

OPTION TERMS & CONDITIONS

AML3D Limited (ASX:AL3) ("**AML3D**" or "**the Company**") advises the terms and conditions of the 15,723,215 unquoted options issued 26 July 2024 under the Company's Listing Rule 7.1 capacity as notified in the separate Appendix 3G – Notification of issue of unquoted equity securities.

This announcement has been authorised for release by the Managing Director, Mr Sean Ebert on behalf of the Board of AML3D Limited.

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About AML3D Limited

AML3D Limited, a publicly listed technology company founded in 2014, utilises new technologies to pioneer and lead metal additive manufacturing globally. Disrupting the traditional manufacturing space, AML3D has developed and patented a Wire Additive Manufacturing (WAM®) process that metal 3D prints commercial, large-scale parts for Aerospace, Defence, Maritime, Manufacturing, Mining and Oil & Gas. AML3D provides parts contract manufacturing from its Technology Centre in Adelaide, Australia, and is the OEM of ARCEMY®, an industrial metal 3D printing system that combines IIoT and Industry 4.0 to enable manufacturers to become globally competitive.

OPTION TERMS

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| Entitlement | <p>(a) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.</p> <p>(b) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.</p> |
| Exercise of Option | <p>(a) The Options are exercisable at any time from the issue date.</p> <p>(b) The Options expire 30 June 2026.</p> <p>(c) The exercise price per option is \$0.10.</p> <p>(d) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry (Exercise Notice). Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.</p> <p>(e) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.</p> <p>(f) Remittances must be made payable to 'AML3D Limited'.</p> <p>(g) All Options will lapse on the earlier of the:</p> <ol style="list-style-type: none"> receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and expiry of the final date and time for exercise of the Option. <p>(h) In the event of liquidation of the Company, all unexercised Options will lapse.</p> |
| Issue of Shares on Exercise | <p>a) Upon receipt of a valid Exercise Notice (accompanied by the applicable Exercise Price monies), the Company must issue the number of Shares equal to the number of Options the subject of valid Exercise Notices.</p> <p>b) If required, the Company will give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and</p> <p>c) If admitted to the official list of ASX at the time, apply for official quotation on ASX of Share issued pursuant to the exercise of the Options.</p> <p>If a notice delivered under b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure than an offer for sale of the Shares does not require disclosure to investors.</p> |
| Constitution | Each Option holder who exercises Options consents to becoming a member of the Company and agrees to be bound by the Constitution of the Company upon the issue of the new Shares. |
| Dividends and voting | <p>(a) The Options do not provide the Option holder any entitlement to dividends or other distributions.</p> <p>(b) The Options do not entitle the Option holder to receive notice of, attend or vote at, any meeting of the Company's Shareholders.</p> |
| Participation in Securities Issues | Subject to paragraph "Participation in a Reorganisation of Capital" below, the holder is not entitled to participate in new issues of securities without exercising the Options. |
| Participation in a Reorganisation of Capital | <p>(a) In the event of any reconstruction or reorganisation (including consolidation, subdivision, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the ASX Listing Rules applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.</p> |

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| | <p>(b) In any reorganisation as referred to in paragraph "Participation in a Reorganisation of Capital" (a), Options will be treated in the following manner:</p> <ul style="list-style-type: none"> (i) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio; (ii) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio; (iii) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share; (iv) in the event of a reduction of the share capital of the Company by a cancellation of paid-up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered; (v) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and (vi) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders. |
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