



Loyal Lithium Limited  
ACN 644 564 241

**EXTRAORDINARY GENERAL MEETING – NOTICE AND PROXY FORM**

Dear Shareholder,

Loyal Lithium Limited (ASX: LLI) (**loyal Lithium** or the **Company**) advises that it is convening its 2022 Extraordinary General Meeting (**EGM or Meeting**) of shareholders to be held at 9.00am (AWST) on Monday 12 December 2022 via a virtual meeting.

Loyal Lithium respects the rights of shareholders to participate in the EGM and understands the importance of the meeting to shareholders. Shareholders who attend the Virtual Meeting will be able to watch, listen, ask questions and participate in all poll votes put to the Meeting. The Notice of Meeting can be downloaded from the link below or will be available on the ASX Market Announcement page (ASX: LLI): <https://loyallithium.com/investor-centre/>

In accordance with the *Corporations Act 2001* (Cth) the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has requested a hard copy.

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting by shareholders who can vote in accordance with the instructions set out below.

If you wish to virtually attend the EGM, please pre-register in advance for the virtual meeting here: [https://us02web.zoom.us/webinar/register/WN\\_zzhTSXXBSbCK3W-4E1BV8Q](https://us02web.zoom.us/webinar/register/WN_zzhTSXXBSbCK3W-4E1BV8Q)

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the EGM.

Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at [ipamensky@mongergold.com.au](mailto:ipamensky@mongergold.com.au). Responses will be provided at the Meeting in respect of all valid questions received prior to 9:00am (AWST) on 10 December 2022.

A copy of the Notice of Meeting can be viewed and downloaded online at the following link: <https://loyallithium.com/investor-centre/>

A copy of your personalised Proxy Form is enclosed for convenience. Proxy votes may also be lodged online by using the link: <https://investor.automic.com.au/#/loginsah>

(Login and click on '**Meetings**'. Use the Holder Number shown at the top of your Proxy Form.)

If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automic Group Pty Ltd on 1300 288 664 (within Australia) or +61 2 9698 5414 (Overseas).

Yours sincerely

A handwritten signature in blue ink, appearing to read "Ian Pamensky".

**Ian Pamensky – Company Secretary**  
**10 November 2022**

# LOYAL LITHIUM LIMITED

(ACN 644 564 241)

## NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

**TIME:** 9:00am (AWST)

**DATE:** Monday, 12 December 2022

**PLACE:** Online at  
[https://us02web.zoom.us/webinar/register/WN\\_zzhTSXXBSbCK3W-4E1BV8Q](https://us02web.zoom.us/webinar/register/WN_zzhTSXXBSbCK3W-4E1BV8Q)

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, stockbroker or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Extraordinary General Meeting please do not hesitate to contact the Company Secretary on +61 8 6245 2490.

Based on the information available at the date of the Notice of Extraordinary General Meeting, the Board considers that it is appropriate to hold a virtual meeting. Shareholders will be able to attend the Meeting online at the following link: [https://us02web.zoom.us/webinar/register/WN\\_zzhTSXXBSbCK3W-4E1BV8Q](https://us02web.zoom.us/webinar/register/WN_zzhTSXXBSbCK3W-4E1BV8Q) .

Shareholders who attend online will have the opportunity to vote, ask questions (written and oral) and make comments in real time.

Whilst Shareholders will be able to attend and participate in the Meeting online, the Company strongly encourages you to submit completed Proxy Forms prior to the Meeting in accordance with the instructions set out in the Proxy Form and the Notice of Extraordinary General Meeting.

As permitted by the Corporations Act, the Company will not be sending hard copies of the Notice of Extraordinary General Meeting to Shareholders unless the Shareholder has made a valid election to receive documents in hard copy.

### **How Shareholders Can Participate**

1. Shareholders are urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business and the Chair must follow the Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Extraordinary General Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. Your proxy voting instructions must be received by 9:00am (AWST) on Saturday, 10 December 2022.
2. Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at [ipamensky@loyallithium.com](mailto:ipamensky@loyallithium.com) Responses will be provided at the Meeting in respect of all valid questions received prior to 9:00am (AWST) on Monday, 12 December 2022.

