
BATTERY MINERALS LIMITED

ACN 152 071 095

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at
6 Ord St, West Perth WA 6005 on
Friday 26 May 2017 at 3.00pm (WST).**

This Notice of Annual General Meeting 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 prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9322 7600.

BATTERY MINERALS LIMITED

ACN 152 071 095

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Battery Minerals Limited (**Company**) will be held at 6 Ord St, West Perth, WA 6005 on Friday 26 May 2017 at 3.00pm (WST) (**Meeting**).

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

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 as Shareholders on Wednesday 24 May 2017 at 5.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 11.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 31 December 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Adoption of Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr Brett Smith as a Director

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

"That Mr Brett Smith, who retires in accordance with clause 13.2 of the Constitution, being eligible and offering himself for re-election, be re-elected as a Director."

3. Resolution 3 – Ratification of the grant of Adviser Options

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 grant by the Company of 2,000,000 Advisor Options to five employees (or their nominees) of advisor, Grange Consulting, exercisable at 15 cents each on or before the date that is 5 years after the date of grant, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Cornela Pty Ltd, Philuchna Pty Ltd, Nardie Group Pty Ltd, Anneliese Halse and Lucy Orr, and any person who obtained a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval of 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Approval of grant of Incentive Options to Mr David Flanagan

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 10.11, and for all other purposes, approval is given for the Company to grant 10,000,000 Incentive Options to Mr David Flanagan (or his nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr David Flanagan and his nominees and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Approval of grant of Incentive Options to Ms Cherie Leeden

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 10.11, and for all other purposes, approval is given for the Company to grant 5,000,000 Incentive Options to Ms Cherie Leeden (or her nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Ms Cherie Leeden and her nominees and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 7 – Re-election of Mr Paul Glasson as a Director

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

"That Mr Paul Glasson, who retires in accordance with clause 13.4 of the Constitution, being eligible and offering himself for re-election, be re-elected as a Director."

8. Resolution 8 – Approval of grant of Incentive Options to Mr Paul Glasson

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 10.11, and for all other purposes, approval is given for the Company to grant 3,000,000 Incentive Options to Mr Paul Glasson (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Paul Glasson and his nominees and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. Resolution 9 – Approval of Proportional Takeover Provisions

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

"That the proportional takeover provisions in the form of clause 35 of the Constitution (as last approved by Shareholders) be included in the Constitution for a period of three years commencing from the date of this Meeting."

Dated 21 April 2017

BY ORDER OF THE BOARD



Mr Steven Wood
Joint Company Secretary

BATTERY MINERALS LIMITED

ACN 152 071 095

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 6 Ord St, West Perth WA 6005 on Friday 26 May 2017 at 3.00pm (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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

2. Action to be taken by Shareholders

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

2.1 Proxies

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

Please note that:

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

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

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or

- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolutions 1, 5, 6 and 8 if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on Resolutions 1, 5, 6 and 8.

However, the prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if Resolutions 1, 5, 6 and 8 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.batteryminerals.com or by contacting the Company on (08) 9322 7600.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 31 December 2016;
- (b) ask questions about, or make comment on, the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report; and
- (d) ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and

- (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act has been amended by the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act (Director and Executive Remuneration Act)* which received the Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, among others, into the Corporations Act, giving Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting, a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

At the Company's 2016 Annual General Meeting the remuneration report was approved by over 75% of shareholders.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered

to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

5. Resolution 2 – Re-election of Mr Brett Smith as a Director

Clause 13.2 of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number). The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

Clause 13.2 of the Constitution provides that a Director who retires under clause 13.2 is eligible for re-election.

Mr Brett Smith will retire by rotation and, being eligible, seek re-election.

Brett Smith has over 30 years of experience in the mining and exploration industry as a geologist, manager, consultant and director. His industry experience is broad, dominated by exploration and resource definition. Brett is currently Managing Director of Corazon Mining Limited and a non-Executive Director of Pacific Bauxite Limited. Previously Brett was a non-Executive Director of Jacka Resources Limited until 21 May 2014 and an executive Director of Cauldron Energy Limited until 23 June 2015.

