



ACN 650 210 067

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

TIME:	10.00am (WST)
DATE:	29 November 2023
PLACE:	Unit 25, 22 Railway Road Subiaco, Western Australia 6008

This Notice of 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 or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9226 1356.

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ACN 650 210 067

IMPORTANT INFORMATION IN REGARD TO SHAREHOLDER MEETING VOTING

Notice is hereby given that the Annual General Meeting of Shareholders of PolarX Limited (the **Company**) will be held at Unit 25, 22 Railway Road, Subiaco WA 6008 on Wednesday, 29 November 2023 at 10.00am (WST) (**Meeting**).

The Company strongly encourages Shareholders to submit completed Proxy Forms prior to the Meeting in accordance with the instructions set out in the Proxy Form and this Notice of Meeting. The Board also advises Shareholders to monitor the Company's website and ASX announcements for any updates in relation to the Meeting that may need to be provided.

As permitted by section 110D of the Corporations Act, the Company will not be sending hard copies of the Notice of Meeting to Shareholders. Instead, Shareholders can access a copy of the Notice at the following link:

<https://www.kobaresources.com/notice-of-general-meeting-291123.pdf>

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. 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 10.00am (WST) on Monday, 27 November 2023.
2. Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at icunningham@kobaresources.com. Responses will be provided at the Meeting in respect of all valid questions received prior to 5.00pm (WST) on Monday, 27 November 2023. Shareholders who attend the Meeting, will also have the opportunity to submit questions during the Meeting.

Shareholders should contact the Company Secretary on +61 8 9226 1356 or by email at icunningham@kobaresources.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 www.kobaresources.com.

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IMPORTANT INFORMATION

Time and place of Meeting

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on Wednesday, 29 November 2023 at:

Unit 25, 22 Railway Road
Subiaco, Western Australia 60008

Your vote is important

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

Voting eligibility

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snapshot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Company’s Directors have determined that all Shares of the Company that are on issue at 5.00pm (WST) on Monday, 27 November 2023 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above. However, the Company strongly encourages all Shareholders to participate in the Meeting by reading the Notice carefully and voting by proxy in accordance with the instructions below.

Voting by proxy

Shareholders are strongly 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 Shareholder’s instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to this Notice of 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. **Proxy Forms must be received prior to 10.00am (WST) on Monday, 27 November 2023.**

BUSINESS OF THE MEETING

The business to be considered at the Meeting is set out below.

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

Note: there is no requirement for Shareholders to approve these reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2023."

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

Voting Prohibition: A vote must not be cast on this Resolution by any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a Closely Related Party of such member. However, such a person may cast a vote on this Resolution if:

- (a) the person is appointed as proxy by writing that specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a Closely Related Party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – SCOTT FUNSTON

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

"That, for the purposes of ASX Listing Rule 14.4 and article 12.3 of the Company's Constitution and for all other purposes, Scott Funston a Director, retires, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Important note: The persons to whom any Equity Securities under the 10% Placement Capacity may be issued to are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the 10% Placement Capacity), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

5. RESOLUTION 4 – ADOPTION OF LONG-TERM INCENTIVE PLAN

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

"That, for the purpose of Listing Rule 7.2 Exception 13(b) Shareholders approve the adoption of the employee incentive scheme known as the "Koba Resources Limited Long-Term Incentive Plan", a summary of which is set out in the Explanatory Statement, and the issue of the Equity Securities thereunder, on the terms and conditions set out in the Explanatory Statement, as an exception to Listing Rule 7.1."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the employee incentive scheme and 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.

Dated: 24 October 2023

By order of the Board

IAN CUNNINGHAM
COMPANY SECRETARY

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) be received and considered at the Annual General Meeting.

Section 317 of the Corporations Act requires the directors to lay before the Annual General Meeting the Annual Financial Statements for the last financial year ended 30 June 2023.

The Company will not provide a hard copy of the Company's Annual Financial Statements to Shareholders unless specifically requested to do so. The Company's Annual Financial Statements are available on its website at www.kobaresources.com.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 2 business days before the Meeting to the Company Secretary at icunningham@kobaresources.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

2.1 General

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the financial year ended 30 June 2023 (the **Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (the **Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 2023 Annual Report. The Annual Report is available on the Company's website at www.kobaresources.com.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2023.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and key management personnel.

