
TALGA RESOURCES LTD**ACN 138 405 419****NOTICE OF ANNUAL GENERAL MEETING**

TIME: 10:00am (WST)

DATE: Wednesday, 27 November 2019

PLACE: QV1 Conference Centre
Theatrette Level 2
250 St Georges Terrace
Perth, Western Australia 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Dean Scarparolo on (+61 8) 9481 6667.

CONTENTS PAGE

Business of the Meeting (setting out the proposed resolutions)	4
Explanatory Memorandum (explaining the proposed resolutions)	8
Glossary	25
Schedule 1: Summary of Employee Incentive Scheme	27
Schedule 2: Details of issues of Equity Securities	31
Schedule 3: Terms of Incentive Options	39
Schedule 4: Valuation of Incentive Options	41
Schedule 5: Proposed amendments to the Constitution	42
Proxy Form	Enclosed

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (WST) on Wednesday, 27 November 2019 at:

QV1 Conference Centre
Theatrette Level 2
250 St Georges Terrace
Perth, Western Australia 6000

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00 pm (WST) on Monday, 25 November 2019.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and

- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with Clause 6.14(n) of the Constitution, each proxy may exercise one-half of the votes.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 10:00am (WST) on Wednesday, 27th November 2019 at QV1 Conference Centre, Theatre Level 2, 250 St Georges Terrace, Perth, Western Australia 6000.

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5.00 pm (WST) on Monday, 25 November 2019.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes approval is given for the adoption of the Remuneration Report, as contained in the Company's annual financial report for the financial year ended 30 June 2019."

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

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – OLA MØRKVED RINNAN

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

"That Ola Mørkved Rinnan who retires in accordance with Article 7.4(c) of the Constitution and being eligible, offers himself for election, be elected as a Director."

4. RESOLUTION 3- RE-ELECTION OF DIRECTOR – GRANT MOONEY

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

"That Grant Mooney who retires in accordance with Article 7.4(c) of the Constitution and being eligible, offers himself for election, be elected as a Director."

5. RESOLUTION 4 – ELECTION OF DIRECTOR – ANDREW WILLIS

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

"That for the purposes of Article 7.4(j) of the Constitution, Listing Rule 14.4 and for all other purposes, Andrew Willis, a Director who was appointed on 1 July 2019, retires and being eligible, is elected as a Director."

6. RESOLUTION 5 – RENEWED APPROVAL OF EMPLOYEE SECURITIES INCENTIVE SCHEME

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

"That, for the purposes of ASX Listing Rule 7.2 (Excpetion 9(b)) and for all other purposes, Shareholders approve the existing employee incentive scheme titled "Talga Resources Ltd Employee Securities Incentive Scheme" and for the issue of securities under that scheme, 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 any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any of their respective associates.

However, the Company need 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 Chair 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.

Voting Prohibition

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 this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – 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 of up to 10% of the issued capital of the Company, 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 in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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 Chairperson 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.

8. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS TO DIRECTORS

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

"That, subject to Resolution 5 being passed and pursuant to and in accordance Listing Rule 10.14, sections 208 and 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Options to Directors (or their respective nominees) under the Scheme as follows:

- (a) up to 500,000 Options to Grant Mooney;
- (b) up to 500,000 Options to Ola Mørkved Rinnan;
- (c) up to 500,000 Options to Terry Stinson
- (d) up to 500,000 Options to Stephen Lowe; and
- (e) up to 500,000 Options to Andrew Willis.

on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of any Director who is eligible to participate in any employee incentive scheme of the Company or any of their respective associates.

However, the Company need 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 Chair 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.

Voting Prohibitions

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 these Resolutions if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

9. RESOLUTION 8 – AMENDMENT OF CONSTITUTION

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

"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its Constitution by making the amendment contained in the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from 1 December 2019."