The Board unanimously supports the re-election of Mr Brett Smith.

6. Resolution 3 – Ratification of the grant of Adviser Options

6.1 General

On 23 December 2016 the Company granted a total of 2,000,000 Adviser Options to five employees (or their nominees) of advisor, Grange Consulting as follows:

Allottee	No of Options
Cornela Pty Ltd	600,000
Philuchna Pty Ltd	600,000
Nardie Group Pty Ltd	600,000
Anneliese Halse	100,000
Lucy Orr	100,000
TOTAL	2,000,000

The above Adviser Options were granted pursuant to the Company's arrangement with Grange Consulting to provide administration, advisory, company secretarial and office services to the Company.

The Adviser Options were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

A summary of Listing Rules 7.1 and 7.4 are provided in this Section 6.1 below.

Resolution 3 seeks Shareholder approval for the ratification of the grant of the Adviser Options to the above allottees pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 3 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months without obtaining prior Shareholder approval.

Resolution 3 is an ordinary resolution.

6.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the grant of the 2,000,000 Adviser Options is provided as follows:

- (a) 2,000,000 Adviser Options were granted by the Company on 23 December 2016.
- (b) The Adviser Options are each exercisable at 15 cents and expire on 23 December 2021 (being the date which is 5 years after the date of grant). Further terms and conditions of the Adviser Options are set out in Schedule 1.
- (c) The Adviser Options were granted for nil cash consideration pursuant to the Company's arrangement with Grange Consulting to provide administration, advisory, company secretarial and office services to the Company. Accordingly, no funds were raised from the issue of the Advisor Options.
- (d) The Adviser Options were granted to five employees (or their nominees) of advisor, Grange Consulting as set out in Section 6.1, none of whom is a related party of the Company.
- (e) A voting exclusion statement is included in the Notice.

7. Resolution 4 – Approval of 10% Placement Facility

7.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity because its market capitalisation is less than \$50 million at the date of this Notice.

While the Company has no current intention to use the 10% Placement Facility, the Company is now seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

The Company intends to continue to develop its existing key projects in Mozambique and continue to seek to acquire new resources assets and investments. The Company may use the 10% Placement Facility to develop its existing key projects and to acquire new resources assets and investments.

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

7.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A 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 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 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; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

7.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.0436	\$0.087	\$0.174
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable A 425,622,490 Shares	10% voting dilution	42,562,249	42,562,249	42,562,249
	Funds raised	\$1,851,458	\$3,702,916	\$7,405,831
50% increase in current Variable A 638,433,735 Shares	10% voting dilution	63,843,374	63,843,374	63,843,374
	Funds raised	\$2,777,187	\$5,554,373	\$11,108,747
100% increase in current Variable A 851,244,980 Shares	10% voting dilution	85,124,498	85,124,498	85,124,498
	Funds raised	\$3,702,916	\$7,405,831	\$14,811,663

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) 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%.
 - (iv) 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 Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes unlisted Options, it is assumed that those unlisted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.087, being the closing price of the Shares on ASX on 20 April 2017.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of Equity Securities pursuant to the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration in relation to the acquisition of new resource assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of resource assets or investments (which may include costs associated with such acquisition), and/or continued exploration and feasibility study expenditure on the Company's existing assets in Mozambique, Tanzania, Gabon and/or general working capital.