Shareholders should contact the Company Secretary on +61 8 6245 2490 or by email at [ipamensky@loyallithium.com](mailto:ipamensky@loyallithium.com) if they have any queries in relation to the Meeting arrangements.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at: <https://loyallithium.com/investor-centre/>.

## IMPORTANT INFORMATION

### TIME AND PLACE OF MEETING

Notice is given that the Extraordinary General Meeting will be held online at 9:00am (AWST) on Monday, 12 December 2022.

### YOUR VOTE IS IMPORTANT

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

### VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (AWST)/ 7:00pm (AEDT) Saturday, 10 December 2022.

### VOTING BY PROXY

To vote by proxy, you must complete and lodge the Proxy Form using one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the <b>Online Proxy Lodgement Guide</b> at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> .
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

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

For details on how to complete and lodge the Proxy Form, please refer to the instructions on the Proxy Form.

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

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

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

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

Further details on these changes are set out below.

#### **Proxy vote if appointment specifies way to vote**

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

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and

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

***Transfer of non-chair proxy to chair in certain circumstances***

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

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

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

**VOTING ON THE DAY**

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

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting of the Shareholders of Loyal Lithium Limited (**Loyal Lithium** or the **Company**) will be held online on Monday, 12 December 2022 commencing at 9:00am (AWST) to consider and, if thought fit, to pass the Resolutions set out below.

Terms used in this Notice of Extraordinary General Meeting and accompanying Explanatory Statement are defined in the glossary to the Explanatory Statement.

The Explanatory Statement which accompanies, and forms part of this Notice of Extraordinary General Meeting describes the matters to be considered at the Extraordinary General Meeting.

### SPECIAL BUSINESS

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#### 1. RESOLUTION 1 – RATIFICATION OF ISSUE OF TRANCHE 1 PLACEMENT SHARES

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue under Listing Rule 7.1 of 5,500,000 Shares in the Company to the parties, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who participated in the issue and any person associated with those persons. However, the Company will not disregard any votes cast on Resolution 1 by such a person if:

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

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#### 2. RESOLUTION 2 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue under Listing Rule 7.1 of 5,750,000 Shares in the Company to the parties, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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.

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### 3. **RESOLUTION 3 – APPROVAL TO ISSUE BROKER OPTIONS TO CANACCORD GENUITY (AUSTRALIA) LIMITED**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue under Listing Rule 7.1 of 2,000,000 Options in the Company to Canaccord Genuity (Australia) Limited, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Canaccord Genuity, or any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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.

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### 4. **RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO OSISKO DEVELOPMENT CORPORATION**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue under Listing Rule 7.1 of 500,000 Shares in the Company to Osisko Development Corporation, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Osisko Development Corporation, or any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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.

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## 5. RESOLUTION 5 – APPROVAL TO ISSUE SHARES TO MARTIN DALLAIRE

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue under Listing Rule 7.1 of 200,000 Shares in the Company to Martin Dallaire, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Martin Dallaire, or any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

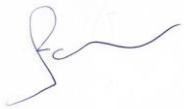
- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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.

## ENQUIRIES

Shareholders are invited to contact the Company Secretary at [ipamensky@loyallithium.com](mailto:ipamensky@loyallithium.com) or +61 8 6245 2490 if they have any queries in respect of the matters set out in this document.



**BY ORDER OF THE BOARD OF DIRECTORS**



Ian Pamensky  
**Company Secretary**

*The Notice of Extraordinary General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, stockbroker or other professional adviser prior to voting.*

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Extraordinary General Meeting to be held online at 9:00am (AWST) on Monday, 12 December 2022.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Extraordinary General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Extraordinary General Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Extraordinary General Meeting, please contact the Company Secretary, your accountant, solicitor, stockbroker or other professional advisor before voting.

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### 1. BACKGROUND TO RESOLUTIONS 1 TO 3

On 27 October 2022, the Company announced that it had received firm commitments from Australian and offshore institutional, professional and sophisticated investors to raise \$4.5 million through a two-tranche placement of 11,250,000 shares (**Placement Shares**) at an issue price of \$0.40 (**Placement**).