DATED: 14 OCTOBER 2019

BY ORDER OF THE BOARD



**DEAN SCARPAROLO
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00 am (WST) on Wednesday, 27th November 2019 at QV1 Conference Centre, Theatre Level 2, 250 St Georges Terrace, Perth, Western Australia 6000.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum provides the following information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions contained within the Notice of Meeting:

Section 1:	Financial Statements and Reports
Section 2:	Resolution 1 – Adoption of Remuneration Report
Section 3:	Resolution 2 – Re-election of Directors – Ola Mørkved Rinnan and Grant Mooney
Section 4:	Resolution 4 – Election of director – Andrew Willis
Section 5:	Resolution 5 – Approval of Employee Securities Incentive Scheme
Section 6:	Resolution 6 – Approval of 10% Placement Facility
Section 7:	Resolution 7 – Approval to issue Options to Directors
Section 8:	Resolution 8 – Amendment to Constitution

1. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

In accordance with the Constitution and section 317 of the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the Directors' declaration, the Directors' Report, the Remuneration Report and the Auditor's Report.

There is no requirement for Shareholders to approve the Company's annual financial report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Company's annual financial report which is available on its website at www.talgaresources.com or on the ASX platform for "TLG" at www.asx.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

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

- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

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

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

Section 250R of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2019.

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

2.2 Voting consequences

Pursuant to Part 2G.2, Division 9 of the Corporations Act, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the company must convene the general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the Company who were in office when the directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting. If at least 25% of the votes are cast against the Remuneration Report at this Meeting, Shareholders should be aware that if the same occurs at the 2020 annual general meeting, this may result in the re-election of the Board. Chairperson's intentions

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. RESOLUTION 2 AND 3 – RE-ELECTION OF DIRECTORS – OLA MØRKVED RINNAN AND GRANT MOONEY

3.1 General

Article 7.4(c) of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (rounded down to the nearest whole number), but if the Company has less than 3 Directors, one Director must retire at each annual general meeting.

Article 7.4(f) of the Constitution provides that a Director who retires in accordance with Article 7.4(c) is eligible for re-election.

The Company currently has six Directors. Accordingly, two Directors must retire in accordance with Article 7.4(c) of the Constitution. One of these Directors, Mark Thompson, is the Managing Director. Under Article 7.4(a) of the Constitution, the Managing Director is not required to retire by rotation under Article 7.4(c). Article 7.4(e) of the Constitution provides that 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.

Terry Stinson, Ola Mørkved Rinnan and Grant Mooney are the equal longest serving Director without re-election having last been elected by Shareholders at the 2017 annual general meeting. As decided by drawing lots, Mr Rinnan and Mr Mooney will each retire by rotation and, being eligible, will seek re-election at this Meeting.

3.2 Ola Mørkved Rinnan

Ola Mørkved Rinnan is a Non-Executive Director, and was first appointed on 7 August 2017.

Mr Rinnan has extensive commercialisation and leadership experience across the energy, banking and finance sectors and has held numerous board positions for European listed companies and financial institutions including Non-Executive Directorships in Smedvig group (the Company's largest shareholder) companies and DFCU Bank. Formerly the Chairman of Avinor AS, CEO at Eidsiva Energi AS, CEO at Norgeskreditt AS and CFO for Moelven Industrier AS, Mr Rinnan is currently the Chairman of Nordvind DC Sites AS, Hamar Media AS, Espern Eiendom AS and Gravdahl AS. Mr Rinnan holds a Bachelor in Economics and a Masters in Construction and Materials Technology.

Mr Rinnan is not considered an independent Director by virtue of his association with Smedvig, a substantial and the Company's largest Shareholder,.

The Board (excluding Mr Rinnan) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

3.3 Grant Mooney

Grant Mooney is a Non-Executive Director, and was first appointed on 20 February 2014.

Mr Mooney has a background in corporate advisory with extensive experience in equity capital markets, corporate governance and M&A transactions along with a wealth of experience in resources and technology markets. He is a member of the Institute of Chartered Accountants in Australia. Mr Mooney is a Non-Executive Director of several ASX listed companies including wave energy technology developer, Carnegie Clean Energy Limited, and mineral resources companies Barra Resources Limited, Riedel Resources Limited, Accelerate Resources Limited and Gibb River Diamonds Limited.

Mr Mooney is considered to be an independent Director.

The Board (excluding Mr Mooney) recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

4. RESOLUTION 4 – ELECTION OF DIRECTOR – ANDREW WILLIS

Article 7.2(b) of the Constitution allows the Directors to appoint a person to the Board at any time providing that the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Listing Rule 14.4 and Article 7.4(j) of the Constitution require a Director appointed to fill a casual vacancy or as an addition to the Board must hold office (without re-election) past the next annual general meeting of the entity, but is then eligible for election by Shareholders at that meeting.