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

2.2 Regulatory Requirements

Pursuant to the Corporations Act, a company is required to put to its shareholders a resolution (**Spill Resolution**) proposing the calling of another general meeting (**Spill Meeting**)

to consider the appointment of the directors of the company if, at two consecutive annual general meetings:

- (a) at least 25% of the votes cast on a resolution to adopt the remuneration report are cast against adoption of the remuneration report; and
- (b) at the first of those annual general meetings a Spill Resolution was not put to vote.

If the requirements above are met, the Spill Resolution must be put to vote at the second of those annual general meetings (**Second AGM**).

If a Spill Resolution is put to shareholders and more than 50% of shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the Second AGM. All of the directors of the company who were Directors when the resolution to make the Directors' Report considered at the Second AGM was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

2.3 Previous voting results

At the Company's previous annual general meeting in 2022 the votes cast against the remuneration report considered at that meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

1. Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
2. Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
3. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
4. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – SCOTT FUNSTON

3.1 Regulatory requirements

Article 12.3(b) of the Constitution and Listing Rule 14.5 require that there be an election of Directors at each annual general meeting of the Company. Generally, this will take place by a Director retiring in accordance with the tenure requirements in Listing Rule 14.4 and article 12.3(a) of the Constitution which provide that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or last election or for more than 3 years, whichever is the longer.¹

Article 12.3(b) states that if no person or Director is standing for election or re-election in accordance with the specific provisions of that Article, then the Director who has been a

¹ This does not apply to the Managing Director who is exempt from retirement and re-election in accordance with articles 12.3(c) and 13.10 of the Constitution.

Director the longest without re-election must retire and stand for re-election. Accordingly, as Mr Funston is the longest serving Director without re-election, he retires in accordance with, and seeks re-election pursuant to, article 12.3(b)(iv) of the Constitution and for the purposes of Listing Rule 14.5.

3.2 Director information

Mr Funston is a qualified Chartered Accountant and Company Secretary with twenty years' experience in the mining industry and accounting profession.

Mr Funston's expertise is in financial management, regulatory compliance and corporate advice. Mr Funston possesses a strong knowledge of the Australian Securities Exchange requirements and has previously assisted a number of ASX listed resources companies as CFO and Company Secretary operating in Australia, South America, Asia, Africa, and USA. Most recently he was CFO and Company Secretary of Avanco Resources, a Brazilian focussed copper and gold producer, that was acquired by Oz Minerals Limited.

Mr Funston is currently the CFO and Company Secretary of Challenger Exploration Limited.

The Board considers that Mr Funston is an independent Director.

3.3 Voting consequences

If Shareholders do not vote in favour of Resolution 2, Mr Funston will not be re-elected as a Director and will retire at the conclusion of the Annual General Meeting.

If Shareholders vote in favour of Resolution 2, Mr Funston will be re-elected as a Director.

3.4 Board recommendation

The Board (other than Scott Funston) recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

4.1 General

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 up to 10% of its issued capital (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, 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 securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An 'eligible entity' means an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (**Eligible Entity**). The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$7.1 million based on the closing Share price on 23 October 2023.

Resolution 3 seeks Shareholder approval to enable the Company to issue Equity Securities under the 10% Placement Capacity. The effect of Resolution 3 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below. The Company is seeking a mandate to issue securities under the 10% Placement Capacity to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in section 4.2). The Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 Listing Rule 7.1A

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: PXX).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A the number of fully paid ordinary securities on issue at the commencement of the relevant period,

(i) plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

(ii) plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

(A) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

(B) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,

(iii) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

(A) the agreement was entered into before the commencement of the relevant period; or

(B) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4

(iv) plus the number of any other fully paid ordinary securities issued in the relevant period within approval under Listing Rule 7.1 or Listing Rule 7.4

(v) plus the number of partly paid ordinary securities that became fully paid in the relevant period; and

(vi) less the number of fully paid ordinary securities cancelled in the relevant period.

Note that Variable "A" is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by holders of its ordinary securities under Listing Rule 7.4.

“Relevant period” is the 12-month period immediately preceding the date of the issue.

4.3 Technical information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Date of Issue

If Shareholders approve Resolution 3, the Company will have a mandate to issue Equity Securities under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

(10% Placement Capacity Period).

