
ALLIANCE MINERAL ASSETS LIMITED

ACN 147 393 735

(INCORPORATED IN AUSTRALIA ON 6 DECEMBER 2010)

NOTICE OF EXTRAORDINARY GENERAL MEETING

DATED 11 JUNE 2019

Notice is given that the Extraordinary General Meeting will be held at:

TIME: 10.00am (WST and SGT)

DATE: 11 July 2019

PLACE: Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663

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

This Notice of Meeting should be read in its entirety together with the accompanying Explanatory Statement. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers immediately and prior to voting.

The Directors have determined pursuant to the Constitution and Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to attend and vote at the Meeting are those who are registered Shareholders at 5.00pm (WST and SGT) on 9 July 2019 or Depositors who have Shares of the Company entered against their name in the Depository Register held by the CDP as at 10.00am (WST and SGT) on 8 July 2019. A Depositor shall not be entitled to attend and vote at the Extraordinary General Meeting unless they are shown to have Shares of the Company entered against their name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting of the Company, as certified by CDP to the Company.

For Depositors who have sold or transferred all his/her ordinary shares of Alliance through the CDP, he/she need not forward this Notice of Meeting to the purchaser or transferee as CDP will arrange for a separate Notice of Meeting to be sent to the purchaser or transferee.

This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

This document has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).

BUSINESS OF THE MEETING

AGENDA

As Ordinary Business

1. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – GEOFFREY WILLIAM MCNAMARA

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, in accordance with clause 12.4 of the Company’s Constitution, Mr Geoffrey William McNamara is re-elected as a Director of the Company.”

Mr Geoffrey William McNamara will, upon re-election as a Director of the Company, remain as the Independent Non-Executive Chairman of the Company and a member of the Company’s Remuneration and Nomination Committee.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MARK BARLOW TURNER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, in accordance with clause 12.4 of the Company’s Constitution, Mr Mark Barlow Turner is re-elected as a Director of the Company.”

Mr Mark Barlow Turner will, upon re-election as a Director of the Company, remain as the Executive Director of the Company.

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – ROBERT SCOTT VASSIE

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, in accordance with clause 12.4 of the Company’s Constitution, Mr Robert Scott Vassie is re-elected as a Director of the Company.”

Mr Robert Scott Vassie will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company, Chairman of the Company’s Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – WEI (VICKI) XIE

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, in accordance with clause 12.4 of the Company’s Constitution, Ms Wei (Vicki) Xie is re-elected as a Director of the Company.”

Ms Wei Xie, Vicki will, upon re-election as a Director of the Company, remain as a Non-Executive Director of the Company and a member of the Company’s Audit and Risk Committee.

5. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – JOSHUA ONG KIAN GUAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, in accordance with clause 12.4 of the Company’s Constitution, Mr Joshua Ong Kian Guan is re-elected as a Director of the Company.”

Mr Joshua Ong Kian Guan will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company and the Chairman of the Audit and Risk Committee.

6. RESOLUTION 6 – RE-ELECTION OF DIRECTOR – MARK CALDERWOOD

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, in accordance with clause 12.4 of the Company’s Constitution, Mr Mark Calderwood is re-elected as a Director of the Company.”

Mr Mark Calderwood will, upon re-election as a Director of the Company, remain as Managing Director of the Company.

As Special Business

7. RESOLUTION 7 – APPROVAL OF EQUITY INCENTIVE PLAN RULES

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

“That,

(i) for the purposes of ASX Listing Rule 7.2 (Exception (9b)), Catalist Rule 842(3), and for all other purposes, Shareholders approve the adoption of the Company’s Equity Incentive Plan Rules (Incentive Plan Rules), a summary of which is set out in Annexure A to the Notice of Meeting with effect from the date on which Resolution 7 is duly passed, and the issue of securities in accordance with the Incentive Plan Rules, on the terms and conditions set out in the Explanatory Statement; and

(ii) the directors for the time being of the Company are authorised to offer and grant Awards in accordance with the Incentive Plan Rules, and to allot and issue and/or deliver from time to time such number of fully paid Shares on vesting and exercise of Awards as may be required pursuant to the Incentive Plan Rules, subject to the limits set out in the Incentive Plan Rules.”

Voting Exclusion Statement for Resolution 7:

The Company will disregard any votes cast in favour of this Resolution 7 by or on behalf of any Director or employee who is eligible to participate in the issue of Awards under the Incentive Plan Rules, or an associate of any such Director or employee. 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 person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, if a member of the Key Management Personnel or a closely related party of the Key Management Personnel is appointed as a proxy on Resolution 7, that person must not vote (and the Company will disregard any such votes) as a proxy on Resolution 7 if the appointment does not specify the way the proxy is to vote on the resolution, unless the proxy is the Chairman of the Meeting at which Resolution 7 is voted on and the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 7 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – PROPOSED ISSUE OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR | MARK CALDERWOOD

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

“That for the purposes of ASX Listing Rule 10.14, if applicable, Catalist Rule 804, and for all other purposes, Shareholders approve the proposed issue of Performance Rights to the Managing Director, Mr Mark Calderwood on the terms set out in the Explanatory Statement.”

Voting Exclusion Statement for Resolution 8:

The Company will disregard any votes cast in favour of this Resolution 8 by or on behalf of Mr Calderwood, any Director who is eligible to participate in the Incentive Plan Rules or an associate of any such person. 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 person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, if a member of the Key Management Personnel or a closely related party of the Key Management Personnel is appointed as a proxy on Resolution 8, that person must not vote (and the Company will disregard any such votes) as a proxy on Resolution 8 if the appointment does not specify the way the proxy is to vote on the resolution, unless the proxy is the Chairman of the Meeting at which Resolution 8 is voted on and the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 8 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 – PROPOSED ISSUE OF OPTIONS AND PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR | MARK TURNER

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

“That, for the purposes of ASX Listing Rule 10.14, if applicable, Catalist Rules 804 and 824, and for all other purposes, Shareholders approve the proposed issue of Performance Rights and 9,000,000 unlisted Options to Executive Director, Mr Mark Turner, on the terms set out in the Explanatory Statement.”

Voting Exclusion Statement for Resolution 9:

The Company will disregard any votes cast in favour of this Resolution 9 by or on behalf of Mr Turner, any Director who is eligible to participate in the Incentive Plan Rules or an associate of any such person. 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 person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, if a member of the Key Management Personnel or a closely related party of the Key Management Personnel is appointed as a proxy on Resolution 9, that person must not vote (and the Company will disregard any such votes) as a Proxy on Resolution 9 if the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the Meeting at which Resolution 9 is voted on and the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 9 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 10 – APPROVAL OF LEAVING ENTITLEMENTS

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

“That, for the purposes of ASX Listing Rule 10.19 and sections 200B and 200E of the Corporations Act, and for all other purposes, for a period until the Company’s 2022 AGM, Shareholders approve the giving of benefits to any current or future holder of a managerial or executive office in the Company or in a related body corporate in connection with that person ceasing to hold that office as set out in the Explanatory Statement.”

Voting Exclusion Statement for Resolution 10:

If any Shareholder is a current or potential employee or Director of the Company or a related body corporate of the Company, then that Shareholder (and their associates) should not vote on Resolution 10 if they wish to preserve their ability to receive benefits under this approval.