Andrew Willis is a non-executive Director of the Company and was first appointed on 1 July 2019.

Mr Willis, an experienced finance executive and investment manager, is the Co-Managing Partner of London-based The Pallinghurst Group, a leading strategic investor in the global metals and mining sector with significant development operational and financial expertise in mining.

Mr Willis has 20 years' experience in international finance, structuring and private equity, including roles at European private equity investment manager Candover Investments plc and as Finance Director of Pallinghurst Resources Limited (since renamed Gemfields Group Limited), a leading mining investment company. Mr Willis is an ACCA accountant and he holds an MBA from INSEAD.

The Board considers Mr Willis to be an independent Director.

The Board (excluding Mr Willis) recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available provides in favour of Resolution 4.

5. RESOLUTION 5 – RENEWED APPROVAL OF EMPLOYEE SECURITIES INCENTIVE SCHEME

5.1 General

The Company considers that it is desirable to maintain an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 5 seeks Shareholders' renewed approval for the adoption of the employee incentive scheme titled "Talga Resources Ltd Employee Securities Incentive Scheme" (**Scheme**) in accordance with Listing Rule 7.2 exception 9(b).

A summary of the key terms and conditions of the Scheme is set out in Schedule 1. In addition, a copy of the Scheme is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Scheme 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.

The Board recommends that Shareholders vote in favour of Resolution 5.

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

5.2 Listing Rule 7.1 and Listing Rule 7.2, exception 9(b)

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, exception 9(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities 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 4 is passed, the Company will be able to issue Equity Securities under the Scheme 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.

Since the scheme was last approved by Shareholders on 25 November 2016, 8,800,000 Options have been issued under the terms of the Scheme.

Any future issues of Equity Securities under the Scheme to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their 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. As at 11 October 2019, the Company's market capitalisation is approximately \$120 million.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The 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 6.2(c) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

Resolution 6 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).

The Chairperson intends to exercise all available proxies in favour of Resolution 6.

6.2 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 quoted class of Equity Securities, Shares and Options.

(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:

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

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 Shareholder approval 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 Shareholder approval 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.

(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 5 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 Shareholder approval 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).

6.3 Effect of Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue the 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.

6.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

(a) **Minimum issue price**

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 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 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

If the Equity Securities are issued for non-cash consideration, then, In accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

(b) **Risk of economic and voting dilution**

If this Resolution 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 (in the case of Options, only if the Options are converted into Shares). 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 date the Company agrees to issue the Equity Securities,

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

The below table shows:

- (i) the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities (being variable "A" as calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice);
- (ii) 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
- (iii) 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 7.1A.2*		Dilution		
		\$0.270 50% decrease in Issue Price	\$0.540 Issue Price	\$1.080 100% increase in Issue Price
Current Variable A 222,156,450 Shares	10% Voting Dilution	22,215,645 Shares	22,215,645 Shares	22,215,645 Shares
	Funds raised	\$5,998,224	\$11,996,448	\$23,992,897
50% increase in current Variable A 333,234,675 Shares	10% Voting Dilution	33,323,467 Shares	33,323,467 Shares	33,323,467 Shares
	Funds raised	\$8,997,336	\$17,994,672	\$35,989,345
100% increase in current Variable A 444,312,900 Shares	10% Voting Dilution	44,431,290 Shares	44,431,290 Shares	44,431,290 Shares
	Funds raised	\$11,996,448	\$23,992,897	\$47,985,793

Notes:

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

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
3. 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%.
4. 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.
5. 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.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.540 being the closing price of the Shares on ASX on 11 October 2019, being the last trading day before the date of the Notice.

(c) Final date for issue

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

(d) Purposes of issues under 10% Placement Facility

The Company may seek to issue the Equity Securities for the following purposes:

- (i) cash consideration, in which case the Company intends to use funds raised, towards further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer

validation, exploration, product development and commercialisation activities, payment of suppliers or service providers, and working capital requirements; or

- (ii) non-cash consideration for the acquisition of new resources assets and investments, or services. In such circumstances the Company will provide a valuation of the non-cash consideration as required under Listing Rule 7.1A.3.