The Placement Shares were to be distributed in two-tranches as follows:

- (a) 5,500,000 Shares to be issued under Tranche 1 (**Tranche 1 Placement Shares**); and
- (b) 5,750,000 Shares to be issued under Tranche 2 (**Tranche 2 Placement Shares**).

On 2 November 2022, the Company issued the Tranche 1 Placement Shares under the Company's capacity pursuant to Listing Rule 7.1 (being the subject of Resolution 1).

The Company shall issue the Tranche 2 Placement Shares subject to Shareholder approval under Resolution 2.

Canaccord Genuity (Australia) Limited agreed to act as Lead Manager to the Placement. As part of the agreement, the Company agreed to issue to the Lead Manager 2,000,000 Options with an exercise price of \$0.20 and expiring 3 years from the date of issue.

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### 2. RESOLUTION 1 - RATIFICATION OF ISSUE OF TRANCHE 1 PLACEMENT SHARES

Resolution 1 seeks the approval of Shareholders to ratify the issue of the Tranche 1 Placement Shares that were issued in accordance with ASX Listing Rule 7.1.

#### 2.1 Regulatory Requirements

ASX Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the company's members subsequently approve it.

Resolution 1 seeks Shareholder approval under ASX Listing Rule 7.4 to ratify the issue of the Tranche 1 Placement Shares under ASX Listing Rule 7.1. The Company confirms that the issue of the Tranche 1 Placement Shares did not breach ASX Listing Rule 7.1. None of the recipients of the Shares were a related party of the Company within the meaning of the Corporations Act and the ASX Listing Rules.

The effect of the approval under ASX Listing Rule 7.4 of the issue of the Tranche 1 Placement Shares will be that these Shares will not be counted as reducing the number of securities which the Company can issue in the future without shareholder approval under the 15% placement limit imposed by ASX Listing Rule 7.1 (i.e. the 15% limit is “renewed” to the extent of the approval).

The Company wishes to maintain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain shareholder approval under ASX Listing Rule 7.1.

Accordingly, under Resolution 1, the Company seeks Shareholder approval for, and ratification of the issue of the Tranche 1 Placement Shares under ASX Listing Rule 7.1 and for the purposes of ASX Listing Rule 7.4.

If Resolution 1 is passed, the issue of the Tranche 1 Placement Shares will be excluded in calculating the Company’s 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

If Resolution 1 is not passed, the issue of the Tranche 1 Placement Shares will be included in calculating the Company’s 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

## **2.2 Technical information required by Listing Rule 7.5**

ASX Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4 and the following information is included in this Explanatory Statement for this purpose:

(a) **The names of the persons to whom the entity issued the Shares**

The Tranche 1 Placement Shares were issued to domestic and offshore institutional, sophisticated and professional investors.

The subscribers were introduced to the Company by Canaccord Genuity as Lead Manager from the Lead Manager’s client base.

None of the subscribers in the Placement are related parties of the Company or Material Investors.<sup>1</sup>

(b) **Number of securities and class of securities issued**

Under Resolution 1 the Company seeks Shareholder approval for, and ratification of, the issue of 5,500,000 Shares.

(c) **Terms of the securities**

The Tranche 1 Placement Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company’s existing Shares and rank equally in all respects with existing Shares.

The Company has applied to ASX for official quotation of all the Tranche 1 Placement Shares.

(d) **Date of issue**

The Tranche 1 Placement Shares were issued on 2 November 2022.

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<sup>1</sup> ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity’s key management personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity’s current issued capital.

(e) **Issue price or other consideration**

The issue price for the Tranche 1 Placement Shares was \$0.40 per Share.

(f) **Purpose of the issue, including the intended use of the funds raised**

The funds raised under the Placement will be expended by Loyal Lithium on the following:

- Exploration field works at the Brisk and Trieste Lithium Projects;
- Potential additional acquisitions;
- Drilling at the Scotty Lithium Project; and
- General working capital.

(g) **Relevant agreement**

The Tranche 1 Placement Shares were not issued pursuant to any agreement.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 1 is included in this Notice preceding this Explanatory Statement.

