holder of the Performance Rights becomes a Leaver, all unvested Performance Rights will automatically be forfeited by the holder, unless the Board otherwise determines in its discretion to permit some or all of the Performance Rights to vest.

20. Change of Control

If a Change of Control Event (as defined in the Plan) occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

Schedule 6 Monte Carlo Valuation of Director Performance Rights

The valuations above took into account the following matters:

		Jeremy Robinson	John Young	Shaun Hardcastle	Cameron Henry
Number of Director Performance Rights	Tranche 1	5,000,000	1,500,000	1,500,000	1,500,000
	Tranche 2	5,000,000	1,500,000	1,500,000	1,500,000
	Tranche 3	5,000,000	1,500,000	1,500,000	1,500,000
Assumed Share Price at Grant Date		\$0.13	\$0.13	\$0.13	\$0.13
Expiry Date		3 years from issue	3 years from issue	3 years from issue	3 years from issue
Value per Director Performance Right	Tranche 1	\$0.1169	\$0.1169	\$0.1169	\$0.1169
	Tranche 2	\$0.1103	\$0.1103	\$0.1103	\$0.1103
	Tranche 3	\$0.1051	\$0.1051	\$0.1051	\$0.1051
Total Value of Director Performance Rights		\$1,661,500	\$498,450	\$498,450	\$498,450

1. The valuation of the Director Performance Rights assumes that the exercise does not affect the value of the underlying asset.
2. Given that the Director Performance Rights are to be issued for nil cash consideration, the value of the Director Performance Rights is reflected in the underlying Share price at the valuation date. The Share price used is closing price recorded on ASX on the date of valuation of 16 March 2021, being \$0.13.
3. No consideration is to be paid upon the exercise of the Director Performance Rights.

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

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Monday, 24 May 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:

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)