The Company will disregard any votes cast in favour of this Resolution 10 by or on behalf of any officer of the Company or any of its child entities who is entitled to participate in a termination benefit, or an associate of such officer. 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 person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, if a member of the Key Management Personnel or a closely related party of the Key Management Personnel is appointed as a proxy on Resolution 10, that person must not vote (and the Company will disregard any such votes) as a Proxy on Resolution 10 if the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the Meeting at which Resolution 10 is voted on and the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 10 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 11 – CHANGE OF COMPANY NAME

To consider and if thought fit, to pass the following resolution as a **special resolution**:

“That, pursuant to and in accordance with section 157(1)(a) of the Corporations Act and for all other purposes, Shareholders approve the change of the Company’s name to Alita Resources Limited with effect from the date that ASIC alters the details of the Company’s registration.”

12. RESOLUTION 12 – APPROVAL OF ISSUE OF CONDITIONAL PLACEMENT SHARES

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1, Catalyst Rules 805(1) and 812(2), and for all other purposes, Shareholders approve the issue and allotment of 50,000,000 ordinary shares to Weier Antriebe und Energietechnik GmbH, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement for Resolution 12:

The Company will disregard any votes cast in favour of this Resolution 12 by or on behalf of Weier Antriebe und Energietechnik GmbH, or an associate of such person. 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 person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

13. RESOLUTION 13 – RATIFICATION OF ISSUE OF INSTITUTIONAL PLACEMENT SHARES

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue and allotment of 112,500,000 ordinary shares to Galaxy Resources Limited, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement for Resolution 13:

The Company will disregard any votes cast in favour of this Resolution 13 by or on behalf of Galaxy Resources Limited, or an associate of such person. 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 person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated: 11 June 2019
By order of the Board



Alexei Fedotov
Company Secretary

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am (WST and SGT) on 11 July 2019 at Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663.

Voting in person

To vote in person, attend the Meeting at the time, date and 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 relevant Proxy Form.

Proxy Forms must be received by no later than 10.00am (WST and SGT) on 9 July 2019. Proxy Forms received after this time will not be effective.

In accordance with section 249L of the Corporations Act and the Constitution, Shareholders are advised that:

- each Shareholder (including each Depositor who has Shares of the Company entered against their name in the Depository Register held by the CDP) has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder 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 section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

A "Relevant Intermediary" may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). A Relevant Intermediary is:

- a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provisions of nominee services and who holds shares in that capacity;
- a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board hold those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Where the name of the proxy is not specified, the Chair will be appointed as the Shareholder's proxy.

A Shareholder may direct their proxy how to vote by marking the relevant box next to each Resolution in the Proxy Form (that is, 'for', 'against' or 'abstain'). Shareholders are encouraged to direct their proxy how to vote. If a Shareholder does not mark a voting box in respect of a Resolution, their proxy can vote or abstain as they choose, subject to any voting exclusions that apply to the proxy.

Depositors shall use the Proxy Form entitled "Extraordinary General Meeting – Depositor Proxy Form".

Jointly held shares

Where Shares are held jointly and more than one joint holder votes (either personally or by proxy, attorney or representative) in respect of a Resolution, the vote of the holder named first in the Register of Members will be accepted to the exclusion of the votes of other joint holders.

Appointing an attorney

A Shareholder may appoint an attorney to act on their behalf at the Meeting. If you wish to appoint an attorney, such appointment must be made by a duly executed power of attorney. If the power of attorney has not previously been provided to the Company or its Share Registry, a copy must be provided before the Meeting. Please refer to the Proxy Form for the Share Registry contact details.

Body corporates

Where a Shareholder is a body corporate or a body corporate is appointed as proxy, the body corporate will need to ensure that:

- it appoints an individual as its corporate representative in accordance with section 250D of the Corporations Act to exercise its powers at the Meeting. A “Certificate of Appointment of Corporate Representative” signed in accordance with section 127 of the Corporations Act or by a duly appointed attorney can be used for this purpose. A copy of the certificate is available from the Share Registry; and
- the instrument appointing the corporate representative must be provided to the Company or its Share Registry, before the Meeting.

Please refer to the Proxy Form for the Share Registry contact details.

Proxy voting by members of the Key Management Personnel

If you appoint a member of the Key Management Personnel or one of their closely related parties as your proxy, they will not be able to cast your votes on Resolutions 7-10, unless you direct them how to vote, or the Chair is your proxy.

If you appoint the Chairman of the Meeting as your proxy, or the Chairman of the Meeting becomes your proxy by default, and you do not mark a voting box for Resolutions 7- 10, then by completing and returning the Proxy Form you will be expressly authorising the Chairman of the Meeting to vote in respect of Resolutions 7-10 even though they are connected with the remuneration of the Company’s Key Management Personnel. The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 7-10.

Enquiries

Shareholders may contact the Company Secretary at +61 8 9489 2600 if they have any queries in respect of the matters set out in these documents.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Shareholder:

- consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”);
- warrants that where the Shareholder discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

EXPLANATORY STATEMENT

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

1. RESOLUTIONS 1, 2, 3, 4, 5 AND 6 – RE-ELECTION OF DIRECTORS

1.1 General

On 5 April 2018, the Company announced a merger of equals with Tawana Resources NL (**Tawana**), proposed to be implemented by way of a Tawana scheme of arrangement under the Corporations Act (**Scheme**), pursuant to which the Company acquired all of the issued shares of Tawana for consideration of 1.10 Alliance Shares per Tawana share (**Merger**).

The Scheme was implemented on 14 December 2018 (**Implementation Date**).

On the Implementation Date, Pauline Therese Gately, Shaun Menezes, Mahtani Bhagwandas and Chan Hung Chiu Eddy each resigned as Directors of the Company with immediate effect. Joshua Ong Kian Guan remained as a Director of the Company.

Mark Barlow Turner, Mark Calderwood, Robert Scott Vassie, Wei (Vicki) Xie, Geoffrey William McNamara and Chan Ming Fai (Arnold) were appointed as Directors of the Company on the Implementation Date to fill casual vacancies and as additional Directors in accordance with the Constitution and as contemplated in the Scheme Implementation Agreement between the Company and Tawana.

The Company's continuing SGX-ST sponsor, PrimePartners Corporate Finance Pte. Ltd., requested that as a good corporate governance practice, the aforesaid Directors of the Company who were appointed to the Board as part of the Merger and Joshua Ong, resign and are re-elected by Shareholders of the Company at the next general meeting following the Implementation Date. Accordingly, Messers Calderwood, Turner, Vassie, McNamara and Ong and Ms Xie, resign with effect from the end of Meeting and, being eligible, are proposed for re-election. Mr Chan will resign at the conclusion of the Meeting, however, he will not seek re-election in order to devote more time to his personal business commitments.

1.2 Resolution 1 – Re-Election of Geoffrey William McNamara

Mr McNamara is currently the Independent Non-Executive Chairman and member of the Remuneration and Nomination Committee. He was appointed as an Independent Non-Executive Director on 14 December 2018, upon implementation of the Merger.

The Board considers Mr McNamara an independent Director. There are no relationships (including family relationships) between Mr McNamara and the other Directors, the Company, its related corporations and its substantial Shareholders or its officers.

If re-elected, Mr McNamara will remain as the Independent Non-Executive Chairman and a member of the Company's Remuneration and Nomination Committee.