### **2.3 Board recommendation**

The Board recommends Shareholders vote in favour of Resolution 1.

The Chair intends to vote undirected proxies in favour of the Resolution.

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## **3. RESOLUTION 2 - APPROVAL TO ISSUE TRANCHE 2 PLACMENT SHARES**

Resolution 2 seeks the approval of Shareholders to issue the Tranche 2 Placement Shares to be issued in accordance with ASX Listing Rule 7.1.

### **3.1 Regulatory Requirements**

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

The issue of the Tranche 2 Placement Shares does not fit within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 7.1.

To this end, Resolution 2 seeks shareholder approval to the issue of the Tranche 2 Placement Shares under and for the purposes of ASX Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares. The Company will be required to seek alternate sources of funding.

### **3.2 Technical information required by ASX Listing Rule 7.3**

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

(a) **Name of the person who shall receive the securities**

The Tranche 2 Placement Shares shall be issued to domestic and offshore institutional, sophisticated and professional investors.

The subscribers were introduced to the Company by Canaccord Genuity as Lead Manager from the Lead Manager's client base.

None of the subscribers in the Placement are related parties of the Company or Material Investors.<sup>2</sup>

(b) **The number and class of securities the entity will issue**

The maximum number of Tranche 2 Placement Shares to be issued by the Company is 5,750,000 Shares.

(c) **Terms of the securities**

The Tranche 2 Placement Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

The Company will apply to ASX for official quotation of the Tranche 2 Placement Shares.

(d) **Date the entity will issue the securities**

It is anticipated that, subject to Shareholder approval being received, the Tranche 2 Placement Shares will be issued on 12 December 2022 but otherwise within 3 months after the date of the Meeting.

(e) **Issue price or other consideration**

The issue price for the Tranche 2 Placement Shares is \$0.40 per Share.

(f) **Purpose of the issue, including the intended use of the funds raised**

The funds raised under the Placement will be expended by Loyal Lithium on the following:

- Exploration field works at the Brisk and Trieste Lithium Projects;
- Potential additional acquisitions;
- Drilling at the Scotty Lithium Project; and
- General working capital.

(g) **Relevant agreement**

The Tranche 2 Placement Shares were not issued pursuant to any agreement.

(h) **Voting exclusion statement**

A Voting Exclusion Statement has been provided for Resolution 2 in the Special Business Section of this Notice of Meeting.

### 3.3 Board recommendation

The Board recommends Shareholders vote in favour of Resolution 2.

The Chair intends to vote undirected proxies in favour of the Resolution.

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<sup>2</sup> ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's key management personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

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#### **4. RESOLUTION 3 - APPROVAL TO ISSUE BROKER OPTIONS TO CANACCORD GENUITY (AUSTRALIA) LIMITED**

As described in section 1 of this Explanatory Statement, Canaccord Genuity (Australia) Limited agreed to act as Lead Manager to the Placement.

As part of the agreement, the Company agreed to issue to the Lead Manager 2,000,000 Options with an exercise price of \$0.20 and expiring 3 years from the date of issue.

Resolution 3 seeks the approval of Shareholders to issue the Broker Options to be issued in accordance with ASX Listing Rule 7.1.

##### **4.1 Regulatory Requirements**

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

The issue of the Broker Options does not fit within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 7.1.

To this end, Resolution 3 seeks shareholder approval to the issue of the Broker Options under and for the purposes of ASX Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Broker Options. In addition the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Broker Options.

##### **4.2 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

(a) **Name of the person who shall receive the securities**

The Broker Options shall be issued to Canaccord Genuity.

Canaccord Genuity are not material investors in the Company.<sup>3</sup>

(b) **The number and class of securities the entity will issue**

The maximum number of Broker Options to be issued by the Company is 2,000,000 Options.

(c) **Terms of the securities**

The Broker Options are to be issued on the terms of Schedule 1 of this Explanatory Statement.

(d) **Date the entity will issue the securities**

It is anticipated that, subject to Shareholder approval being received, the Broker Options will be issued on 12 December 2022 but otherwise within 3 months after the date of the Meeting.