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

(e) **Allocation policy**

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 allottees 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 issue or other issue 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 allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

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

(f) **Issues in the past 12 months**

During the 12 months preceding the date of the 2018 Annual General Meeting and as at the date of this Notice, the Company has issued 6,431,603 Equity Securities (being 4,431,603 Shares and 2,000,000 Options) and this represents approximately 2.8% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the 2019 Annual General Meeting are in the table in Schedule 2.

(g) **Voting exclusion statement**

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.

7. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS TO DIRECTORS

7.1 General

The Company is proposing, subject to obtaining Shareholder approval and the renewed adoption of the Scheme (Refer to Resolution 5), to issue up to a total of 2,500,000 unquoted Options (**Incentive Options**) to Ola Mørkved Rinnan, Grant Mooney, Terry Stinson, Stephen Lowe and Andrew Willis (**Related Parties**) or their respective nominees under the Scheme as follows:

Related Party	Incentive Options
Ola Mørkved Rinnan	500,000
Grant Mooney	500,000
Terry Stinson	500,000
Stephen Lowe	500,000
Andrew Willis	500,000
TOTAL	2,500,000

The Incentive Options will be issued under the terms and conditions of the Scheme the terms of which are summarised in Schedule 1, and will have an exercise price of 145% of the Company's Share price as at the date of issue. The Incentive Options will have an expiry date of three years from their date of issue.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the extra time and efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Incentive Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Subject to the adoption of the Scheme (refer to Resolution 5), Resolutions 7(a) to (e) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act for the issue of up to a total of 2,500,000 Incentive Options under the Scheme to Messrs Rinnan, Mooney, Stinson, Lowe and Willis or their respective nominees.

Resolutions 7(a) to (e) are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolution 7(a), (b), (c), (d) and (e), subject to any applicable voting restrictions under section 224 of the Corporations Act.

Resolutions 7(a), (b), (c), (d) and (e) are separate resolutions and they are not conditional on the passing of each other.

Mr Mark Thompson (the remaining director without a personal interest in the outcome of the Resolutions) recommends that Shareholders vote in favour of Resolutions 7(a) to (e) (inclusive).

7.2 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required.

7.3 Specific Information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Incentive Options:

- (a) the Incentive Options will be issued under the Scheme to Messrs Rinnan, Mooney, Stinson, Lowe and Willis (or their respective nominees), each of whom is a Director;
- (b) the maximum number of Incentive Options to be issued to the Related Parties (or their respective nominees) is 2,500,000 in the proportions set out in Section 7.1 above;
- (c) the Incentive Options will have an issue price of nil as they will be issued as part of each Related Party's remuneration package;
- (d) since the Scheme was adopted by Shareholders on 25 November 2016:
 - (i) 4,800,000 Equity Securities have been issued to a person referred to in Listing Rule 10.14, namely:
 - (A) Mr Terry Stinson: 2,000,000 Options exercisable at \$0.60 each on or before 8 February 2020; and
 - (B) Mr Mark Thompson: 1,500,000 Options exercisable at \$1.02 each on or before 10 August 2020, and 1,300,000 Options with an exercise price of nil, subject to certain vesting conditions being satisfied on or before 10 August 2020; and
 - (ii) 4,000,000 Options have been issued to a persons who are not referred to in Listing Rule 10.14,
with all issues of Equity Securities under the Scheme having been at an issue price of nil;
- (e) the persons referred to in Listing Rule 10.14 who are entitled to participate in the Scheme are the current Directors, namely Ola Mørkved Rinnan, Grant Mooney, Andrew Willis, Terry Stinson, Mark Thompson and Stephen Lowe.
- (f) no loan will be provided to the Related Parties in relation to the issue of the Incentive Options;
- (g) the Incentive Options will be issued no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules); and
- (h) a voting exclusion statement is included in the Notice.

7.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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 the Incentive Options constitutes giving a financial benefit and Messrs Mooney, Rinnan, Stinson, Lowe and Willis are related parties of the Company by virtue of being Directors.

Although the Company considers the grant of the Incentive Options to constitute reasonable remuneration in the circumstances, in the interests of good corporate governance the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Incentive Options.

7.5 Information requirements for Chapter 2E of the Corporations Act

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 7(a), (b),(c),(d) or (e).

(a) **Identity of the related parties to whom Resolutions 7(a), (b), (c), (d) and (e) permit financial benefits to be given**

The Incentive Options will be issued to Messrs Mooney, Rinnan, Stinson, Lowe and Willis or their respective nominees.