(a) *Qualifications and other material directorships*

Mr McNamara has over 25 years of resource sector experience as a geologist, project manager, corporate financier and fund manager.

Mr McNamara is a partner at Medea Natural Resources, Non-Executive Chairman of AIM listed Cora Gold Limited and Non-Executive Chairman of Tesoro Resources Limited (public unlisted company). He is also a Non-Executive Director of the Singapore Mining Club.

Previously he was an owner and Investment Director of Pacific Road Capital, a private equity manager, investing in the global mining industry. Prior to that he was a Director of Société General's Mining Finance group in New York. His operational roles include project manager, senior mine geologist and mine geologist for Ivanhoe Mines, Lion Ore International and Western Mining Corporation.

(b) *Board recommendation*

The Board (with Mr McNamara abstaining) supports the re-election of Mr McNamara and recommends that Shareholders vote in favour of Resolution 1.

(c) *Catalist Rules Appendix 7F information*

As at the date of this Notice of Meeting there are no material changes to the information required under Appendix 7F of the Catalist Rules from the disclosures in the appointment announcement of Mr McNamara dated 17 December 2018, other than that he has been re-designated as Independent Non-Executive Chairman and changes to committee membership as announced on 18 December 2018.

1.3 Resolution 2 – Re-Election of Mark Barlow Turner

Mr Turner was appointed to the Board as Independent Non-Executive Chairman of the Board on 14 December 2018 upon implementation of the Merger. On 17 December 2018, Mr Turner was appointed as, and is currently, Executive Director – Operations of the Company.

If re-elected, Mr Turner will remain as the Executive Director – Operations of the Company.

If Mr Turner is not re-elected, in accordance with the Company's Constitution, his executive services agreement with the Company will cease. If this occurs, the Company intends to appoint Mr Turner as Chief Operating Officer on the same terms and conditions of employment and recognise his continuity of service. Mr Turner indicated that he intends to accept such appointment.

Mr Turner is not an independent Director due to his executive role with the Company.

(a) *Qualifications and other material directorships*

Mr Turner is a Mining Engineer with more than 30 years of experience in the resources sector. He has been responsible for the start-up and operation of mines in Australia, Africa and Asia. He was previously General Manager Operations of Resolute Mining Ltd, one of Australia's largest gold producers and Chief Operating Officer of CGA Mining, before its takeover by B2 Gold for C\$1.1 billion in 2013. Mr Turner held the position of COO of RTG Mining Inc from February 2013 to December 2018 and joined the board of Tawana in August 2017. Mr Turner is also a Non-Executive Director of a public unlisted company Cowan Lithium Limited, in which the Company has a 15% interest.

(b) *Board recommendation*

The Board (with Mr Turner abstaining) supports the re-election of Mr Turner and recommends that Shareholders vote in favour of Resolution 2.

(c) *Catalist Rules Appendix 7F information*

As at the date of this Notice of Meeting there are no material changes to the information required under Appendix 7F of the Catalist Rules from the disclosures in the appointment announcement of Mr Turner dated 17 December 2018, other than his appointment as Executive Director – Operations of the Company as announced on 18 December 2018.

1.4 Resolution 3 – Re-Election of Robert Scott Vassie

Mr Vassie was appointed to the Board of the Company as Independent Non-Executive Director on 14 December 2018 upon implementation of the Merger.

Mr Vassie is Chairman of the Company's Remuneration and Nomination Committee and a member of the Audit and Risk Committee. If re-elected, he will maintain these Committee roles.

The Board considers Mr Vassie to be independent, including for the purposes of Catalist Rule 704(7). There are no relationships (including family relationships) between Mr Vassie and the other Directors, the Company, its related corporations and its substantial Shareholders or its officers.

(a) *Qualifications and other material directorships*

Mr Vassie is a Mining Engineer with 33 years international mining industry experience and 18 years of experience in a range of senior management roles with Rio Tinto. He has particular experience in operations management, resource development strategy, mine planning, feasibility studies, business improvement, corporate restructuring and strategic procurement.

Mr Vassie has been Managing Director of ASX listed St Barbara Limited since July 2014 and is a Board Member of the Minerals Council of Australia. Mr Vassie joined the board of Tawana in August 2017.

(b) *Board recommendation*

The Board (with Mr Vassie abstaining) supports the re-election of Mr Vassie and recommends that Shareholders vote in favour of Resolution 3.

(c) *Catalist Rules Appendix 7F information*

As at the date of this Notice of Meeting there are no material changes to the information required under Appendix 7F of the Catalist Rules from the disclosures in the appointment announcement of Mr Vassie dated 17 December 2018, other than his redesignation as Chairman of the Company's Remuneration and Nomination Committee and a member of the Audit and Risk Committee as announced on 18 December 2018.

1.5 **Resolution 4 – Re-Election of Wei (Vicki) Xie**

Ms Xie was appointed to the Board of the Company as a Non-Executive Director on 14 December 2018 upon implementation of the Merger. She is a member of the Company's Audit and Risk Committee.

Ms Xie is a representative of Weier Antriebe und Energietechnik GmbH (**Weier**) - a substantial Shareholder of the Company. Weier is a wholly owned subsidiary of Jiangxi Special Electric Motor Co., Ltd (**Jiangte**). Jiangte has an indirect 50% interest in a major offtake agreement with the Company, and is party to a non-binding memorandum of understanding with the Company with respect to a lithium hydroxide production joint venture. The Board considers (including for the purposes of Catalist Rule 704(7)) that Ms Xie is not an independent Director, in accordance with the Company's Board Charter due to her appointment to the Board of the Company as a nominee of Weier.

If re-elected, Ms Xie will remain as a Non-Executive Director and a member of the Company's Audit and Risk Committee.

(a) *Qualifications and other material directorships*

Ms Xie is an accountant with over 16 years of experience in accounting and finance, as well as in fund raising, acquisition and private equity investment. Ms Xie has held Chief Financial Officer, accounting and Company Secretary roles in both China and Australia.

Ms Xie does not hold other directorships in listed companies.

(b) *Board recommendation*

The Board (with Ms Xie abstaining) supports the re-election of Ms Xie and recommends that Shareholders vote in favour of Resolution 4.

(c) *Catalist Rules Appendix 7F information*

As at the date of this Notice of Meeting there are no material changes to the information required under Appendix 7F of the Catalist Rules from the disclosures in the appointment announcement of Ms Xie dated 17 December 2018, other than her appointment as member of the Audit and Risk Committee as announced on 18 December 2018.

1.6 Resolution 5 – Re-Election of Joshua Ong

Mr Ong was appointed to the Board of the Company on 20 June 2014 as an Independent Non-Executive Director and was last re-elected by Shareholders on 30 October 2017. Mr Ong is the Chairman of the Audit and Risk Committee.

The Board considers Mr Ong an independent Director, including for the purposes of Catalist Rule 704(7). There are no relationships (including family relationships) between Mr Ong and the other Directors, the Company, its related corporations and its substantial Shareholders or its officers.

If re-elected, Mr Ong will remain as an Independent Non-Executive Director and the Chairman of the Audit and Risk Committee.

