
ELIXIR ENERGY LIMITED

ACN 108 230 995

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at Level 10, 50 Pirie Street, Adelaide, South Australia 5000 on Tuesday 20 August 2019 at 11.00am (ACST)

This Notice of 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) 6001 6938.

ELIXIR ENERGY LIMITED

ACN 108 230 995

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Elixir Energy Limited (**Company**) will be held at Level 10, 50 Pirie Street, Adelaide, South Australia 5000 on Tuesday 20 August 2019 (ACST) at 11.00 am (**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 18 August 2019 at 5.00 pm (ACST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 8.

AGENDA

1. Resolution 1 – Ratification of Placement under Listing Rule 7.1 capacity

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

"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 58,464,484 Shares each at an issue price of \$0.036 to the Placement Participants on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Placement Participants, 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.

2. Resolution 2 – Ratification of Placement under Listing Rule 7.1A capacity

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

"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 38,976,323 Shares each at an issue price of \$0.036 to the Placement Participants on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Placement Participants, 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.

3. Resolution 3 – Authority to issue Listed Options and Performance Rights to Richard Cottee

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 allot and issue:

- (a) 7,500,000 Listed Options;
- (b) 7,500,000 Class C Performance Rights; and
- (c) 7,500,000 Class D Performance Rights,

to Richard Cottee (or his nominees) on the terms and conditions in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf Richard Cottee or his nominees 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.

4. Resolution 4 – Authority to issue Incentive Options to Stephen Kelemen

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 allot and issue 5,000,000 Incentive Options to Stephen Kelemen (or his nominees) on the terms and conditions in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf Stephen Kelemen or his nominees 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 – Authority to issue Listed Options to Joint Lead Managers

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 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 9,744,080 Listed Options to the Joint Lead Managers (or their nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Joint Lead Managers and their nominees, and a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), 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.

6. Resolution 6 – Authority to issue Shares to the Adviser

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 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 5,666,667 Shares to the Adviser (or its nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Adviser and its nominees, and a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), 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.

7. Resolution 7 – Approval of Employee Incentive Securities Plan

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 7.2 Exception 9(b), as an exception to Listing Rule 7.1, and for all other purposes, approval is given for the establishment of the Elixir Energy Ltd Employee Incentive Securities Plan and the issue of Securities (and the issue of Shares on conversion of any Convertible Securities) under the Plan on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who is eligible to participate in the Plan and their nominees, 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 the 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.

19 July 2019

BY ORDER OF THE BOARD



Neil Young
Managing Director

ELIXIR ENERGY LIMITED

ACN 108 230 995

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 Meeting to be held at Level 10, 50 Pirie Street, Adelaide, SA 5000 on Tuesday 20 August 2019 (ACST) at 11.00 am.

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.

3. Resolutions 1 and 2 – Ratification of Placement

3.1 General

On 15 May 2019 the Company announced that it had received commitments for an oversubscribed placement of a total of 97,440,807 Shares (**Placement Shares**) at an issue price of \$0.036 to raise a total of \$3.6 million 036 (**Placement**).

The Placement was completed by the Company on 27 May 2019. The Placement Shares were issued by the Company to the Placement Participants using its annual limit permitted under Listing Rule 7.1 and the additional 10% annual limit approved by Shareholders under Listing Rule 7.1A at the Company's 2018 Annual General Meeting, without the need for Shareholder approval.

The funds raised from the issue of the Placement Shares will be used by the Company to vigorously pursue its seismic and corehole drilling program for 2019 on its Mongolian Nomgon project, meet all Government rents, fees & bonuses required under the Mongolia CBM PSC and provide the Company with additional working capital.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

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 at which the Shareholders approve the 10% placement facility. The 10% placement facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (including the additional 10% capacity under Listing Rule 7.1A), providing that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.4 for the ratification of the issue of 58,464,484 of the Placement Shares which were issued pursuant to the 15% capacity under Listing Rule 7.1. Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.4 for the ratification of the issue of 38,976,323 of the Placement Shares which were issued pursuant to the additional 10% capacity under Listing Rule 7.1A. The effect of Shareholders passing Resolutions 1 and 2 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 and within the additional 10% placement capacity under Listing Rule 7.1A during the balance of the 12 months from the date of the Company's 2018 Annual General Meeting, without the requirement to obtain prior Shareholder approval.