(b) **Nature of the financial benefit**

Resolutions 7(a), (b) and (c) seek approval from Shareholders to allow the Company to issue the Incentive Options in the amounts specified in Section 7.1 above to the Related Parties or their nominees. The Incentive Options are to be issued in accordance with the Scheme and on the terms and conditions in Schedule 3.

The Shares to be issued upon conversion of the Incentive Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

Using a Black & Scholes valuation model, the Company's valuation of the Incentive Options is in Schedule 4, with a summary for each Director below:

Director	Value of Incentive Options
Grant Mooney	\$99,235
Ola Mørkved Rinnan	\$99,235
Terry Stinson	\$99,235
Stephen Lowe	\$99,235
Andrew Willis	\$99,235
Total	\$496,175

(d) **Dilution**

The issue of the Incentive Options to the Related Parties will have a diluting effect on the percentage interest of existing Shareholders holdings if the Incentive Options are exercised. The potential effect of this dilution is summarised below.

Director	Dilutionary effect
Grant Mooney	0.23%
Ola Mørkved Rinnan	0.23%
Terry Stinson	0.23%
Stephen Lowe	0.23%
Andrew Willis	0.23%
Total	1.15%

The above table assumes the share capital as at the date of this notice of meeting and that no Shares are issued other than Shares issued on exercise of the Incentive Options.

(e) **Remuneration of Directors**

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice are set out below:

Director	Salary and fees (including superannuation)
Grant Mooney	\$60,000
Ola Mørkved Rinnan	\$60,000
Terry Stinson	\$124,000
Stephen Lowe	\$60,000
Andrew Willis	\$60,000

(f) **Existing relevant interests**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Relevant interests in Company Equity Securities	
	Shares	Options
Grant Mooney	Nil	Nil
Ola Mørkved Rinnan	Nil	Nil
Terry Stinson	59,899	2,000,000
Stephen Lowe	810,000	1,000,000
Andrew Willis	Nil	Nil

Assuming that Resolutions 7(a), (b), (c), (d) and (e) are approved by Shareholders, all of the Incentive Options are issued, each Director exercises all of the Incentive Options to be granted to him pursuant to Resolutions 7(a), (b),(c),(d) and (e) respectively and

no other Equity Securities are issued or exercised, the respective interests of the Directors in Shares of the Company would be as follows:

Director	Relevant interest in Shares
Grant Mooney	500,000
Ola Mørkved Rinnan	500,000
Terry Stinson	2,559,899
Stephen Lowe	2,310,000
Andrew Willis	500,000

(g) **Trading history**

The trading history of the Shares on ASX over the 12 months before the date of this Notice is summarised below:

Measure	Price	Date
Highest	\$0.715	30 April 2019
Lowest	\$0.33	23 January 2019
Last	\$0.540	11 October 2019

(h) **Corporate Governance**

The Board acknowledges the grant of the Incentive Options to the non-executive Directors is contrary to Recommendation 8.2 of the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Incentive Options to the non-executive Directors reasonable in the circumstances for the reasons described in Section 7.1.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Incentive Options (including fringe benefits tax).

(j) **Director recommendations**

Messrs Mooney, Lowe, Stinson, Willis and Rinnan decline to make a recommendation to Shareholders in relation to Resolutions 7(a), (b),(c),(d) and (e) due to their interest in the outcome of the Resolutions.

The remaining Director, being Mark Thompson, recommends that Shareholders vote in favour of the Resolutions for the following reasons:

- (i) the grant of the Incentive Options will further align the interests of Messrs Mooney, Rinnan, Stinson, Lowe and Willis with those of Shareholders to increase shareholder value;
 - (ii) the issue of the Incentive Options provides Messrs Mooney, Rinnan, Stinson, Lowe and Willis with further incentives to focus on superior performance in creating shareholder value;
 - (iii) the grant of Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Mooney, Rinnan, Stinson, Lowe and Willis;
 - (iv) if all the Incentive Options are exercised, based on the assumption of an exercise price of \$0.66 (being a 145% premium to the closing Share price on 4 October 2019, the date on which the exercise price was set) the Company will receive \$1,650,000 and
 - (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Options upon the terms proposed.
- (k) **Other information**
The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7(a), (b), (c), (d) and (e).