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

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;

- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

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

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2016 Annual General Meeting.
- (g) In the 12 months preceding the date of the Meeting the Company issued a total of 159,553,915 Equity Securities which represent 37.5% of the total number of Equity Securities on issue at 20 April 2017. The Equity Securities issued in the preceding 12 months were as follows:

Date of Issue	Ordinary Shares	Options	Issued to or basis of issue	Amount Raised Use of funds or non-cash Consideration
31 May 2016	-	6,000,000 (see Note 1)	Incentive Options and Performance Rights	Nil consideration
27 June 2016	29,424,528 (see Note 2)	-	Issued to shareholders under a share purchase plan	\$1,618,349
22 July 2016	19,513,558 (see Note 3)	-	Placement to unrelated sophisticated and professional investors	\$ 1,073,246
22 July 2016	1,236,364 (Note 4)	-	Shares issued in lieu of salary	No funds raised but valued at \$68,000
19 October 2016	9,177,798 (Note 5)	-	Shares issued in lieu of consultants' fees	No funds raised
11 November 2016	78,512,778 (Note 6)	-	Placement	\$7,066,150
22 December 2016	21,688,889 (Note 6)	-	Placement	\$1,952,000
22 December 2016	-	40,400,000 (Note 7)	Incentive Options	Nil consideration
22 December 2016	-	2,000,000 (see	Advisor Options	Nil consideration

		Resolution 3 for full details)		
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Note 1: 3,500,000 performance Rights and 2,500,000 incentive options were issued for nil consideration to Ms Leeden and Messrs George, Smith and Wood pursuant to Resolutions 5, 6, 7 and 8 of 30 May 2016 Notice of Annual General Meeting which includes details of the terms and conditions of these securities. The Performance Rights have an exercise price of nil and will expire 31 May 2018. The expiry date and exercise price of incentive options are 31 May 2020 and \$0.092. The current value of the performance rights and incentive options are \$0.087 and \$0.054 respectively.

Note 2: These Shares were issued to existing shareholders pursuant to the Share Purchase Plan as detailed in the SPP booklet released to ASX on 1 June 2016 and sent to shareholders which includes details of the use of the funds raised. These Shares were issued at \$0.055 per Share at a 6.78% discount to market at that time.

Note 3: These Shares were issued to unrelated sophisticated and professional investors and were approved by shareholders pursuant to resolution 2 of the 19 July 2016 Notice of General Meeting which includes details of the use of the funds raised. These Shares were issue at \$0.055 per Share at a 1.79% discount to market at that time.

Note 4: These Shares were issued to Ms Leeden, Director, in lieu of salary and were approved by shareholders pursuant to resolution 4 of the 19 July 2016 Notice of General Meeting. . These Shares were issued at \$0.055 per Share at a 1.78% discount to market at that time. The current value of this non-cash consideration is \$0.087 per Share.

Note 5: These Shares were issued to Minnovo Pty Ltd and Mitchell Group in respect of Definitive Feasibility Study and drilling services provided to the Company and were approved by shareholders pursuant to resolutions 6 and 7 of the 19 July 2016 Notice of General Meeting which includes further detail on the issue of the Shares. These Shares were issued at \$0.055 per Share at a 31.25% discount to market at that time. The current value of this non-cash consideration is \$0.087 per Share.

Note 6: These Shares were issued pursuant to a placement in two tranches to sophisticated investors on the “chairman’s list”, clients of Morgans stockbrokers and two directors Messrs George and Flanagan and was ratified and approved by shareholders pursuant to Resolutions 1 to 4 of the 21 December 2016 Notice of General Meeting which includes details of the use of the funds raised. . These Shares were issued at \$0.09 per Share at a 14.29% discount to market at that time.

Note 7: These incentive options were issued to employees under the Employee Incentive plan (4,400,000) and to Ms Leeden and Messrs Flanagan, George and Smith, directors, (36,000,000) for nil consideration and were approved by shareholders pursuant to Resolutions 6 to 10 of the 21 December 2016 Notice of General Meeting which includes details of the terms and conditions of these incentive options and Employee Incentive plan. The expiry date and exercise price of both the incentive and director options is 23 December 2021 and \$0.15. The current value of the incentive options and director options are \$0.056 and \$0.055 per option respectively.