Resolutions 1 and 2 are ordinary resolutions.

3.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the Placement Shares is provided as follows:

- (a) 97,440,807 Shares were issued pursuant to the Placement as follows:
 - (i) 58,464,484 Shares were issued pursuant to the 15% capacity under Listing Rule 7.1. Ratification of the issue of these Shares is being sought pursuant to Resolution 1.
 - (ii) 38,976,323 Shares were issued pursuant to the additional 10% capacity under Listing Rule 7.1A. Ratification of the issue of these Shares is being sought pursuant to Resolution 2.
- (b) The Placement Shares were issued at \$0.036 each.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued to the Placement Participants, none of whom is a related party of the Company.
- (e) The funds raised from the issue of the Placement Shares will be used for the purposes set out in Section 3.1.
- (f) A voting exclusion statement is included in the Notice.

4. Resolutions 3 and 4 – Approval to issue Securities to Directors

4.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to grant the following Securities to Directors:

- (a) 7,500,000 Listed Options, 7,500,000 Class C Performance Rights and 7,500,000 Class D Performance Rights to Richard Cottee (or his nominees); and
- (b) 5,000,000 Incentive Options to Stephen Kelemen (or his nominees).

The above Securities are proposed to be issued to the above Directors for nil cash consideration as incentive based remuneration in connection with their roles as directors of the Company. The Board considers that the incentives provided to Mr Cottee and Mr Kelemen represented by the grant of the above Securities is a cost effective and efficient way for the Company to appropriately incentivise and reward each Director's performance and assist with retaining and motivating the Directors in their current roles, as opposed to alternative forms of incentive such as the payment of cash compensation.

The Listed Options are each exercisable at \$0.0679 on or before 31 December 2020. The Listed Options are otherwise on the terms and conditions set out in Schedule 1. These are the same terms as the Company's existing Listed Options on issue which were issued to eligible shareholders pursuant to the pro-rata non renounceable offer completed on 29 January 2019.

The Incentive Options are each exercisable once vested at \$0.10 on or before the date which is 4 years after the date of grant. The Incentive Options vest upon 12 months continuous service

with the Company by the holder. The Incentive Options are otherwise on the terms and conditions set out in Schedule 2.

The Class C Performance Rights and Class D Performance Rights are convertible into Shares on a one for one basis on the satisfaction of certain performance milestones on or before the relevant expiry dates. Full terms and conditions of the Class C Performance Rights and Class D Performance Rights are set out in Schedule 3.

4.2 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 Securities to each Director pursuant to Resolutions 3 and 4 constitutes giving a financial benefit and Richard Cottee and Stephen Kelemen are each a related party of the Company by virtue of being a Director.

After a review of publicly available information relating to the remuneration structures of ASX listed companies, including those operating in the energy industry, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the above Securities to each of Richard Cottee and Stephen Kelemen because the grant of these Securities is considered reasonable remuneration in the circumstances.

4.3 Listing Rule 10.11

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 Listing Rule 10.12 applies.

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

Approval pursuant to Listing Rule 7.1 is not required for the grant of Securities to Richard Cottee and Stephen Kelemen as approval is being obtained under Listing Rule 10.11. Accordingly, the grant of these Securities will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Resolutions 3 to 4 are ordinary resolutions.