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<sup>3</sup> ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's key management personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

- (e) **Issue price or other consideration**

The Broker Options will be issued at a nil issue price and as consideration for the provision of services by Canaccord Genuity acting as Lead Manager to the Placement.
- (f) **Purpose of the issue, including the intended use of the funds raised**

There will be no funds raised from the issue of the Broker Options.
- (g) **Relevant agreement**

The Broker Options were issued pursuant to the Mandate.  
A summary of the Mandate is provided in Schedule 2.
- (h) **Voting exclusion statement**

A Voting Exclusion Statement has been provided for Resolution 3 in the Special Business Section of this Notice of Meeting.

#### **4.3 Board recommendation**

The Board recommends Shareholders vote in favour of Resolution 3.

The Chair intends to vote undirected proxies in favour of the Resolution.

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## **5. RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO OSISKO DEVELOPMENT CORPORATION**

As announced to the ASX on 20 October 2022, the Company entered into a binding letter of intent (**LOI**) with Osisko pursuant to which the Company will be granted an exclusivity to work towards the formulation of an agreement to acquire 100% of the Mineral Claims.

Under the LOI, the Company agreed to issue 500,000 Shares to Osisko (**Osisko Shares**).

Resolution 4 seeks the approval of Shareholders to issue the Osisko Shares to be issued in accordance with ASX Listing Rule 7.1.

### **5.1 Regulatory Requirements**

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

The issue of the Osisko Shares does not fit within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval to the issue of the Osisko Shares under and for the purposes of ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Osisko Shares. In addition the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Osisko Shares. In the event the Company can not issue the Osisko Shares to Osisko, the transaction contemplated by the LOI will not complete at this time.

### **5.2 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) **Name of the person who shall receive the securities**

The Osisko Shares shall be issued to Osisko.

Osisko are not a material investor in the Company.<sup>4</sup>

(b) **The number and class of securities the entity will issue**

The maximum number of Shares to be issued by the Company is 500,000 Shares.

(c) **Terms of the securities**

The Osisko Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

The Company will apply to ASX for official quotation of the Osisko Shares.

(d) **Date the entity will issue the securities**

It is anticipated that, subject to Shareholder approval being received, the Osisko Shares will be issued on 12 December 2022 but otherwise within 3 months after the date of the Meeting.

(e) **Issue price or other consideration**

The Osisko Shares will be issued at a nil issue price and as consideration for a 12-month exclusive option period, whereby the Company will conduct due diligence and exploration on the mineral claims.

(f) **Purpose of the issue, including the intended use of the funds raised**

The purpose of the issue is to satisfy the consideration payable under the LOI.

(g) **Relevant agreement**

The Osisko Shares were issued pursuant to the LOI.

A summary of the key terms of the LOI is provided in Schedule 3.

(h) **Voting exclusion statement**

A Voting Exclusion Statement has been provided for Resolution 4 in the Special Business Section of this Notice of Meeting.

### 5.3 Board recommendation

The Board recommends Shareholders vote in favour of Resolution 4.

The Chair intends to vote undirected proxies in favour of the Resolution.

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## 6. RESOLUTION 5 – APPROVAL TO ISSUE SHARES TO MARTIN DALLAIRE

As announced to the ASX on 20 October 2022, the Company entered into a binding term sheet with Martin Dallaire pursuant to which the Company will be granted an opportunity to acquire 100% of 12 Mineral Claims as well as any associated geological data (**Term Sheet**).

Under the Term Sheet, the Company agreed to issue 200,000 Shares to Martin Dallaire (**Noranda Shares**).

Resolution 5 seeks the approval of Shareholders to issue the Noranda Shares to be issued in accordance with ASX Listing Rule 7.1.

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<sup>4</sup> ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's key management personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.



## 6.1 Regulatory Requirements

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

The issue of the Noranda Shares does not fit within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 7.1.

To this end, Resolution 5 seeks shareholder approval to the issue of the Noranda Shares under and for the purposes of ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Noranda Shares. In addition the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Noranda Shares. In the event the Company can not issue the Noranda Shares to Martin Dallaire, the transaction contemplated by the Term Sheet will not complete at this time.