- (h) The Company’s cash balance on 18 April 2017 was approximately \$6,950,000. Cash raised from issues in the previous 12 months totals \$11,706,745 (before costs). The cash raised from the fund raisings on 27 June 2016 and 22 July 2016 have been applied

in full for the purposes disclosed by the Company, being to fund the Company's exploration activities, feasibility studies and for general working capital purposes. The Company's cash balance at the date of this Notice is approximately \$6,950,000, which represents approximately 77% of the funds raised in the Company's most recent fund raisings in November 2016 and December 2016. The funds raised and expended to date have been used to fund exploration activities, feasibility studies and otherwise for general working capital purposes. The remaining funds of \$6,950,000 are intended to be used to fund feasibility studies and the development of the Company's existing key graphite mining and graphite exploration projects in Mozambique and spherical graphite project in the USA, for the assessment of opportunities, any holding costs and general working capital.

- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8. Resolutions 5, 6 and 8 – Approval of grant of Incentive Options to Directors

8.1 General

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of 18,000,000 Incentive Options to Directors David Flanagan, Cherie Leeden and Paul Glasson (or their nominees) as follows:

Allottee	No of Options
David Flanagan (or his nominee)	10,000,000
Cherie Leeden (or her nominee)	5,000,000
Paul Glasson (or his nominee)	3,000,000
TOTAL	18,000,000

The Incentive Options will be issued to the above allottees as part of their incentive based remuneration packages with the Company.

The Company has considered the remuneration structures of several of its ASX listed peer companies to determine a suitable quantum and structure of an incentive based remuneration plan for management and members of the Board. As a result of this review the Company believes that the issue of the Incentive Options is a fair and reasonable incentive based remuneration package. In considering the above remuneration package for its two most senior executives and new non-executive, the Company has researched and considered recent incentive plans implemented by the Company's peers.

Resolutions 5, 6 and 8 seek Shareholder approval for the grant of the Incentive Options to David Flanagan Cherie Leeden and Paul Glasson (or their nominees).

The Incentive Options to be granted to David Flanagan will have an exercise price of 150% of the 5 day VWAP of the Company's Shares prior to the date of the Meeting and will vest upon the Company's Montepuez Project achieving sales agreements and a commercial rate of production as agreed by the board.

The Incentive Options to be granted to Cherie Leeden will have an exercise price of the higher of 20 cents and 150% of the closing market price of the Company's Shares on the date of the Meeting and will vest upon commercial production and sale from the proposed Company owned, US based SPG processing plant.

The Incentive Options to be granted to Paul Glasson will have an exercise price of the higher of 13 cents and 130% of the 5 day VWAP of the Company's Shares prior to the date of the Meeting and will vest on achievement of the following vesting conditions:

- 1,500,000 Incentive Options will vest upon 12 months continuous service after appointment to the Board; and
- 1,500,000 Incentive Options will vest upon 24 months continuous service after appointment to the Board.

See Schedule 2 for the full terms and conditions of the Incentive Options.

8.2 Chapter 2E of the Corporations Act

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

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

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

The grant of Incentive Options constitutes giving a financial benefit and David Flanagan, Cherie Leeden and Paul Glasson are related parties of the Company by virtue of being Directors.

After a review of publicly available information relating to the remuneration structures of several of its ASX listed peer companies, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Incentive Options because the grant of the Incentive Options is considered reasonable remuneration in the circumstances.

8.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Incentive Options involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Incentive Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Incentive Options will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8.4 Specific Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 5, 6 and 8:

- (a) The maximum number of Incentive Options to be granted is 18,000,000, comprising:
 - (i) 10,000,000 Incentive Options to be granted to David Flanagan (or his nominees);
 - (ii) 5,000,000 Incentive Options to be granted to Cherie Leeden (or her nominees); and
 - (iii) 3,000,000 Incentive Options to be granted to Paul Glasson (or his nominees).
- (b) The Incentive Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Incentive Options will be granted for nil cash consideration as they are being issued as incentive based remuneration. Accordingly, no funds will be raised from the issue of the Incentive Options.
- (d) The terms and conditions of the Incentive Options are set out in Schedule 2.
- (e) Voting exclusion statements are included in the Notice.

