

ASX ANNOUNCEMENT

8 November 2021

Issue of Employee Options

Advanced Braking Technology Limited (ASX: ABV, 'the Company') advises that it has issued options to an employee under the Advanced Braking Technology Limited Share Option Plan.

The Key Terms of the options are;

Number	Exercise Price	Vesting condition	Expiry Date
1,489,527	\$0.04	1 Year Vesting	30 June 2024
1,489,527	\$0.04	2 Year Vesting	30 June 2024
2,979,055	\$0.04	3 Year Vesting	30 June 2025

Full terms of the options are shown at Annexure A.

The Appendix 3G will be issued separately to this announcement.

The total securities on issue following the issue of options above will be as follows;

Ordinary Full Paid Shares	379,148,766
Options exercisable at \$0.025, expiring 30 June 2022	5,000,000
Options exercisable at \$0.04, expiring 30 June 2023	20,853,380
Options exercisable at \$0.04, expiring 30 June 2024	5,958,109
Options exercisable at \$0.04, expiring 30 June 2025	2,979,055

This release is authorised by the Board of Directors.

For further information, please contact:

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Company Secretary
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ANNEXURE A TERMS OF OPTIONS

1. ENTITLEMENT

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (Share) upon exercise of the Option. The Options are for nil consideration per option.

2. Issue Date

Within three months from shareholder approval.

3. Exercise Price and Expiry Date

Number	Exercise Price	Expiry Date
1,489,527	\$0.04	30 June 2024
1,489,527	\$0.04	30 June 2024
2,979,055	\$0.04	30 June 2025

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Vesting Period

The Options granted will be subject vesting conditions as follows;

Number	Vesting condition
1,489,527	1 Year Vesting
1,489,527	2 Year Vesting
2,979,055	3 Year Vesting

5. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date. Options subject to vesting conditions are exercisable at any time from vesting until on or prior to the Expiry Date.

6. Quotation of the Options

The Options will be unquoted.

7. Transferability of the Options

The Options are not transferable, unless prior written approval is received from the Board.

8. 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 an Option holder will be deemed to be a notice of the exercise of that Option as at the date of receipt.

9. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

10. Shares Issued on Exercise

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

11. Quotation of Shares on Exercise

Application will be made by the Company to ASX, on the Business Day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.

12. Timing of Issue of Shares

- (a) Subject to paragraph (b) below, within 3 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Advisor and Director Option being exercised, the Company must:
 - (i) issue the Shares pursuant to the exercise of the Options;
 - (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Options.
- (b) If the Company is not then permitted to issue a cleansing notice under section 708A(5)(e) of the Corporations Act, the Company must either:
 - (iv) issue a prospectus on the date that the Shares are issued under paragraph (a) above (In which case the date for issuing those Shares may be extended to not more than 25 Business Days after the receipt of the Exercise Notice, to allow the Company time to prepare that prospectus); or
 - (v) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued,

in accordance with the requirements of section 708A(11) of the Corporations Act.

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. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 Business Days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

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):

- (c) the number of Shares which must be issued on the exercise of Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (d) no change will be made to the Exercise Price.

15. Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 14 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

16. Adjustments for Reorganisation

If there is any reorganization of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the ASX Listing Rules.