## 6.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

(a) **Name of the person who shall receive the securities**

The Noranda Shares shall be issued to Martin Dallaire.

Martin Dallaire is not a Material Investor in the Company.<sup>5</sup>

(b) **The number and class of securities the entity will issue**

The maximum number of Shares to be issued by the Company is 200,000 Shares.

(c) **Terms of the securities**

The Noranda Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

The Company will apply to ASX for official quotation of the Noranda Shares.

The Shares will be subject to a six-month voluntary escrow period.

(d) **Date the entity will issue the securities**

It is anticipated that, subject to Shareholder approval being received, the Noranda Shares will be issued on 12 December 2022 but otherwise within 3 months after the date of the Meeting.

(e) **Issue price or other consideration**

The Noranda Shares will be issued at a nil issue price and as consideration for an opportunity to acquire 100% of 12 mineral claims as well as any associated geological data.

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<sup>5</sup> ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's key management personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

- (f) **Purpose of the issue, including the intended use of the funds raised**  
The purpose of the issue is to satisfy the consideration payable under the Terms Sheet.
- (g) **Relevant agreement**  
The Noranda Shares were issued pursuant to the Term Sheet.  
A summary of the key terms of the Term Sheet is provided in Schedule 4.
- (h) **Voting exclusion statement**  
A Voting Exclusion Statement has been provided for Resolution 5 in the Special Business Section of this Notice of Meeting.

### **6.3 Board recommendation**

The Board recommends Shareholders vote in favour of Resolution 5.

The Chair intends to vote undirected proxies in favour of the Resolution.

## GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>AUD\$ or \$</b>	an Australian dollar
<b>Associate</b>	has the meaning given to that term in the ASX Listing Rules
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the securities market operated by ASX Limited, as the context requires
<b>ASX Listing Rules</b>	the official ASX Listing Rules of the ASX
<b>AWST</b>	Australian Western Standard Time
<b>Board</b>	Board of Directors of Loyal Lithium
<b>Broker Options</b>	has the meaning given to that term in section 1
<b>Canaccord</b>	means Canaccord Genuity (Australia) Limited
<b>CDN\$</b>	a Canadian dollar
<b>Chair</b>	Chair of the Annual General Meeting
<b>Closely Related Party</b>	of a member of the Key Management Personnel means: <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act</li></ul>
<b>Constitution</b>	means the constitution of the Company
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth)
<b>Director</b>	a director of the Company
<b>Equity Securities</b>	has the meaning given to that term in the ASX Listing Rules.
<b>Explanatory Statement</b>	the explanatory statement that accompanies this Notice of Meeting
<b>Extraordinary General Meeting or Meeting</b>	the extraordinary general meeting convened by this Notice of Meeting

<b>Key Management Personnel</b>	has the meaning given to that term in section 9 of the Corporations Act
<b>Lead Manager</b>	means Canaccord
<b>LOI</b>	means the letter of intent entered into between the Company and Osisko, dated 20 October 2022
<b>Mandate</b>	means the agreement between Canaccord and the Company for the provision of Lead Manager services to the Company under the Placement, dated 20 October 2022
<b>Mineral Claims</b>	has the meaning given to that term in the ASX Announcement titled ' <i>Monger triples land position with the acquisition of the Trieste Lithium Project in the James Bay Lithium District, Quebec</i> ', dated 20 October 2022
<b>Loyal Lithium or the Company</b>	means Loyal Lithium Limited (ACN 644 564 241)
<b>Noranda Shares</b>	has the meaning given to that term in section 6 of the Explanatory Statement
<b>Notice of Meeting or Notice of Extraordinary General Meeting</b>	this Notice of the Meeting
<b>Osisko</b>	Osisko Development Corporation (TSXV:ODV)
<b>Osisko Shares</b>	has the meaning given to that term in section 5 of the Explanatory Statement
<b>Placement</b>	has the meaning given to that term in section 1
<b>Placement Shares</b>	means the Tranche 1 and Tranche 2 Placement Shares
<b>Proxy Form</b>	the proxy form enclosed with this Notice of Meeting
<b>Resolutions</b>	the resolutions contained in this Notice of Meeting and <b>Resolution</b> means one of the resolutions as required
<b>Share</b>	fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	holder of a Share in the Company
<b>Term Sheet</b>	means the binding term sheet entered into between the Company and Martin Dallaire, dated 20 October 2022.
<b>Tranche 1 Placement Shares</b>	has the meaning given to that term in section 1
<b>Tranche 2 Placement Shares</b>	has the meaning given to that term in section 1