9. Resolution 7 – Re-election of Mr Paul Glasson as a Director

Clause 13.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, provided the total number of Directors does not exceed 9.

As announced on 19 April 2017, Mr Paul Glasson has been appointed as an additional Director under clause 13.4 of the Constitution.

In accordance with clause 13.4, Mr Glasson holds office up until the Meeting and is then eligible for re-election. Accordingly, Mr Glasson, being eligible, seeks re-election as a Director.

Paul Glasson is currently Executive Chairman of Satori Investments, a boutique investment advisory and private equity firm, board member of the Australian China Chamber of Commerce (Shanghai), and Life Member of the Australia China Business Council. Paul has lived in China since the 1990's and is widely known as one of the foremost experts on Chinese outbound investment, having been recognized with Deal of the Year by Mines and Money in 2014 for his origination and lead on the Baosteel-Aurizon on-market hostile takeover of Aquila, as well as being Young Leader of Asia by the Boao Forum for three years. Paul has been involved in many "first-of-a-kind" transactions in China's history of outbound, and was also the Australia China Business Council's key proponent in engaging with key Chinese government and enterprise from 2008-2014.

The Board unanimously supports the re-election of Mr Paul Glasson.

10. Resolution 9– Approval of Proportional Takeover Provisions

Clause 35 of the Constitution contains provisions dealing with proportional takeover bids for the Shares in accordance with the Corporations Act.

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's Shares. The provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, the provisions must be renewed every three years or they will cease to have effect and as such, the current provisions had automatically ceased to have effect. If the proposed resolution is approved by Shareholders, the proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect until 26 May 2020.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed by Shareholders.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. The proposed provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;

- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (e) proportional takeover bids may be discouraged;
- (f) lost opportunity to sell a portion of their Shares at a premium; and
- (g) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that the renewal of the proportional takeover provisions in the Constitution is in the interests of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 9.

11. Definitions

10% Placement Facility has the meaning in Section 7.1.

10% Placement Period has the meaning in Section 7.2(f).

Advisor Option means an Option exercisable at 15 cents on or before the date that is 5 years after the date of grant and otherwise on the terms and conditions set out in Schedule 1.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 31 December 2016.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company or **Battery Minerals** means Battery Minerals Limited ACN 152 071 095.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Incentive Option means an Option subject with the exercise price, vesting condition and other terms and conditions set out in Schedule 2.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of Meeting.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Security includes a Share and an Option, as applicable.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

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

Schedule 1 – Terms and Conditions of Adviser Options

(a) Entitlement

The Adviser Options (**Options**) entitle the holder to subscribe for one Share upon the exercise of each Option.

(b) Exercise Price and Expiry Date

The Options have an exercise price of \$0.15 (**Exercise Price**) and an expiry date five (5) years from the date of grant (**Expiry Date**).

(c) Exercise period

The Options may only be exercised at any time after the applicable Vesting Date, and prior to the applicable Expiry Date.

(d) Notice of exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) Shares issued on exercise

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

(f) Options not quoted

The Company will not apply to ASX for quotation of the Options.

(g) Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible:

(i) issue the Share; and

(ii) do all such acts, matters and things to obtain:

(A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and

(B) receipt of cleared funds equal to the sum payable on the exercise of the Option.

(i) Participation in new issues

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

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

(j) **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.

(k) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.

(l) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) **Options not transferable**

The Options are not transferable unless vested and with the prior written approval of the Board and provided that the transfer complies with the Corporations Act.

(n) **Lodgement instructions**

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

Schedule 2 – Terms and Conditions of Incentive Options

(a) Entitlement

The Incentive Options (**Options**) entitle the holder to subscribe for one Share upon the exercise of each Option.