The Company will only issue Equity Securities under the 10% Placement Capacity during the 10% Placement Period.

(b) Minimum Price

The minimum price at which the Equity Securities may be issued under the 10% Placement Capacity is no lower than 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in section 4.3(b)(i), the date on which the Equity Securities are issued.

(c) Purpose of Issue under 10% Placement Capacity

The Company will only issue Equity Securities under the 10% Placement Capacity for cash consideration for the following purposes:

- (i) to undertake exploration and development activities at its Whitlock, Davidson, JB1 and Python lithium projects, which are located in Canada and Australia;
- (ii) general working capital; and
- (iii) the acquisition of new resource assets and investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(d) Risk of voting dilution

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

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

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

Number of Shares on Issue (Variable 'A' in Listing Rule 7.1A.2)	Dilution			
	Issue Price (per Share)	\$0.0335 50% decrease in Issue Price	\$0.067 Issue Price	\$0.134 100% increase in Issue Price
105,416,667 (Current Variable A)	Shares issued - 10% voting dilution	10,541,667 Shares	10,541,667 Shares	10,541,667 Shares
	Funds raised	\$353,146	\$706,292	\$1,412,583
158,125,001 (50% increase in Variable A)	Shares issued - 10% voting dilution	15,812,500 Shares	15,812,500 Shares	15,812,500 Shares
	Funds raised	\$529,719	\$1,059,438	\$2,118,875
210,833,334 (100% increase in Variable A)	Shares issued - 10% voting dilution	21,083,333 Shares	21,083,333 Shares	21,083,333 Shares
	Funds raised	\$706,292	\$1,412,583	\$2,825,167

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

The table above uses the following assumptions:

- (i) There are currently 105,416,667 Shares on issue as at the date of this Notice of Meeting.
- (ii) The issue price of \$0.067 per Share set out above is the closing price of the Shares on the ASX on 23 October 2023.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) No Options are exercised into Shares before the date of issue of the Equity Securities.
- (v) The Company has not issued any Equity Securities in the 12 months prior to the date of issue that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
- (vii) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation under the 10% Placement Capacity**

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

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, a rights issue, a placement and a pro rata offer, a placement and an offer under securities purchase plan or other issues in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its last annual general meeting held on 29 November 2022.

The Company has issued a total of 6,500,000 Equity Securities during the 12 months preceding the date of this Meeting under Listing Rule 7.1A.2, representing approximately 7.5% of the total diluted number of Equity Securities on issue in the Company as at the date of the last annual general meeting.

Information relating to issues of Equity Securities under Listing Rule 7.1A.2 by the Company in the 12 months prior to the date of this Meeting is set out in Schedule 1.

(g) **Compliance with Listing Rules 7.1A.4 and 3.10.3**

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

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.3 for release to the market.

4.4 Voting Exclusion

There is no voting exclusion statement for this Resolution. At the date of this Notice of Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed persons to whom any Equity Securities may be issued to under the 10% Placement Capacity are not as yet known or identified.

In these circumstances (and in accordance with guidance in ASX Guidance Note 21 relating to Listing Rule 7.1A), ASX considers a material benefit to be one that is likely to induce the recipient of the benefit to vote in favour of the transaction regardless on its impact on ordinary security holders. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the 10% Placement Capacity), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholders' votes will therefore be excluded from voting on Resolution 3.

4.5 Board Recommendation

The Board believes that the 10% Placement Capacity is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 3.

5. RESOLUTION 4 – ADOPTION OF NEW LONG-TERM INCENTIVE PLAN

5.1 Background

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.2 Exception 13(b), to adopt a new employee incentive plan titled the "Koba Long-Term Incentive Plan" (**New Plan**), pursuant to which eligible participants may be offered the opportunity to be granted Performance Rights, Options and Shares in the Company (**Incentive Securities**). The Company adopted the current Plan on 22 February 2022, which was prior to the Company's admission to the Official List of the ASX on 2 May 2022. The Directors consider it desirable to adopt a new plan to reflect the recent changes to employee share schemes under the Corporations Act as amended by the *Treasury Laws Amendment (Costs of Living Support and Other Measures) Act* (Cth) 2022. Such changes include removing the ability to make offers of securities under an employee incentive scheme in reliance on relief in ASIC Class Orders 14/1000 and 14/1001 after 1 March 2023 (**Class Orders**). The relief available under the Class Orders has been replaced by a new regime set out in Division 1A of Part 7.12 of the Corporations Act.