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## SCHEDULE 1 –TERMS OF THE OPTIONS

The Options to be issued under the Placement will be on the terms described below:

- (a) **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price)**: The amount payable upon exercise of each Option will be at \$0.20 **(Exercise Price)**.
- (c) **(Expiry Date)**: Each Option will expire at 5:00 pm (AWST) three (3) years after the date of issue. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date **(Exercise Period)**.
- (e) **(Notice of Exercise)**: The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **(Exercise Date)**: A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.
- (g) **(Quotation)**: The Company will not apply for quotation of the Options on ASX.
- (h) **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date, the Company will:
  - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph h(i) 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.

- (i) **(Shares issued on exercise)**: Shares issued on exercise of the Options will rank equally with the then Shares.
- (j) **(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.
- (k) **(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. The Company must give notice to holders of the Options before the record date for determining entitlements to the issue in accordance with the Listing Rules of ASX.
- (l) **(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):

- (i) 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
  - (ii) no change will be made to the Exercise Price.
- (m) **(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.
- (n) **(Transferability):** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 2 – SUMMARY OF THE MANDATE

The material terms of the Mandate are as follows:

- (a) **(Purpose)** The purpose of the Mandate is for Canaccord to act as lead manager, broker and bookrunner to the offer.
- (b) **(Services)** The Lead Manager will act as broker and sole bookrunner to the Company in connection with the offer. The services the Lead Manager will provide shall be as follows:
- (i) lead managing and marketing the offer (including overall project management and development and management of the offer timetable in conjunction with the Company);
  - (ii) in conjunction with the Company's legal and other professional advisers, advising on the timing and structuring of the offer;
  - (iii) assisting in the drafting by the Company and its other advisors of any marketing documentation required in connection with the offer;
  - (iv) liaising as reasonably necessary with the Company's legal, accounting, taxation and other regulatory advisers;
  - (v) in conjunction with the Company's legal and other professional advisers, assisting with dealings with ASX and ASIC in relation to the offer;
  - (vi) assisting the Company with its due diligence processes for the offer;
  - (vii) identifying suitable potential investors to participate in the offer;
  - (viii) managing the administration of the offer, including the book build process;
  - (ix) managing the allocation process;
  - (x) assisting the company with coordinating settlement processes between the company, its share registry and subscribers to the offer; and
  - (xi) assisting with the communications strategy in relation to the offer.

The engagement of the Lead Manager to perform any services in addition to those specifically described above shall be subject to a separate engagement and the fees for such additional services will be negotiated separately and in good faith.

- (c) **(Fees)** In exchange for the services to effect the Purpose, the Company agrees to pay Canaccord the following professional fees:
- (i) a capital raising fee of 3% of the gross proceeds raised under the offer; and
  - (ii) a management fee of 2%, of the gross proceeds raised under the offer.

In addition, the Company agreed to issue 2,000,000 Options at a 50% premium to the issue price (being \$0.40) and expiring 3 years from the date of issue.

- (d) **(Expenses)** In addition to the Fees, the Company agrees to reimburse Canaccord for all reasonable out of pocket expenses incurred on its behalf. Canaccord agrees not to incur expenses on behalf of the Company in excess of \$2,000 without the prior written consent of the Company.
- (e) **(No fiduciary relationship)** Nothing in the Mandate creates a fiduciary relationship between the parties.
- (f) **(No underwriting)** Nothing in the Mandate constitutes an underwriting agreement, a commitment on the part of the Lead Manager to subscribe for Shares under the Placement or to commit any capital.
- (g) **(Term)** The engagement is for an initial term of 1 month, and may be extended upon the mutual agreement of both the Company and the Lead Manager.