(a) *Qualifications and other material directorships*

Mr Ong is a public accountant and has been an audit partner with Baker Tilly TFW LLP since 2005, where he is currently the head of its Assurance and Capital Markets practices. He is currently also an independent director of China XLX Fertilisers Ltd, IAG Holdings Limited and RMH Holdings Limited, which are listed on the Hong Kong Stock Exchange.

Mr Ong is a fellow of the Institute of Singapore Chartered Accountants. He has also previously served as a member of the Investigation and Disciplinary Panel and the Auditing and Assurance committee of Institute of Singapore Chartered Accountants.

(b) *Board recommendation*

The Board (with Mr Ong abstaining) supports the re-election of Mr Ong and recommends that Shareholders vote in favour of Resolution 5.

(c) *Catalist Rules Appendix 7F information*

In addition to the information in this section 1.6, the following information is provided in relation to Mr Ong for the purposes of Catalist Rules Appendix 7F:

- Mr Ong is 51 years old and is resident in Singapore.
- Mr Ong holds 250,000 Shares in the Company. He does not hold any other securities in the Company or its subsidiaries.
- Mr Ong obtained a Bachelor of Accountancy from Nanyang Technological University in 1992.
- Mr Ong has not declared any conflict of interest with the Company.
- The undertaking (in the format set out in Appendix 7H) under Catalist Rule 720(1) has been provided to the Company.
- In the past 5 years, Mr Ong has also served as the independent director of Weiye Holdings Limited (listed on SGX and HKSE), Serrano Limited (listed on SGX), China Haida Ltd (listed on SGX), China Animal Healthcare Ltd (listed on SGX and HKSE).
- Mr Ong confirms that the answer to all of the questions (a) to (k) in Appendix 7F of the Catalist Rules relating to his appointment as director are in the negative and there are no additional details that are required to be disclosed.

1.7 Resolution 6 – Re-Election of Mark Calderwood

Mr Calderwood was appointed as Managing Director of the Company on 14 December 2018 upon implementation of the Merger.

If re-elected, Mr Calderwood will remain as Managing Director.

If Mr Calderwood is not re-elected, in accordance with the Company's Constitution, his executive services agreement with the Company will cease. If this occurs, the Company intends to appoint Mr Calderwood as Chief Executive Officer on the same terms and conditions of employment and recognise his continuity of service. Mr Calderwood indicated that he intends to accept such appointment.

Mr Calderwood is not an independent Director due to his executive role in the Company.

(a) *Qualifications and other material directorships*

Mr Calderwood has extensive experience in mineral exploration (including over 7 years in pegmatite minerals) and production management. Mr Calderwood retired as managing director of Perseus Mining Limited in January 2013 and was instrumental in its transition from an explorer to producer and in a period which saw the junior explorer mature to an ASX100 company. He is also an authority on pegmatites and is a co-author of the publication "A Guidebook to the Pegmatites of Western Australia".

Mr Calderwood was the Chief Executive Officer of Tawana from 11 July 2016 and Managing Director of Tawana from 21 October 2016. Mr Calderwood holds the office of Non-Executive Director in ASX listed Manas Resources Ltd and is a Non-Executive Chairman of a public unlisted company Cowan Lithium Limited, in which the Company has a 15% interest.

(b) *Board recommendation*

The Board (with Mr Calderwood abstaining) supports the re-election of Mr Calderwood and recommends that Shareholders vote in favour of Resolution 6.

(c) *Catalist Rules Appendix 7F information*

As at the date of this Notice of Extraordinary General Meeting there are no material changes to the information required under Appendix 7F of the Catalist Rules from the disclosures in the appointment announcement of Mr Calderwood dated 17 December 2018.

2. **RESOLUTION 7 – APPROVAL OF THE ADOPTION OF THE EQUITY INCENTIVE PLAN RULES**

2.1 **General**

Resolution 7 seeks Shareholder approval for the adoption of the Company's Equity Incentive Plan Rules (**Incentive Plan Rules**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)) and Catalist Rule 842(3), and the issue of Awards to Eligible Participants under the Incentive Plan Rules.

The Incentive Plan Rules are part of the Company's remuneration strategy intended to support the delivery of long-term Shareholder value. The objective of the Incentive Plan Rules is to assist the Company in attracting, motivating and retaining executives and other key employees. It is considered by the Company that the adoption of the Incentive Plan Rules and the future issue of Awards under the Incentive Plan Rules will provide selected Eligible Participants with the opportunity to participate in the future growth of the Company in a way which aligns their interests with the interests of the Shareholders.

The Incentive Plan Rules set out the terms and conditions pursuant to which the Awards will be granted by the Company. Each individual grant of Awards, including vesting conditions, exercise conditions and values of Awards, will be at the discretion of the Board from time to time in accordance with the then current remuneration strategy of the Company details of which will be set out in the Company's annual report. The Board may engage remuneration consultants to assist with developing and updating the strategy and will have reference to the market conditions in determining the parameters of the Awards, including the performance targets.

As the Directors are eligible to participate pursuant to the Incentive Plan Rules, they make no recommendation on this Resolution 7.

A voting exclusion applies to this Resolution 7, which is set out in the Notice of Meeting under Resolution 7.

2.2 ASX Listing Rules

ASX Listing Rule 7.1 provides that a listed company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 months period than an amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 months period. An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9(b)) which provides that an issue of equity securities under an employee incentive plan is exempt from any such calculation if, within three years before the issue date, the shareholders of the company have approved the issue of those securities under the Incentive Plan Rules as an exception to ASX Listing Rule 7.1.

The effect of passing this resolution will provide the Company with an opportunity to incentivise Eligible Participants without affecting its capacity to issue equity securities under ASX Listing Rule 7.1, because the securities issued in accordance with the Incentive Plan Rules during the three years following the date of the Meeting, will not be taken into account in calculating the Company's 15% capacity under ASX Listing Rule 7.1.

Any future issues of securities under the Incentive Plan Rules to a director or associate of a director of the Company will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

For the purposes of ASX Listing Rule 7.2 (Exception 9(b)) the following information is provided in relation to the Incentive Plan Rules:

- a summary of the terms of the Incentive Plan Rules is set out in Annexure A; and
- no equity securities have yet been issued under the Incentive Plan Rules since it was adopted by the Board. 1,858,115 Options were issued pursuant to the Company's ESOS on 18 April 2019 as announced by the Company on ASX and SGX on 8 April 2019.

2.3 Catalyst Rules

For the purposes of the Catalyst Rules the following information is disclosed in addition to the information set out in section 2.1 and the summary of the principal terms of the Incentive Plan Rules in Annexure A.