4.4 Specific information required under Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the grant of Securities under Resolutions 3 and 4 is provided as follows:

- (a) The maximum number of Securities the Company will grant to the Directors (or their nominees) is:
 - (i) 7,500,000 Listed Options, 7,500,000 Class C Performance Rights and 7,500,000 Class D Performance Rights to Richard Cottee (or his nominees); and
 - (ii) 5,000,000 Incentive Options to Stephen Kelemen (or his nominees).
- (b) The above Securities will be granted no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) Richard Cottee and Mr Stephen Kelemen are related parties of the Company by virtue of being Directors.
- (d) The Listed Options are each exercisable at \$0.0679 on or before 31 December 2020. Full terms and conditions of the Listed Options are set out in Schedule 1. Shares issued on exercise of the Listed Options will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (e) The Incentive Options are each exercisable once vested at \$0.10 on or before the date which is 4 years after the date of grant. The Incentive Options vest upon 12 months continuous service with the Company by the holder. Full terms and conditions of the Incentive Options are set out in Schedule 2. Shares issued on exercise of the Incentive Options will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The Class C Performance Rights and Class D Performance Rights are convertible into Shares on a one for one basis on the satisfaction of certain performance milestones on or before the relevant expiry dates. Full terms and conditions of the Class C Performance Rights and Class D Performance Rights are set out in Schedule 3. Shares issued on conversion of the Class C Performance Rights and Class D Performance Rights will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (g) The above Securities will be granted for nil consideration as they are being issued as incentive based remuneration. Accordingly, no funds will be raised from the issue of the Director Options.
- (h) A voting exclusion statement is included in the Notice.

5. Resolution 5 – Approval to issue Listed Options to the Joint Lead Managers

5.1 Background

As announced on 15 May 2019 Originate Capital and Nascent Capital Partners were appointed as joint lead managers of the Placement. The Company has agreed to pay the Joint Lead Managers the following fees for acting in this role:

- (a) a 6% capital raising fee on funds raised under the Placement; and

- (b) 9,744,080 Listed Options.

The Listed Options are each exercisable at \$0.0679 on or before 31 December 2020. The Listed Options are otherwise on the terms and conditions set out in Schedule 1.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 9,744,080 Listed Options to the Joint Lead Managers (or their nominees) as part of the fees payable for acting as joint lead managers to the Placement.

A summary of Listing Rule 7.1 is set out in Section 3.1.

The effect of Shareholders passing Resolution 5 will be to allow the Company to issue 9,744,080 Listed Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) without using the Company's 15% annual placement capacity.

Resolution 5 is an ordinary resolution.

5.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3 information regarding the issue of Securities under Resolution 5 is provided as follows.

- (a) The maximum number of Securities to be issued under Resolution 5 is 9,744,080 Listed Options.
- (b) The Listed Options will be issued for nil cash consideration as part of the fees payable to the Joint Lead Managers for acting as joint lead managers of the Placement. Accordingly, no funds will be raised from the issue of the Listed Options.
- (c) The Listed Options are each exercisable at \$0.0679 on or before 31 December 2020. Full terms and conditions of the Listed Options are set out in Schedule 1. Shares issued on exercise of the Listed Options will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (d) The Listed Options will be issued to the Joint Lead Managers (or its nominees) who are not related parties of the Company.
- (e) A voting exclusion statement is included in the Notice.

6. Resolution 6 – Approval to issue Shares to the Adviser

6.1 Background

The Company has appointed Stocks Digital to as its marketing adviser. The Company has agreed, subject to Shareholder approval, to issue the Adviser 5,666,667 Shares lieu of fees payable to the Adviser for providing marketing consultancy services to the Company.

The Shares will be issued at an issue price of \$0.039 each in satisfaction of \$221,000 of fees payable to the Adviser for 10 months of marketing consultancy services which commenced on 5 July 2019. The Shares issued to the Advisor will be subject to voluntary escrow as follows:

- (a) 1,888,889 Shares will be escrowed until 5 October 2019;
- (b) 1,888,889 Shares will be escrowed until 5 January 2019; and

- (c) 1,888,889 Shares will be escrowed to 5 April 2019.

If the 5-day VWAP for the Company's Shares reaches \$0.12, all escrow restrictions on Shares issued to the Adviser will be removed.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 5,666,667 Shares to the Adviser (or its nominees) in lieu of fees payable for providing marketing consultancy services. If Shareholders do not approve Resolution 6 then the Company will be required to pay the Adviser's marketing consultancy fees in cash monthly in arrears.

A summary of Listing Rule 7.1 is set out in Section 3.1.