8. RESOLUTION 8 – AMENDMENT OF CONSTITUTION

8.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 seeks the approval of Shareholders to modify the Company's Constitution.

A copy of the amended constitution is available for review by Shareholders at the office of the Company. A copy of the amended constitution 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.

Resolution 8 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).

8.2 Background

Changes to the Listing Rules are proposed to commence on 1 December 2019 which will require a listed entity's constitution to contain certain provisions regarding Restricted Securities if the entity has any Restricted Securities on issue. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new requirements.

ASX intends to apply a two-tier escrow regime where ASX can require certain more significant holders of Restricted Securities and their controllers to execute a formal escrow agreement in

the form of Appendix 9A of the Listing Rules, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holders of restricted securities and to simply give a notice to the holders of Restricted Securities in the form to be set out in an appendix to the Listing Rules, advising them of those restrictions.

To facilitate the operation of the new two-tier escrow regime, certain changes are required to the customary provisions of constitutions of ASX-listed entities regarding Restricted Securities.

8.3 Proposed amendments

The proposed amendments to the Constitution are set out in Schedule 5.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 6.1.

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

Article means an article of the Constitution.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

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

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chairperson means the person appointed to chair the Meeting.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Talga Resources Ltd (ACN 138 405 419).

Constitution means the Company's constitution.

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

Directors means the current directors 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 Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

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

Incentive Option has the meaning given in Section 7.1.

Key Management Personnel means persons 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.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Memorandum and the Proxy Form.

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

Proxy Form means the proxy form accompanying the Notice.

Related Party has the meaning given in Section 7.1.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

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

Restricted Securities has the meaning given in the Listing Rules.

Schedule means a schedule to the Notice.

Scheme means the Talga Resources Ltd employee securities incentive scheme as summarised in Schedule 1.

Section means a section of the Explanatory Memorandum.

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

Shareholder means a holder of a Share.

Spill Meeting has the meaning given in Section 2.2.

Spill Resolution has the meaning given in Section 2.2.

Trading Day has the meaning given in the Listing Rules.

VWAP means volume weighted average price.

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

SCHEDULE 1- SUMMARY OF EMPLOYEE INCENTIVE SCHEME

The Company has established an employee incentive scheme (**Scheme**). The full terms of the Scheme may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Scheme is set out below.

1. Eligible Participant

Eligible Participant means a person that:

- (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Scheme from time to time.

2. Purpose

The purpose of the Scheme 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. Scheme administration

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

4. Eligibility, invitation and application

- (a) The Board may from time to time determine that an Eligible Participant may participate in the Scheme and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- (b) 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.
- (c) 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 Scheme 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 Scheme.

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. 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 an 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 prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

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 Scheme rules, or such earlier date as set out in the Scheme 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 Scheme 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, or wilfully breached his or her duties to 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 Scheme 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.

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.

12. Rights attaching to Scheme Shares

All Shares issued under the Scheme, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Scheme 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 Scheme Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Scheme Shares. A Participant may exercise any voting rights attaching to Scheme Shares.

13. Disposal restrictions on Scheme Shares

If the invitation provides that any Scheme 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 Scheme Share is subject to any disposal restrictions under the Scheme, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Scheme 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 allotment 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. Amendment of Scheme

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

No amendment to any provision of the Scheme 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.

17. Scheme duration

The Scheme continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Scheme for a fixed period or indefinitely, and may end any suspension. If the Scheme 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.