From time to time the Board will determine the monetary value of Awards to be granted to Eligible Participants and the type of Awards (i.e Performance Rights or Options - refer to Annexure A for a description of each type of Award). The number of Awards to be granted will be determined by dividing the total value of the Award by the value of the Performance Right or the Option (as the case may be), being, in case of a Performance Right, the market price of the Shares at the time of grant, and, in case of an Option, the value of the Option determined using the customary option valuation methodology. The exercise price for the Options will be determined by the Board at the time of the grant. The exercise price may be below the current market price of the Shares, and could be zero. An Option with an exercise price of zero (**ZEPO**) is valued at the market price of the Shares at the time of grant. Therefore, a ZEPO has the same economic effect for the participants as a Performance Right. ZEPOs and Performance Rights are common types of incentive Award in the Australian market where all of the Company's employees are currently employed. Therefore, granting ZEPOs or Performance Rights provides the Company with flexibility to adopt the appropriate market practice at the time of the grant to achieve the objectives of the Incentive Plan Rules. It is anticipated that Options with a discounted exercise price (other than ZEPOs) may only be granted in exceptional circumstances instead of the Performance Rights or ZEPOs, where the Board considers that it is warranted to achieve the purposes of the Incentive Plan Rules. Situations where Options with a discounted exercise price (other than ZEPOs) may be granted include:

- where an exercise price may be agreed or set prior to the issue/grant, but as a result of share price appreciation prior to the issue/grant, the exercise price ends up being at a discount to the share price at the time of the issue/grant;
- to reduce the dilutive effect at the time of the grant, as Options with a discounted exercise price generally have higher valuations than Options with the exercise price set at market price or a premium, and, therefore, a smaller number of such discounted exercise price Options has to be issued for any given total value of Awards¹; or

¹ The number of Options to be granted is derived by dividing the total value of an Award (as determined by the Board) by the valuation of an Option (using the customary option valuation methodology) at the time of grant.

- other types of Options not providing a meaningful incentive due to market conditions or current share prices, which are not reflective of the longer term trends or do not correlate to the participant's relevant incentive period.

Options with a discounted exercise price (including ZEPOs) have a 2-year restriction period from grant during which they cannot be exercised, which rule reinforces the long term nature of the options as Awards by preventing an employee from immediately exercising the discounted exercise price Option and realising the discount by selling the resulting Shares. Other Options may be exercisable after 1-year from the date of grant. Regardless of the type of Award, the objectives of the Incentive Plan Rules and the Company's interests are further protected through the appropriate vesting conditions (usually longer term) that may be imposed on the Awards by the Board.

Subject to any other restrictions that may apply under the applicable securities laws, the aggregate number of Shares in respect of which Awards may be issued or transferred pursuant to the Incentive Plan Rules or any other equity incentive plan, including the ESOS, on any date, when aggregated with the number of Shares over which Awards have been issued in the past 3 years, shall not exceed 15% of the total number of issued Shares of the Company on that date. This proposed size allows the Board adequate flexibility in structuring of incentive packages and is considered sufficient to provide meaningful incentive rewards to Eligible Participants. There is no maximum Awards specified for different classes or categories of Eligible Participants or for any one Eligible Participant, subject to the above and the limits that may be applicable under the ASX Listing Rules or the Catalist Rules.

Non-Executive Directors as well as Executive Directors are Eligible Participants under the Incentive Plan Rules. Subject to any further Shareholder approvals that may be required, the Board may grant Awards to Non-Executive Directors to recognise their services and contributions to the Company and its subsidiaries as it may not be always possible to fully or appropriately compensate by cash payment or directors' fees and to attract and retain experienced and qualified persons from different professional backgrounds to contribute their experience and expertise to the Company and its subsidiaries.

The value of Awards will be recognised as an expense to the Company. These non-cash expenses form part of the Company's remuneration costs that would have otherwise been paid in cash. Issue of equity based Awards enables the Company to conserve its cash whilst providing market competitive remuneration to its employees and encouraging retention. The market price for Shares during the term of the Awards would normally determine whether or not the Awards are exercised. If, at any time, any of the Awards are exercised and the Share price is higher than the exercise price of the Award or the value at grant, there may be a perceived cost to the Company at the time.

1,858,115 Options (exercise price A\$0.18; expiry date 5 April 2022, being 3 years from the date of grant of 5 April 2019) exercisable into 1,858,115 Shares were granted to 5 participants pursuant to the Company's ESOS as announced by the Company on ASX and SGX on 8 April 2019. No Options were issued under the ESOS to Directors, controlling Shareholders of the Company and their associates.

The Company's existing Employee Share Option Scheme as adopted on 16 June 2014 (**ESOS**) and any Options issued under it are not affected by the adoption of the Incentive Plan Rules. The ESOS and the Incentive Plan Rules have the same objectives, however, the Incentive Plan Rules have been prepared taking into account the Company's recent admission to the ASX, current Australian laws and regulations and current market practice. As such, it is a more up-to-date plan that better serves the Company's objectives and primary dual-listed status.

A listing application will be made by the Sponsor to the SGX-ST, on behalf of the Company, for the listing of and quotation for the new Shares to be allotted and issued upon the exercise of the Options granted and the vesting of the Performance Rights under the Incentive Plan Rules on the Catalist Board. An announcement of the receipt of the listing and quotation notice in relation to the new Shares (including the conditions that may be required to be fulfilled) will be made in due course when the listing and quotation notice is obtained.

A copy of the terms of the Incentive Plan Rules will be available for inspection at the Company's registered office at least 14 days prior to the date of the Meeting.

3. RESOLUTION 8 – PROPOSED ISSUE OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR | MARK CALDERWOOD

3.1 General

The Company proposes to issue Performance Rights to the Company's Managing Director, Mr Mark Calderwood in accordance with the terms and conditions set out in this Explanatory Memorandum (**MD Awards**).

The issue of the MD Awards will be pursuant to the Incentive Plan Rules and forms part of the Company's long-term incentive plan (**LTIP**), which has been adopted by the Board to provide the Company's executives with long term incentives (**LTIs**) which create a demonstrable link between the delivery of value to Shareholders, financial performance and the reward and retention of executives.

MD Awards represent a proportion of Mr Calderwood's total remuneration that is 'at-risk' and is to be paid only if certain performance criteria are met and the Company considers these awards are appropriate in all the circumstances.

Performance under MD Awards will be measured over a two-year period against a metric linked to total shareholder returns (explained in more detail below). This will ensure that the MD Awards are reflective of the Company's performance over a prolonged time frame.

The Directors (other than Mr Calderwood who has a material personal interest in Resolution 8) consider that the grant of the MD Awards is reasonable remuneration in the circumstances. In reaching this view, the Board (other than Mr Calderwood) has considered the overall remuneration package of Mr Calderwood having regard to his position in the Company, the duties and responsibilities of his position, and market levels of remuneration for Managing Directors in similar companies.

The Directors (excluding Mr Calderwood) recommend that Shareholders vote in favour of Resolution 8 for the reasons outlined above.

A voting exclusion applies to this Resolution, which is set out in the Notice of Meeting under Resolution 8.

3.2 Terms of the MD Awards

Each MD Award is an entitlement to one Share on vesting, subject to satisfaction of the performance and vesting conditions outlined below.

Vesting conditions and the quantum for the MD Awards are set to incentivise Mr Calderwood to meet the Company's long-term goals, encourage his retention and contribute to the competitiveness of his total remuneration package.

The key terms of the MD Awards are as follows:

- **Quantum:** Based on market data for relevant peer companies for the Managing Director role, at the Board's discretion, Mr Calderwood may be entitled to receive the MD Awards for the grant in the financial year ending 30 June 2020 the value of which is capped at 60% of his base salary at the time, or A\$361,350. The number of MD Awards will be determined by dividing the face value of the LTI award (i.e. A\$361,350) by the VWAP of the Shares traded on both ASX and SGX over the 5 trading days period to 30 June 2019 (converted to A\$ at the mid-point exchange rate for each day). The number of MD Awards will be rounded down to the nearest whole number. Such number would be the maximum number of MD Awards that can vest at the end of the 2-year performance period pursuant to his grant if the performance conditions are satisfied in full. Further details on vesting conditions are set out below.