The purpose of the New Plan is to:

- (a) reward employees of the Company;
- (b) assist in the retention and motivation of employees of the Company;
- (c) provide an incentive to employees of the Company to grow Shareholder value by providing them with an opportunity to receive an ownership interest in the Company; and
- (d) comply with the recent changes to employee share schemes as set out in Division 1A of Part 7.12 of the Corporations Act.

For the avoidance of doubt, the Directors may adopt the New Plan without Shareholder approval in any event. The purpose of Resolution 4 is to seek Shareholder approval for the issue of Incentive Securities under the New Plan to utilise the exemption to Listing Rule 7.1 whereby if Shareholders approve Resolution 4, any issues of Incentive Securities under the New Plan will not be included in the Company's Listing Rule 7.1 capacity.

5.2 Regulatory Requirements

Listing Rule 7.1 provides that, unless an exception 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 Equity 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.

Listing Rule 7.2 Exception 13(b) sets out an exception to Listing Rule 7.1. It provides that issues of securities under an employee incentive scheme are not included in a company's 15% limit under Listing Rule 7.1, if within three years before the date of issue, shareholders have approved the issue of securities thereunder as an exception to Listing Rule 7.1.

Accordingly, Resolution 4 seeks approval from Shareholders for adoption of the New Plan and the issue of Incentive Securities thereunder for a period of three years from the date of the Meeting, as an exception to Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Incentive Securities under the New Plan to eligible participants over a period of three years from the date of the Meeting without impacting on the Company's ability to issue to up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

If Resolution 4 is not passed, the Directors may still adopt the New Plan and the Company will be able to proceed with the issue of Incentive Securities under it. However the issue of Incentive Securities under the New Plan will be included in calculating the Company's 15%

limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Incentive Securities. Accordingly, the Company will not be able to utilise the exception to Listing Rule 7.1 that is provided in Listing Rule 7.2 Exception 13(b).

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Incentive Securities under the New Plan to a related party or a person whose relationship with the Company or the related party, is in ASX's opinion, such that Shareholder approval should be obtained.

5.3 Technical information required by Listing Rule 7.2 Exception 13(b)

The following information is provided to Shareholders for the purpose of Listing Rule 7.2 Exception 13(b):

(a) **A summary of the material terms of the New Plan**

A summary of the material terms of the New Plan is set out in Schedule 2.

(b) **Previous issues of securities**

This is the first approval sought under Listing Rule 7.2 Exception 13(b) with respect to the New Plan. Accordingly, no Incentive Securities have previously been issued under the New Plan as it is a new incentive plan.

Since the Company adopted the current Plan on 22 February 2022, it has issued the following securities under the current Plan:

Recipient	Date of Issue	Performance Rights	Options	Expiry Date
Michael Haynes (or his nominee)	26 April 2022	-	4,500,000	26 April 2027
Scott Funston (or his nominee)	26 April 2022	-	2,500,000	26 April 2027
Ian Cunningham (or his nominee)	26 April 2022	-	3,500,000	26 April 2027
Beverley Nichols (or her nominee)	26 April 2022	-	1,500,000	26 April 2027
Steven Howell (or his nominee)	26 April 2022	-	1,500,000	26 April 2027
Ben Vallerine (or his nominee)	26 April 2022	4,000,000	-	26 April 2027
Michael Haynes (or his nominee)	26 April 2022	480,000	-	26 April 2027
Scott Funston (or his nominee)	26 April 2022	180,000	-	26 April 2027
Ian Cunningham (or his nominee)	26 April 2022	480,000	-	26 April 2027
Beverley Nichols (or her nominee)	26 April 2022	180,000	-	26 April 2027
Steven Howell (or his nominee)	26 April 2022	180,000	-	26 April 2027

(c) **Maximum number of securities to be issued**

The maximum number of Incentive Securities proposed to be issued under the New Plan following Shareholder approval is 5,270,833. This number is not intended to be a prediction of the actual number of Equity Securities to be issued by the Company, simply a ceiling for the purposes of Listing Rule 7.2 Exception 13(b).