SCHEDULE 2 – EQUITY SECURITIES ISSUES

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price ¹ (if applicable)	Consideration, current value & use of Funds ² as at the date of this Notice
05/12/18	107,328	Shares	Holders of quoted Options (exercise of quoted securities)	An issue price of \$0.45 per Share, representing no discount to Market Price	<p>Consideration: \$48,298</p> <p>Current value:\$57,957³</p> <p>Amount of cash spent and use of funds \$Nil.</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>
11/12/18	63,643	Shares	Holders of quoted Options (exercise of quoted securities)	An issue price of \$0.45 per Share, representing a discount of 4.4% to Market Price	<p>Consideration: \$28,639.</p> <p>Current value: \$34,367³</p> <p>Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price¹ (if applicable)	Consideration, current value & use of Funds² as at the date of this Notice
18/12/18	10,562	Shares	Holders of quoted Options (exercise of quoted securities)	An issue price of \$0.45 per Share, representing no discount to Market Price	<p>Consideration: \$4,753.</p> <p>Current value: \$5,703³</p> <p>Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>
28/12/18	168,270	Shares	Holders of quoted Options (exercise of quoted securities)	An issue price of \$0.45 per Share, representing no discount to Market Price	<p>Consideration: \$75,722</p> <p>Current value: \$90,866³</p> <p>Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price ¹ (if applicable)	Consideration, current value & use of Funds ² as at the date of this Notice
02/01/19	118,000	Shares	Holders of quoted Options (exercise of quoted securities)	An issue price of \$0.45 per Share, representing no discount to Market Price	<p>Consideration: \$53,100</p> <p>Current value: \$63,720³</p> <p>Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>
12/02/19	2,000,000	Unlisted Options ⁴	Participants of the ESIP	Nil issue price (non-cash consideration)	<p>Consideration: nil</p> <p>Current value: \$407,451⁵</p> <p>Use of funds: The Options were issued for nil cash consideration and therefore no funds were raised as a result of the issue.</p>
21/03/19	30,000	Shares	Holders of unquoted Options (exercise of unquoted securities)	An issue price of \$0.54 per Share, representing a discount of 12% to Market Price	<p>Consideration: \$16,200</p> <p>Current value:\$16,200³</p> <p>Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price¹ (if applicable)	Consideration, current value & use of Funds² as at the date of this Notice
28/03/19	23,800	Shares	Holder of unquoted Options (exercise of unquoted securities)	An issue price of \$0.42 per Share, representing a discount of 54.8% to Market Price	<p>Consideration: \$9,996</p> <p>Current value: \$12,852³</p> <p>Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>
05/04/19	140,000	Shares	Holder of unquoted Options (exercise of unquoted securities)	An issue price of \$0.42 per Share, representing a discount of 50% to Market Price	<p>Consideration: \$58,800</p> <p>Current value: \$75,600³</p> <p>Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price¹ (if applicable)	Consideration, current value & use of Funds² as at the date of this Notice
17/04/19	245,000	Shares	Holders of unquoted Options (exercise of unquoted securities)	An issue price of \$0.42 per Share, representing a discount of 51.2% to Market Price	<p>Consideration: \$102,900 Current value: \$132,300³ Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>
07/05/19	55,000	Shares	Holders of unquoted Options (exercise of unquoted securities)	An issue price of \$0.42 per Share, representing a discount of 47.6% to Market Price	<p>Consideration: \$23,100 Current value: \$29,700³ Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price¹ (if applicable)	Consideration, current value & use of Funds² as at the date of this Notice
04/07/19	500,000	Shares	Holders of unquoted Options (exercise of unquoted securities)	An issue price of \$0.42 per Share, representing a discount of 14.3% to Market Price	<p>Consideration: \$210,000 Current value: \$270,000³ Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>
05/07/19	250,000	Shares	Holders of unquoted Options (exercise of unquoted securities)	An issue price of \$0.35 per Share, representing a discount of 38.6% to Market Price	<p>Consideration: \$87,500 Current value: \$135,000³ Amount of cash spent and use of funds \$Nil</p> <p>Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price ¹ (if applicable)	Consideration, current value & use of Funds ² as at the date of this Notice
08/07/19	500,000	Shares	Holders of unquoted Options (exercise of unquoted securities)	An issue price of \$0.42 per Share, representing a discount of 21.4% to Market Price	Consideration: \$210,000 Current value: \$270,000 ³ Amount of cash spent and use of funds \$Nil Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements
01,08,19	2,150,000	Shares	Holders of unquoted Options (exercise of unquoted securities)	An issue price of \$0.35 per Share, representing a discount of 21.4%% to Market Price	Consideration: \$752,500 Current value: \$1,161,000 ³ Amount of cash spent and use of funds \$Nil Intended use for remaining cash: Further business growth and development including Vittangi Project feasibility studies and battery anode production scale-up for customer validation, exploration, product development and commercialisation activities and working capital requirements

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last Trading Day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Statements of future expenditure intentions in the above table are a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
3. The current value of Shares is based on the closing price of the Shares \$0.540 on ASX on 11 October 2019.
4. Unquoted Options, exercisable at \$0.51 each on or before 10 February 2022.
5. The current value of unquoted Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE 3 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

The following terms and conditions apply to the Incentive Options:

1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

2. Exercise Price and Expiry Date

The Options are exercisable at 145% of the prevailing Share price at their date of issue (**Exercise Price**) on or before the date that is 3 years from date of issue (**Expiry Date**).