As the relevant VWAP is not known at this time, it is not possible to specify the maximum number of MD Awards.

For illustrative purposes, based on the ASX/SGX combined VWAP of the Shares as at 24 May 2019 of A\$0.2067, the number of MD Awards would be 1,748,185 (i.e. A\$361,350 divided by A\$0.2067).

- **Vesting Conditions:** The MD Awards will vest at the end of a 2-year period commencing on 1 July 2019 and ending on 30 June 2021 (**Performance Period**), subject to service, performance and forfeiture conditions:

50% of the MD Awards will be subject to a relative Total Shareholder Return (**TSR**) performance condition, which has been chosen because it is an objective external measure of performance over a sustained period and is directly linked to the returns received by shareholders. Relative TSR will be measured against a peer group of lithium production and development companies selected by the Board.

Vesting will occur on a sliding scale. If the TSR of the Company for the Performance Period:

- is below the 50th percentile of the TSR of the peer group, 0% of the MD Awards subject to this vesting condition will vest
- is between 50th and 75th percentiles of the TSR of the peer group, between 50% and 100% of the MD Awards subject to this vesting condition will vest on a sliding scale, proportionate to the percentile of the peer group TSR achieved
- is equal to or above the 75th percentile of the TSR of the peer group, 100% of the MD Awards subject to this vesting condition will vest

50% of the MD Awards will vest at the end of the Performance Period provided Mr Calderwood remains employed by the Company at that time.

The forfeiture and other conditions of the MD Awards are in accordance with the Incentive Plan Rules as summarised in Annexure A.

- **Amount Payable:** No amount is payable by Mr Calderwood at the time of the grant of the MD Awards or upon the allocation of Shares to which he may become entitled on vesting of the MD Awards.
- **Expiry Date:** 4 years from the date of issue.

The MD Awards will incorporate the terms of, and will be issued pursuant to, the Incentive Plan Rules.

3.3 Regulatory Information

Information required by ASX Listing Rule 10.15

ASX Listing Rule 10.14 provides that a company must not permit a director of the company to acquire securities under an employee incentive scheme without the approval by holders of ordinary securities of the acquisition. As the issue of the MD Awards involves the issue of securities under the Incentive Plan Rules to a Director, Shareholder approval pursuant to ASX Listing Rule 10.14 is required.

If approval is given by Shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.15, the following information is provided in relation to Resolution 8 in addition to other information set out in this section 3 of this Explanatory Statement:

- The MD Awards will be issued to Mark Calderwood.
- The Company has obtained a waiver from ASX Listing Rule 10.15.2 to the extent necessary to permit the Company not to include in this Notice of Meeting the maximum number of MD Awards that may be issued to Mr Calderwood on condition that this Notice of Meeting sets out the method by which the number of MD Awards that are to be issued is calculated (refer section 3.2 above).
- As this is the first time the approval is sought for the issue of securities under ASX Listing Rule 10.14, no Director or their associates have received any securities under the Incentive Plan Rules.
- All of the Directors are entitled to participate under the Incentive Plan Rules subject to the appropriate approvals (including Shareholders) and being invited by the Board. The current Directors of the Company are: Mr Mark Calderwood, Mr Mark Turner, Mr Geoffrey McNamara, Mr Robert Vassie, Mr Joshua Ong Kian Guan, Ms Wei (Vicki) Xie and Mr Arnold Chan Ming Fai.

- There are no loans proposed to be provided in relation to the issue of the MD Awards.
- The MD Awards will be issued as soon as practicable after Shareholder approval is obtained and, in any event, 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 ASX Listing Rules).

Information required by Catalyst Rule 804

Catalist Rule 804 provides that no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment, except where, among other exceptions, the issue is made pursuant to an employee incentive scheme approved by shareholders.

If the Incentive Plan Rules are approved pursuant to Resolution 7 for the purposes of Catalyst Rule 842(3), the issue of MD Awards will be made pursuant to the Incentive Plan Rules and no specific Shareholder approval will be required for the MD Awards pursuant to Catalyst Rule 804.

If the Incentive Plan Rules are not approved for the purposes of Catalyst Rule 842(3), the Company seeks specific Shareholder approval for the issue of the MD Awards pursuant to Catalyst Rule 804. The information required for the purposes of Catalyst Rule 804 is set out in this section 3.

As the exact number of MD Awards cannot be determined at this time, it is not possible to state what percentage of the total issued share capital of the Company MD Awards will represent as at the date of this Notice of Meeting. For illustrative purposes, based on the number of MD Awards of 1,748,185 as used in the example in section 3.2 above, they would represent 0.12% of the total issued share capital of the Company as at the date of this Notice of Meeting.

4. RESOLUTION 9 – PROPOSED ISSUE OF OPTIONS AND PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR | MARK TURNER

4.1 General

As announced by the Company on 18 December 2018, the Company has agreed (subject to obtaining Shareholder approval as may be required under ASX Listing Rules or Catalyst Rules) to issue 9,000,000 unlisted Options to Mr Mark Turner who is the Executive Director – Operations as a sign-on bonus and to provide a market linked incentive component to his remuneration (**ED Options**).

The grant of the ED Options was intended to be in lieu of the issue of any further long-term equity incentives for a period of 3 years from the commencement of Mr Turner’s employment (17 December 2018) unless otherwise decided by the Board. The Board has determined that due to the new performance based long term incentive plan for executives adopted by the Board (**LTIP**), there should be a transition to the new LTIP. Therefore, the Board determined to allow Mr Turner to participate in the Company’s LTIP and issue him Performance Rights in accordance with the terms and conditions set out in this Explanatory Memorandum (**ED Awards**), but at a reduced entitlement quantum.

The Board (other than Mr Mark Turner who has a material personal interest in this Resolution) considers that the grant of the ED Options and ED Awards is reasonable remuneration in the circumstances. In reaching this view, the Board (other than Mr Turner) has considered the overall remuneration package of Mr Turner having regard to his position in the Company, the duties and responsibilities of his position, and market levels of remuneration for Executive Directors in similar companies.

The Board (excluding Mr Turner) recommends that Shareholders vote in favour of Resolution 9 for the reasons outlined below.

A voting exclusion applies to this Resolution, which is set out in the Notice of Meeting under Resolution 9.

4.2 Terms of the ED Options

The key terms of the ED Options are as follows:

- **Quantum:** 9,000,000 unlisted ED Options. Each ED Option entitles the holder to be issued one Share.

- **Exercise Price:** 15% premium to the 5-day VWAP of the Company Shares prior to the commencement date of his employment on 17 December 2018, being A\$0.3148 per ED Option.
- **Vesting Conditions:** Continued employment of Mr Turner by the Company at the end of the respective vesting period.
- **Vesting Periods:** The ED Options vest in three tranches as set out below:
 - Tranche 1: 3,000,000 ED Options vest on 17 December 2019
 - Tranche 2: 3,000,000 ED Options vest on 17 December 2020
 - Tranche 3: 3,000,000 ED Options vest on 17 December 2021
- **Expiry Date:** 17 December 2022

The terms of the ED Options will also incorporate the terms of and will be issued pursuant to the Incentive Plan Rules.