(b) Exercise price

The exercise price of each Option will be as follows:

1. Options to be issued to David Flanagan (or his nominee) will have an exercise price of 150% of the 5 day VWAP of the Company's Shares prior to the Company's 2017 Annual General Meeting.
2. Options to be issued to Cherie Leeden (or her nominee) will have an exercise price of the higher of 20 cents and 150% of the closing market price of the Company's Shares on the date of the 2017 Annual General Meeting.
3. Options to be issued to Paul Glasson (or his nominee) will have an exercise price of the higher of 13 cents and 130% of the 5 day VWAP of the Company's Shares prior to the Company's 2017 Annual General Meeting,

(Exercise Price).

(c) Vesting Date

The Options vest as follows:

1. Options to be issued to David Flanagan (or his nominee) will vest upon the Company's Montepuez Project achieving sales agreements and a commercial rate of production as agreed by the board.
2. Options to be issued to Cherie Leeden (or her nominee) will vest upon commercial production and sale from the proposed Company owned, US based SPG processing plant.
3. Options to be issued to Paul Glasson (or his nominee) will vest as follows:
 - a) 1,500,000 Incentive Options will vest upon 12 months continuous service after appointment to the Board; and
 - b) 1,500,000 Incentive Options will vest upon 24 months continuous service after appointment to the Board; and

(d) Expiry date

The expiry date of each Option is the date that is five years from date of grant.

(e) Exercise period

An Option may only be exercised after the Options vest and at any time prior to their Expiry Date.

(f) Notice of exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(g) Shares issued on exercise

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

(h) Options not quoted

The Company will not apply to ASX for quotation of the Options.

(i) Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(j) **Timing of issue of Shares**

After an Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts, matters and things to obtain:
 - (A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and
 - (B) receipt of cleared funds equal to the sum payable on the exercise of the Option.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(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) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.

(n) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(o) **Options not transferable**

The Options are not transferable.

(p) **Lodgement instructions**

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

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

HolderNumber

Vote by Proxy

BAT:

Holder Number:

Option A – Please choose to vote online, because:

- ✓ **Save Your Money:** This company you own a part of has to spend thousands of dollars each year in print and postage costs. Online voting will reduce this unnecessary expense.
- ✓ **It's Quick and Secure:** Voting online provides you with greater privacy over your instructions, eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **Receive Vote Confirmation:** Voting online is the only method which provides you with confirmation that your vote has been processed. It also allows you to amend your vote if required.



To Access online voting you can scan the barcode to the right with your tablet or mobile device or you can enter the following link into your browser.
Voting online is quick and easy to do.

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

Option B – Appoint a proxy, by paper:

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at **3.00pm (WST) on Friday 26 May 2017 at 6 Old St, West Perth WA 6005** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

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

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1, 5, 6 and 8. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolutions 1, 5, 6 and 8, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolutions 1, 5, 6 and 8, even if Resolutions 1, 5, 6 and 8, are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

STEP 1: Please appoint a Proxy

STEP 2: Voting Direction

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of grant of Incentive Options to Ms Cherie Leeden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Brett Smith as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Re-election of Mr Paul Glasson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of grant of Adviser Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval of grant of Incentive Options to Mr Paul Glasson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of grant of Incentive Options to Mr David Flanagan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017

Email Address

STEP 3

HOW TO COMPLETE THIS PROXY VOTING FORM

LODGING YOUR PROXY VOTE

This Proxy Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm (WST) on Wednesday, 24 May 2017**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting Forms received after that time will not be valid for the scheduled Meeting.

Proxy Voting Forms can be lodged:



ONLINE

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



Login to the Automic website using the holding details as shown on the Proxy Voting 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 front of the Proxy Voting form.



BY MAIL

Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012



BY HAND

Automic Registry Services
Level 3, 50 Holt Street, Surry Hills NSW 2010



ALL ENQUIRIES TO

Telephone: 1300 288 664 Overseas: + 61 2 9698 5414

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman 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.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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 on 1300 288 664 or you may copy this form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

YOUR NAME AND ADDRESS

This is your name and address 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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be appointed as your proxy by default.