3. Exercise period

An Option is exercisable at any time on or before 5:00pm WST on the Expiry Date.

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

4. Notice of Exercise

The Options may be exercised by notice in writing to the Company Secretary of the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised (if any). 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.

5. Shares issued on exercise

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

6. Quotation of Shares on exercise

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

7. Timing of issue of Shares

Within 15 Trading Days after the later of the following:

- (a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (c) issue the Shares pursuant to the exercise of the Options;
- (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (e) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

8. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

9. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities (or a share split or similar recapitalisation) to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

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

10. Adjustment for Share consolidations

If the Company undertakes a consolidation of Shares:

- (a) the number of Shares which must be issued on the exercise of an Option will be reduced by multiplying it by the ratio of the number of Shares in issue immediately after the share consolidation to the number of Shares in issue immediately before the share consolidation; and
- (b) no change will be made to the Exercise Price.

11. Adjustment for entitlements 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.

12. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will be varied in accordance with the Listing Rules.

13. Quotation of the Options

The Options will be unquoted.

14. Lodgement Instructions

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

SCHEDULE 4 – VALUATION OF INCENTIVE OPTIONS

Director	Grant Mooney	Ola Mørkved Rinnan	Terry Stinson	Stephen Lowe	Andrew Willis
Exercise price	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66
Market value on the ASX of underlying Shares at time of setting exercise price (4 October 2019)	\$0.455	\$0.455	\$0.455	\$0.455	\$0.455
Exercise price premium to market value	45%	45%	45%	45%	45%
Expiry date	3 years	3 years	3 years	3 years	3 years
Expected volatility	82%	82%	82%	82%	82%
Risk free interest rate	0.61%	0.61%	0.61%	0.61%	0.61%
Value of each Incentive Options	\$0.198	\$0.198	\$0.198	\$0.198	\$0.198
Aggregate value of Incentive Options	\$99,235	\$99,235	\$99,235	\$99,235	\$99,235

SCHEDULE 5 – PROPOSED AMENDMENTS TO THE CONSTITUTION

Clause	Current provision	Amendment
5.2(b)	Excepted as permitted by the Listing Rules or ASX, a Member must not dispose of restricted securities during the escrow period for those securities.	Delete
5.7(e)	Except as permitted by the Listing Rules or ASX, the Company must refuse to acknowledge a disposal (including registering a transfer) of restricted securities during the escrow period for those securities.	Delete
6.12(h)	A Member who holds restricted securities is not entitled to any voting rights in respect of those restricted securities during: (i) a breach of the Listing Rules relating to those restricted securities; or (ii) a breach of a restriction agreement.	Delete
11.1(f)	A Member who holds restricted securities is not entitled to any Dividends in respect of those restricted securities during: (i) a breach of the Listing Rules relating to those restricted securities; or (ii) a breach of a restriction agreement.	Delete
Schedule 1, paragraph 1	-	<p>Insert new definitions as follows:</p> <p>'Dispose has the meaning given to that term in the Listing Rules and Disposal has the corresponding meaning.'</p> <p>'Restricted Securities has the meaning given to that term in the Listing Rules.'</p> <p>'Restriction Deed means a restriction agreement or deed in a form prescribed by the Listing Rules or otherwise approved by a Stock Exchange.'</p>
Schedule 1, paragraph 6	-	<p>Insert a new paragraph 6 as follows:</p> <p>'Provisions required by ASX Listing Rule 15.12</p> <p><i>While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.</i></p> <p><i>The following provisions apply notwithstanding any other provision of this Constitution and</i></p>

Clause	Current provision	Amendment
		<p>without limiting the obligation to comply with the Listing Rules:</p> <p>(a) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX;</p> <p>(b) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;</p> <p>(c) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer), of Restricted Securities during the escrow period except as permitted by the Listing Rules or the ASX;</p> <p>(d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX; and</p> <p>(e) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.'</p>



My/Our contact details in case of enquiries are:

Name:

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Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

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

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