4.3 Terms of the ED Awards

Each ED Award is an entitlement to one Share on vesting, subject to satisfaction of the performance and vesting conditions outlined below.

Vesting conditions and the quantum for the ED Awards are set to incentivise Mr Turner to meet the Company's long-term goals, encourage his retention and contribute to the competitiveness of his total remuneration package.

The key terms of the ED Awards are as follows:

- **Quantum:** At the Board's discretion, Mr Turner may be entitled to receive the ED Awards for the grant in the financial year ending 30 June 2020 the value of which is capped at 30% of his base salary at the time, or A\$147,825. The number of ED Awards will be determined by dividing the face value of the LTI award (i.e. A\$147,825) by the VWAP of the Shares traded on both ASX and SGX over the 5 trading days period to 30 June 2019 (converted to A\$ at the mid-point exchange rate for each day). The number of ED Awards will be rounded down to the nearest whole number. Such number would be the maximum number of ED Awards that can vest at the end of the 2-year performance period pursuant to his grant if the performance conditions are satisfied in full. Further details on vesting conditions are set out below.

As the relevant VWAP is not known at this time, it is not possible to specify the maximum number of ED Awards.

For illustrative purposes, based on the ASX/SGX combined VWAP of the Shares to 24 May 2019 of A\$0.2067, the number of ED Awards would be 715,166 (i.e. A\$147,825 divided by A\$0.2067).

- **Vesting Conditions:** The ED Awards will vest at the end of a 2-year period commencing on 1 July 2019 and ending on 30 June 2021 (**Performance Period**), subject to service, performance and forfeiture conditions:

50% of the ED Awards will be subject to a relative Total Shareholder Return (**TSR**) performance condition, which has been chosen because it is an objective external measure of performance over a sustained period and is directly linked to the returns received by shareholders. Relative TSR will be measured against a peer group of lithium production and development companies selected by the Board.

Vesting will occur on a sliding scale. If the TSR of the Company for the Performance Period:

- is below the 50th percentile of the TSR of the peer group, 0% of the ED Awards subject to this vesting condition will vest
- is between 50th and 75th percentiles of the TSR of the peer group, between 50% and 100% of the ED Awards subject to this vesting condition will vest on a sliding scale, proportionate to the percentile of the peer group TSR achieved
- is equal to or above the 75th percentile of the TSR of the peer group, 100% of the ED Awards subject to this vesting condition will vest

50% of the ED Awards will vest at the end of the Performance Period provided Mr Turner remains employed by the Company at that time.

The forfeiture and other conditions of the ED Awards are in accordance with the Incentive Plan Rules as summarised in Annexure A.

- **Amount Payable:** No amount is payable by Mr Tuner at the time of the grant of the ED Awards or upon the allocation of Shares to which he may become entitled on vesting of the ED Awards.
- **Expiry Date:** 4 years from the date of issue.

The ED Awards will incorporate the terms of, and will be issued pursuant to, the Incentive Plan Rules.

4.4 Regulatory Information

Information required by ASX Listing Rule 10.15

ASX Listing Rule 10.14 provides that a company must not permit a director of the company to acquire securities under an employee incentive scheme without the approval by holders of ordinary securities of the acquisition.

As the issue of the ED Options and the ED Awards involves the issue of securities under the Incentive Plan Rules to a Director, Shareholder approval pursuant to ASX Listing Rule 10.14 is required.

If approval is given by Shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.15, the following information is provided in relation to Resolution 9 in addition to other information set out in this section 4 of this Explanatory Statement:

- The ED Options and the ED Awards are to be issued to Mr Turner.
- The Company has obtained a waiver from ASX Listing Rule 10.15.2 to the extent necessary to permit the Company not to include in this Notice of Meeting the maximum number of ED Awards that may be issued to Mr Turner on condition that this Notice of Meeting sets out the method by which the number of ED Awards that are to be issued is calculated (refer section 4.3 above).
- As this is the first time the approval is sought for the issue of securities under ASX Listing Rule 10.14, no Director or their associates have received any securities under the Incentive Plan Rules.
- All of the Directors are entitled to participate under the Incentive Plan Rules subject to the appropriate approvals (including Shareholders) and being invited by the Board. The current Directors of the Company are: Mr Mark Calderwood, Mr Mark Turner, Mr Geoffrey McNamara, Mr Robert Vassie, Mr Joshua Ong Kian Guan, Ms Wei (Vicki) Xie and Mr Arnold Chan Ming Fai.
- There are no loans proposed to be provided in relation to the issue of the ED Options or ED Awards.
- The ED Options and ED Awards will be issued as soon as practicable after Shareholder approval is obtained and, in any event, 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 ASX Listing Rules).

Information required by Catalyst Rules 804 and 824

Catalist Rule 804 provides that no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment, except where, among other exceptions, the issue is made pursuant to an employee incentive scheme approved by shareholders.

If the Incentive Plan Rules are approved pursuant to Resolution 7 for the purposes of Catalyst Rule 842(3), the issue of ED Options and ED Awards will be made pursuant to the Incentive Plan Rules and no specific Shareholder approval will be required for the ED Options or the ED Awards pursuant to Catalyst Rules 804 and 824.

If the Incentive Plan Rules are not approved by Shareholders for the purposes of Catalyst Rule 842(3), the Company seeks specific Shareholder approval for the issue of the ED Options and ED Awards pursuant to Catalyst Rules 804 and 824.

The information required for the purposes of Catalyst Rules 804 and 832 is set out in this section 4 and Annexure A.

The amount and use of future proceeds arising from the exercise of the ED Options cannot be determined at this time as it is unknown if, when and how many of, the ED Options will be exercised. Being employee incentive options, they are not intended as a fundraising instrument by the Company.

The ED Options represent 0.63% of the total issued share capital of the Company as at the date of this Notice of Meeting.

As the exact number of ED Awards cannot be determined at this time, it is not possible to state what percentage of the total issued share capital of the Company ED Awards will represent as at the date of this Notice of Meeting. For illustrative purposes, based on the number of ED Awards of 715,166 as used in the example in section 4.3 above, they would represent 0.05% of the total issued share capital of the Company as at the date of this Notice of Meeting.

5. RESOLUTION 10 – APPROVAL OF LEAVING ENTITLEMENTS

5.1 General

Part 2D of the Corporations Act restricts the benefits that can be given without shareholder approval to individuals who hold (or have held within the previous three years prior to cessation of employment) a managerial or executive office (as defined in the Corporations Act) in the Company or its related bodies corporate (**Group**) (**Executives**) on leaving employment with the Group. Under section 200B of the Corporations Act, a company may only give such individuals a benefit in connection with their ceasing to hold a managerial or executive office if approved by shareholders or if an exemption applies.

Approval is being sought for the purposes of sections 200B and 200E of the Corporations Act in respect of any termination benefits that may be provided to Executives, including Key Management Personnel (**KMP**) and Non-Executive Directors.

5.2 Rationale for seeking approval

The approval is sought in relation to the Group's existing obligations to Executives and to enable the Group to create and operate a remuneration policy that aligns with and supports the Group's strategy. Shareholders are not being asked to approve any change or increase in the remuneration or benefits or entitlements for Executives, or any variations to the existing discretions of the Board.