The effect of Shareholders passing Resolution 7 will be to allow the Company to issue 5,666,667 Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) without using the Company's 15% annual placement capacity.

Resolution 6 is an ordinary resolution.

6.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3 information regarding the issue of Securities under Resolution 6 is provided as follows.

- (a) The maximum number of Securities to be issued under Resolution 6 is 5,666,667 Shares.
- (b) The Shares will be subject to voluntary escrow as follows:
 - (i) 1,888,889 Shares will be escrowed until 1 October 2019;
 - (i) 1,888,889 Shares will be escrowed until 1 January 2019; and
 - (ii) 1,888,889 Shares will be escrowed to 1 April 2019.

If the 5-day VWAP for the Company's Shares reaches \$0.12, all escrow restrictions on Shares issued to the Adviser will be removed.

- (b) The Shares will be issued for nil cash consideration in lieu of fees payable to the Adviser for marketing consultancy services provided to the Company for the 10 month period commencing on 5 July 2019. Accordingly, no funds will be raised from the issue of the Shares.
- (c) The Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on Issue.
- (d) The Shares will be issued to the Adviser (or its nominees) who is not a related party the Company.
- (e) A voting exclusion statement is included in the Notice.

7. Resolution 7 – Approval of Employee Incentive Securities Plan

7.1 General

The Company considers that it is desirable to establish a securities incentive plan pursuant to which the Company can issue Securities to eligible Directors, employees and consultants in order to attract, motivate and retain such persons and to provide them with an incentive to deliver growth and value to all Shareholders.

Accordingly, Resolution 7 seeks Shareholder approval for the adoption of the Elixir Energy Ltd Employee Incentive Securities Plan (**Plan**) in accordance with Listing Rule 7.2 Exception 9(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out in Schedule 4.

In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A summary of Listing Rule 7.1 is provided in Section 3.1. Listing Rule 7.2, Exception 9(b) provides an exception to Listing Rule 7.1 by which equity securities issued under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of equity securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue Securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

No Securities have been issued under the current Plan as it is a new employee incentive plan and has not previously been approved by Shareholders.

Prior Shareholder approval will be required under Listing Rule 10.14 before any Director or related party of the Company can participate in the Plan.

Pursuant to the Listing Rules, Shareholders must re-approve the Plan and all unissued Securities issuable pursuant thereto every 3 years.

Resolution 7 is an ordinary resolution.

8. Definitions

ACST means Australian Central Standard Time, being the time in Adelaide, South Australia.

Adviser means S3 Consortium Pty Ltd (ACN 135 239 968) trading as StocksDigital.

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

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting.

Class C Performance Right means a Performance Right issued on the terms and conditions set out in Schedule 3.

Class D Performance Right means a Performance Right issued on the terms and conditions set out in Schedule 3.

Company means Elixir Energy Limited ACN 108 230 995.

Constitution means the current constitution of the Company.

Convertible Securities means a Security issued under the Plan which is exercisable or convertible into Shares, including an Option or Performance Right.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Eligible Employee means a full time or part time employee of the Company (including a director) or any other person who is declared by the Board to be eligible to receive a grant of Plan Securities under the Plan.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Joint Lead Managers means Originate Capital and Nascent Capital Partners.

Listed Option means an Option on the terms and conditions set out in Schedule 1.

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 to acquire a Share.

Performance Right means a right to acquire a Share on the satisfaction of certain performance milestones and includes a Class C Performance Right and Class D Performance Right.

Placement has the meaning given in Section 3.1.

Placement Participants means various sophisticated, professional or institutional investors who are not a related party of the Company.

Placement Shares has the meaning given in Section 3.1.

Plan has the meaning given in Section 7.1.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Section means a section contained in this Explanatory Memorandum.

Securities means a Share, Option or Performance Right.

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

Shareholder means a shareholder of the Company.

VWAP means volume weighted average price.