- (h) **(Termination):**
- (i) Canaccord may terminate the Mandate at any time by giving thirty (30) days' written notice to the Company.
  - (ii) The Company may terminate the Mandate at any time where the Lead Manager has materially breached the terms of the engagement. Such termination will not be effective unless:
    - A. the Company has given the Lead Manager notice in writing setting out the reasons why the Lead Manager has materially breached the engagement; and
    - B. the Lead Manager has not remedied the breach within 14 days of such notice.

If any fee is accrued and owing to the Lead Manager on termination, or accrues after termination, the Company must pay the fee within 14 days of termination or the date of accrual, as the case may be, together with any costs and expenses incurred by the Lead Manager.

- (i) **(Other Terms)** The Mandate otherwise contains additional terms that are standard of an agreement of this nature, including with respect to indemnity, representations and warranties.



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### SCHEDULE 3 - SUMMARY OF THE LOI

The Company and Osisko have signed a LOI pursuant to which the Purchaser has exclusivity to work towards the formulation of an agreement to acquire 100% of the Mineral Claims with the following terms:

- (a) **(Option)** The Company will issue Osisko 500,000 Shares for a 12-month exclusive option period (**Option Period**), whereby the Company will conduct due diligence and exploration on the Claims.
- (b) **(Escrow)** Shares issued by the Company to Osisko for the grant of the Option will be subject to a 12-month escrow period from the date of issue.
- (c) **(Minimum Expenditure)** As a pre-condition to the exercise of the Option, the Company must spend a minimum of CDN\$200,000 during the Option Period so that it has the right to Purchase the Claims from Osisko (**Minimum Expenditure Condition**).
- (d) **(Purchase Price)** At any time up until the end of the Option Period and subject to satisfaction of the Minimum Expenditure Condition, the Company may purchase the Claims for CDN\$500,000 in either cash or Shares at the purchaser's election provided that the Company has met the Minimum Expenditure
- (e) **(Exercise)** The Company may exercise the Option at any time during the Option Period (but subject to the satisfaction of the Minimum Expenditure Condition) by notice in writing to Osisko. Settlement will occur no later than 30 days after the exercise of the Option, or at such other time as the parties may agree, acting reasonably.
- (f) **(Milestone Payment):** Should a JORC resource of at least 10MT @ a minimum of 1% Li20 be discovered on the Claims the Company will pay Osisko CDN\$3,000,000 in either cash or Shares at the Company's election.
- (g) **(Royalty)** The Purchaser acknowledges the existing royalties on the Claims of 2% NSR.

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## SCHEDULE 4 - SUMMARY OF THE TERM SHEET

The Company and Martin Dallaire have entered into a binding term sheet (**Term Sheet**) pursuant to which Mr Dallaire has granted the Company the opportunity to acquire 100% of 12 Mineral Claims as well as any associated geological data.

The key terms are as follows:

- (a) (**Consideration**): At settlement, the following consideration is payable by the Company to Mr Dallaire (and/or its nominees):
1. CDN\$15,000 cash;
  2. 200,000 Shares. The Shares will be subject to a six-month voluntary escrow; and
  3. CDN\$1 million in cash or in Performance Shares at the Company's discretion, subject to the discovery of a JORC compliant resource of at least 10MT of Li20 at a minimum of 1%.
- (b) (**Royalty**) From settlement, the Company grants Mr Dallaire (and/or his nominee) a 2.0% net smelter royalty on all minerals recovered from the Mineral Claims (**Royalty**). The Company has the option to buy-back 1.00% of the Royalty (**Royalty Option**) for the following consideration if the Royalty Option is exercised within 4 years of the Settlement Date, for CDN\$1 million and if the Royalty Option is exercised thereafter, for CDN\$2.5 million.

Holder Number:

Your proxy voting instruction must be received by **9.00am (AWST) on Saturday, 10 December 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at

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

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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

#### BY FACSIMILE:

+61 2 8583 3040

**All enquiries to Automic:**

**WEBSITE:** <https://automicgroup.com.au/>

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