(d) **Voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in Business of the Meeting section of the Notice of Meeting.

5.4 Board Recommendation

The Board declines to make a recommendation in respect of Resolution 4 due to the fact that the Directors have a personal interest in the outcome of the Resolution as Incentive Securities may be issued to the Directors under the Plan.

6. ENQUIRIES

Shareholders may contact the Company Secretary on +61 8 9226 1356 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

10% Placement Capacity has the meaning in section 4.1 of the Explanatory Statement.

10% Placement Capacity Period has the meaning given in section 4.3 of the Explanatory Statement.

Annual Financial Statements has the meaning given in section 1 of the Explanatory Statement.

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

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Listing Rules.

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

Auditor means the auditor of the Company.

Chair means the chair of the Meeting.

Class Orders means ASIC Class Orders 14/1000 and 14/1001.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Koba Resources Limited (ACN 650 210 067).

Constitution means constitution of the Company.

Corporations Act means *Corporations Act 2001* (Cth).

Director means director of the Company.

Directors' Report has the meaning in section 2.1 of the Explanatory Statement.

Eligible Entity has the meaning in section 4.1 of the Explanatory Statement.

Equity Securities has the meaning set out in the Listing Rules.

Explanatory Statement means the explanatory statement that accompanies this Notice of Meeting.

Incentive Securities means Performance Rights, Options and Shares (as applicable) which may be offered to eligible participants pursuant to the New Plan.

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.

New Plan means the new “Koba Long-Term Incentive Plan”, the subject of Resolution 4.

Notice of Meeting or **Notice** means this notice of Meeting.

Option means an option to subscribe for a Share.

Performance Right means a Performance Right which is convertible into a Share subject to satisfaction of certain performance milestones.

Plan means the Company’s current Long-Term Incentive Plan.

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.

Notice of Meeting or **Notice** means this notice of Annual General Meeting.

Option means an option to subscribe for a Share.

Proxy Form means the proxy form enclosed with this Notice of Meeting.

Remuneration Report means the remuneration report set out in the Director’s Report section of the Company’s annual financial report for the year ended 30 June 2023.

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

Second AGM has the meaning in section 2.2 of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Spill Meeting has the meaning in section 2.2 of the Explanatory Statement.

Spill Resolution has the meaning in section 2.2 of the Explanatory Statement.

Variable A means “A” as set out in the calculation in section 4.3 of the Explanatory Statement.

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

SCHEDULE 1 – ISSUE OF EQUITY SECURITIES UNDER LISTING RULE 7.1A.2 SINCE 29 NOVEMBER 2022

Date of Issue	Number	Class	Recipients	Issue Price (and discount to market price¹) if applicable	Form of Consideration
28 December 2022	6,500,000	Shares	Sophisticated, professional or other exempt investors. The recipients comprised existing institutional shareholders and other placees who were identified through a bookbuild process undertaken by the brokers to the placement. None of the placees were related parties of the Company or material investors.	\$0.15 (no discount)	Cash Amount raised = \$975,000 Amount spent = \$975,000 Use of funds – acquisition payments and exploration activities in relation to the Whitlock, Davidson, JB1 and Python lithium projects

Note:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount (if any) is calculated on the Market Price on the date of issue of the relevant Equity Securities and not the date of announcement of the proposed issue.

SCHEDULE 2 – SUMMARY OF MATERIAL TERMS OF THE NEW PLAN

The Directors are proposing to adopt the New Plan, to enable eligible persons to be granted Options, Performance Rights and Shares (**Awards**), the principal terms of which are summarised below:

1. Eligibility

The Board may, in its absolute discretion, invite an “Eligible Person” to participate in the New Plan. An “Eligible Person” means a person that is a “primary participant” (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated body corporate and has been determined by the Board to be eligible to participate in the New Plan from time to time.

2. Offer

Following determination that an Eligible Person may participate in the New Plan; the Board may make an offer to that person by an offer letter setting out the terms of the offer and any Conditions which may apply to the offer or the Awards (**Offer Letter**).