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

Schedule 1 - Terms and Conditions of Listed Options

- (a) Each Listed Option entitles the holder to subscribe for one Share upon exercise of the Listed Option.
- (b) The Listed Options have an exercise price of \$0.0679 (**Exercise Price**) and an expiry date of 31 December 2020 (**Expiry Date**).
- (c) The Listed Options are exercisable at any time on or prior to the Expiry Date.
- (d) The Listed Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Listed Option being exercised. Any Notice of Exercise of a Listed Option received by the Company will be deemed to be a notice of the exercise of that Listed Option as at the date of receipt.
- (e) Shares issued on exercise of the Listed Options will rank equally with the then shares of the Company.
- (f) After a Listed Option is validly exercised, the Company must as soon as possible after receipt of the Notice of Exercise and cleared funds equal to the sum payable on the exercise of the Listed Option:
 - (i) issue the Share; and
 - (ii) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 business days after issuing the Shares.
- (g) There are no participation rights or entitlements inherent in the Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options. However, the Company will give holders of the Listed Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (h) 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 a Listed Option will be increased by the number of Shares which the Listed Optionholder would have received if the Listed Optionholder had exercised the Listed Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (i) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of a Listed Option.
- (j) If there is any reconstruction of the issued share capital of the Company, the rights of the Listed Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (k) Application will be made by the Company to ASX for official quotation of the Listed Options. Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Listed Options.
- (l) The Listed Options are transferable.
- (m) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Listed Options with the appropriate remittance should be lodged at the Company's registered address.

Schedule 2 - Terms and Conditions of Incentive Options

- (a) Each Incentive Option entitles the holder to subscribe for one Share upon exercise of the Incentive Option.
- (b) Incentive Options will be issued for no consideration.
- (c) The Incentive Options have an exercise price of \$0.10 (**Exercise Price**) and an expiry date which is the date 4 years after the date of grant of an Incentive Option (**Expiry Date**).
- (d) The Incentive Options vest on the date which is 12 months after the date of grant (**Vesting Date**).
- (e) The Incentive Options will expire on the date which is the first to occur of:
 - (i) the Expiry Date; or
 - (ii) if paragraph (f) applies, the date of termination of the holder's employment with the Company as a director.
- (f) All unvested Incentive Options will expire on termination of the holder's employment with the Company as a director prior to the Vesting Date except where the holder ceases to be employed with the Company prior to the Vesting Date by reason of retirement, permanent disability, redundancy or death, or the Board otherwise determines (in its absolute discretion) that the circumstances of the termination of the employment are such that this paragraph (f) should not apply.
- (g) An Incentive Option may be exercised at any time after the Vesting Date and on or prior to the Expiry Date.
- (h) The Incentive Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Incentive Option being exercised. Any Notice of Exercise of a Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.
- (i) Shares issued on exercise of the Incentive Options will rank equally with the then shares of the Company.
- (j) After a Incentive Option is validly exercised, the Company must as soon as possible after receipt of the Notice of Exercise and cleared funds equal to the sum payable on the exercise of the Incentive Option:
 - (i) issue the Share; and
 - (ii) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 business days after issuing the Shares.
- (k) There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options. However, the Company will give holders of the Incentive Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (l) 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 Incentive Option will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Optionholder had exercised the Incentive Option before the record date for the bonus issue; and

- (ii) no change will be made to the Exercise Price.
- (m) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Incentive Option.
- (n) If there is any reconstruction of the issued share capital of the Company, the rights of the Incentive Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (o) Incentive Options will be unquoted upon grant. No application for quotation of Incentive Options will be made by the Company.
- (p) The Incentive Options are transferable with the prior written consent of the Board and provided that the transfer of Incentive Options complies with the Corporations Act.
- (q) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company's registered address.

Schedule 3 - Terms and Conditions of Performance Rights

For the purpose of these terms and conditions:

ASX means ASX Limited ACN 008 624 691 or, as the context permits, the securities exchange operated by that entity.

Board means the board of directors of the Company.

Change of Control Event means

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the Company that:
 - (i) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement.

Company means Elixir Energy Limited ACN 108 230 995.

Corporations Act means the Corporations Act 2001 (Cth).

GOH means Golden Horde Limited ACN 146 802 002.

Holder means a holder of a Performance Right.

Listing Rules means the Listing Rules of the ASX.