3. Issue Cap

Unless the Company is unlisted or the Company constitution provides otherwise, the Company must not make an offer of Awards for monetary consideration under the New Plan, where the total number of Shares to be issued under the New Plan (New Plan Shares) (or that will be issued upon conversion of convertible securities to be issued), when aggregated with the number of New Plan Shares that may be issued as a result of offers made under the New Plan, at any time during the previous 3 year period, would exceed 5% of the total number of Shares on issue at the date of the offer.

The New Plan does not contain an issue cap on the number of Awards that may be issued for no monetary consideration, however the Board have decided to impose a cap of 5,270,833 Awards where no consideration is payable. This does not include the issue of Awards that are otherwise approved by Shareholders.

4. Disclosure

All offers of Awards under the New Plan for no monetary consideration are made pursuant to Division 1A of Part 7.12 of the Corporations Act and accordingly the Company will not issue a disclosure document for such an offer.

If the Company makes an offer to issue Awards under the New Plan for monetary consideration, the Company will comply with the disclosure requirements in Division 1A of Part 7.12 of the Corporations Act.

5. Nature of Awards

Each Option or Performance Right entitles the holder, to subscribe for, or be transferred, one Share. Any Shares acquired as an Award or pursuant to the exercise of an Award will rank equally with all existing Shares from the date of acquisition.

6. Vesting

Awards may be subject to exercise conditions, performance hurdles or vesting conditions (**Conditions**). These Conditions must be specified in the Offer Letter to Eligible Persons. In the event that a takeover bid for the Company is declared unconditional, there is a change of control in the Company, or if a merger by way of a scheme of arrangement has been approved by a court, then the Board may determine that:

- (i) all or a percentage of unvested Options will vest and become exercisable;
- (ii) all or a percentage of Performance Rights will be automatically exercised; and

- (iii) any Shares issued or transferred to a holder under the New Plan that have restrictions (on their disposal, the granting of any security interests in or over, or otherwise on dealing with), will be free from any restrictions on disposal.

7. Exercise Period

The period during which a vested Award may be exercised will commence when all Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the rules of the New Plan and the Company has issued a vesting notification to the holder, and ends on the Expiry Date (as defined at 10(iv) below).

8. Disposal restrictions

Awards granted under the New Plan may not be assigned, transferred, novated, encumbered with a security interest (such as a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature) over them, or otherwise disposed of by a holder, other than to a nominated party (such as an immediate family member, trustee of a trust or company) in accordance with the New Plan, unless:

- (i) the prior consent of the Board is obtained; or
- (ii) such assignment or transfer occurs by force of law upon the death of a holder to the holder's legal personal representative.

9. Cashless exercise

Optionholders may, at their election, elect to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise of the Option (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Optionholder will receive Shares to the value of the surplus after the exercise price has been set off.

If an Optionholder elects to use the Cashless Exercise Facility, the Optionholder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal to the value of the difference between the exercise price otherwise payable for the Options and the then market value of the Shares at the time of exercise (determined as the volume weighted average price on the ASX over the five trading days prior to providing a notice of exercise).

10. Lapse

Unvested Awards will generally lapse on the earlier of:

- (i) the cessation of employment, engagement or office of the holder;
- (ii) the day the Board makes a determination that all unvested Awards and vested Options of the holder will lapse because, in the opinion of the Board the holder has acted fraudulently or dishonestly, or is in material breach of his or her duties or obligations to the Company;
- (iii) if any applicable Conditions are not achieved by the relevant time;
- (iv) if the Board determines that any applicable Conditions have not been met and cannot be met prior to the date that is 5 years from the grant date of an Award or any other date determined by the Board and as specified in the Offer (**Expiry Date**); or
- (v) the Expiry Date.

Where a holder of Awards ceases to be employed or engaged by the Company and is not a "Bad Leaver" (as that term is defined in the New Plan), and the Awards have vested, they will remain exercisable until the Awards lapse in accordance with the New Plan rules or if they have not vested, the Board will determine as soon as reasonably practicable after the date the holder ceases to be employed or engaged, how many (if any) of those holder's Awards will be deemed to have vested and exercisable.

Where a holder becomes a "Bad Leaver" (as that term is defined in the New Plan), all Awards, unvested or vested, will lapse on the date of the cessation of employment, engagement or office of that holder.

Proxy Voting Form

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

Your proxy voting instruction must be received by **10.00am (AWST) on Monday, 27 November 2023**, 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.



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