NPRA means the National Petroleum Reserve of Alaska.

Performance Rights means a Class C Performance Right and/or a Class D Performance Right (as applicable).

PSC means the production sharing contract (provisionally named Nomgon IX) that GOH has been awarded by the Mongolian Government.

Share means a fully paid ordinary share in the Company.

1. Conversion and Expiry of Performance Rights

The Performance Rights will be granted in three milestone based classes with the milestones and expiry dates as follows:

Class of Performance Right	Milestone	Expiry Date
Class C Performance Rights	A final investment decision, approved by the Board of the Company and the Mongolian Government, for a pilot production test within the PSC (Milestone C).	The date that is five years from the date of issue of the Class C Performance Rights.
Class D Performance Rights	Drilling and testing of two Coal Bed Methane wells	The date that is 18 months from the date of issue of the

	within the PSC (Milestone D).	Class D Performance Rights.
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- (a) **(Conversion)** On achievement of the relevant Milestone each Performance Right will convert on a one for one basis into a Share.
- (b) **(Expiry)** If a Milestone is not achieved by the relevant Expiry Date, then the Performance Right will lapse.
- (c) **(Conversion procedure)** The Company will issue a Holder with a new holding statement for the Share or Shares as soon as practicable following the conversion of each Performance Right.

2. Takeover provisions

- (a) If the conversion of Performance Rights (or part thereof) under these terms and conditions would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of each Performance Right that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the Corporations Act. Following a deferment under this paragraph, the Company will at all times be required to convert that number of Performance Rights that would not result in a contravention of section 606(1) of the Corporations Act.
- (b) The Holders will give notification to the Company in writing if they consider that the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will assume that the conversion of Performance Rights (or part thereof) under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.
- (c) The Company may (but is not obliged to) by written notice request the Holders to give notification to the Company in writing within seven days if they consider that the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act. If the Holders do not give notification to the Company within seven days that they consider the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act then the Company will assume that the conversion of Performance Rights (or part thereof) under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.

3. Other Rights attaching to Performance Rights

- (a) **(No Voting rights)** A Performance Right does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (b) **(No dividend rights)** A Performance Right does not entitle a Holder to any dividends.
- (c) **(No rights to surplus profits or assets)** A Performance Right does not entitle a Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (d) **(No right to a return of capital)** A Performance Share does not entitle a Holder to a return of capital, whether upon winding up of the Company, upon a reduction of capital or otherwise.
- (e) **(Not transferable)** A Performance Right is not transferable.
- (f) **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation or sub-division, but excluding a return of capital) of the issued capital

of the Company, the rights of a Holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.

- (g) **(Quotation of shares on conversion)** An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Right within the time period required by the Listing Rules.
- (h) **(Participation in entitlements and bonus issues)** A Performance Right does not entitle a Holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (i) **(Change of control)** If there is a Change of Control Event in relation to the Company prior to the conversion of the Performance Rights, all Performance Rights that have not been converted will automatically lapse, unless the Board determines otherwise.
- (j) **(Ceasing to be an employee or consultant)** Where a Holder (or the party that nominated the Holder to receive the Performance Rights) ceases to be employed or engaged by the Company prior to the conversion of the Performance Rights, all Performance Rights that have not been converted will automatically lapse, unless the Board determines otherwise.
- (k) **(No other rights)** A Performance Right does not give a Holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Schedule 4 – Summary of the Elixir Energy Ltd Employee Incentive Securities Plan

Summary of the Plan and terms on which Offers may be made:

1. Eligible Participant

Eligible Participant means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

6. Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

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

8. Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

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

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

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

12. Rights attaching to Plan Shares

All Shares issued or transferred under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

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

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Compliance with applicable law

No Security may be offered, granted, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (i) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or
- (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

- (iii) an offer to a person situated at the time of receipt of the offer outside Australia;
- (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or

(v) an offer made under a disclosure document,

would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

17. Maximum number of Securities

The Company will not make an invitation under the Plan if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan, will exceed 15% of the total number of issued Shares at the date of the invitation.

18. Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

19. Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

20. Income Tax Assessment Act

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

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