The approval sought will enable the Board to:

- facilitate the creation and execution of the Company's remuneration policy;
- deliver the current Executives the benefits to which they are contractually entitled;
- attract and retain Executives on market competitive terms; and
- preserve the discretion for the Company to determine the most appropriate termination package for Executives at the time cessation occurs, having regard to their contribution to the Group and the circumstances in which they are ceasing employment.

If Shareholder approval is obtained, this will not guarantee that an Executive will receive any of the termination benefits described below. The Company is conscious of the need to strike an appropriate balance between ensuring fair treatment of Executives on cessation of employment and avoiding excessive termination payouts.

The Company is seeking Shareholder approval for the following benefits or entitlements:

- termination benefits to an Executive (such as cash payments in lieu of notice included in their employment contract) up to a maximum of 12 months' base salary (based on the salary of the Executive at the time their employment ceases);

- the full range of leaver treatment provided for under the terms of incentive awards for Executives, some of which involve exercise of discretion by the Board (or its delegates) and/or acceleration of vesting in limited circumstances; and
- unpaid fees and entitlements and other non-material incidental benefits.

The Company is committed to transparency in communicating its remuneration arrangements to Shareholders. To enable Shareholders to meaningfully assess whether to approve this resolution, the summary below outlines the key categories of potential termination benefits that may become payable to Executives and the types of circumstances in which they may arise.

5.3 Summary of leaving benefits

The summary is not intended to provide an exhaustive list of every benefit that could become payable to Executives in every potential termination scenario. Part of the reason the Company is seeking Shareholder approval is to preserve a degree of flexibility for the Board to tailor the termination arrangements for Executives having regard to the circumstances of the Executives cessation of employment and within the parameters imposed by:

- the Company's remuneration philosophy and policy;
- the relevant Executive's employment contract;
- the terms of any equity awards granted to the Executive under the Company's incentive plans (which may vary from year to year); and
- prevailing laws, regulations, market practice and governance expectations at the time to Executive ceases employment to hold the office.

Employment contract benefits

Under their employment contracts, Executives may become entitled to payments in lieu of notice upon cessation of their employment. For KMP, these payments are capped at a combined value of 6 to 12 months' base salary. For other Executives, notice periods of 3 to 6 months typically apply, with the contracts allowing for payment in lieu of notice in certain circumstances.

In addition to payments in lieu of notice, the Board may also determine to make a pro-rata short-term incentive award to Executives in respect of the year in which their employment ceases. This award will be paid wholly in cash.

Executives are generally not eligible for any contractual payments, aside from statutory entitlements, where their employment is terminated for cause.

Incentive Plan Entitlements

In general, the Awards made to Executives under the Company's equity incentive plans differentiate between 'good leaver' and 'bad leaver' scenarios. 'Good leavers' are typically those who cease due to death or disability, retirement, redundancy or other appropriate circumstances at the Board's discretion (which could include circumstances of termination due to expiry of a fixed term contract or termination by mutual agreement). Termination for cause and resignation would typically be 'bad leaver' scenarios.

For 'good leavers', the Board reserves the discretion:

- to vest or lapse incentive awards with effect from the cessation date; or
- in the case of performance-based awards, to allow some awards to remain on foot and be eligible for vesting in the ordinary course.

The Board does not envisage that it would exercise its discretion to accelerate vesting of equity awards in the absence of extraordinary circumstances (eg. death, serious injury, disability or illness).

Executives who cease employment as 'bad leavers' will generally forfeit all unvested equity incentive plan entitlements on cessation of employment.

5.4 The value of the potential leaving benefits

The amount and value of the termination benefits that may be provided to an Executive in accordance with this approval cannot be ascertained in advance. This is because various matters will, or are likely to, affect that value, including:

- the circumstances in which the Executive ceases employment and the extent to which they served the applicable notice period;
- the Executive's base salary at the time the relevant awards were made and the time they ceased employment;
- the Executive's length of service and the portion of any relevant performance periods for equity awards that have expired at the time they cease employment;
- the number of unvested performance rights or other equity entitlements that the Executive holds at the time they cease employment and the number that the Board determines to vest, lapse or leave on foot;
- the Company's share price when the value of any equity based termination entitlements is determined, and the terms of those entitlements (including performance conditions);
- any other factors the Board considers relevant when exercising its discretion, including where appropriate its assessment of the performance of the Executive up to the date of cessation; and
- any changes in law between the date the Group enters into an employment agreement with an Executive and the date they cease employment.

5.5 ASX Listing Rule 10.19

ASX Listing Rule 10.19 provides that, without the approval of Shareholders, a company must ensure that no officer of the company or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the ASX Listing Rules.

The Company is also seeking Shareholder approval for the purposes of ASX Listing Rule 10.19 as the MD Awards, ED Options and ED Awards and other equity based incentives issued by the Company may, subject to the Board's discretion, vest upon termination of the relevant Director's or officer's employment. As stated in section 5.4 above, the value of the termination benefit that may be provided to the Directors and officers in accordance with this approval cannot be ascertained in advance. Accordingly, it is possible that the provision of the benefit associated with the acceleration of the vesting of MD Awards, ED Options and ED Awards and other equity based incentives issued by the Company may exceed 5% of the equity interests of the Company at the relevant time.

5.6 Approval is sought for a fixed period

If approval is obtained, it will be effective for a fixed period from the date the resolution is passed until the conclusion of the Company's 2022 Annual General Meeting. This means that the approval will be effective:

- if the Board (or its delegates) exercise the discretions outlined above upon cessation of employment; and/or
- if the Executive ceases employment with the Group,

during the period beginning at the conclusion of the Meeting and expiring at the conclusion of the 2022 Annual General Meeting. If considered appropriate, the Board will seek a new approval from Shareholders at the Company's Annual General Meeting in 2022.

A voting exclusion applies to this Resolution, which is set out in the Notice of Meeting under Resolution 10.

6. RESOLUTION 11 – CHANGE TO COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 11 seeks the approval of Shareholders for the Company to change its name to Alita Resources Limited.

The proposed name has been reserved by the Company and if Resolution 11 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

If Resolution 11 is passed, the change of name will take effect when ASIC alters the details of the Company's registration.

The Board proposes this change of name to signify the new beginning and to provide new identity for the Company as the 100% owner and operator of the Bald Hill Mine following the Merger under the new Board of Directors and new management.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution 11.

7. RESOLUTION 12 – APPROVAL OF ISSUE OF CONDITIONAL PLACEMENT SHARES

7.1 General

On 16 May 2019, the Company announced strategic institutional placement of 50,000,000 new Shares (**Conditional Placement Shares**) at the price of A\$0.20 per share (**Offer Price**) to Weier Antriebe und Energietechnik GmbH (**Weier**), a wholly-owned subsidiary of Jiangxi Special Electric Motor Co., Ltd (**Jiangte**) (**Conditional Placement**), to raise gross proceeds of A\$10,000,000.

The Conditional Placement is not underwritten and is conditional on Shareholder approval for the purposes of Catalist Rules 805(1) and 812(2) and ASX Listing Rule 7.1.

The purpose of Resolution 12 is to seek Shareholder approval for the Conditional Placement as further explained below. If Resolution 12 is not approved, the Conditional Placement Shares will not be issued.

A voting exclusion applies to Resolution 12, which is set out in the Notice of Meeting under Resolution 12.

The following information is provided for the purposes of the ASX Listing Rules and the Catalist Rules to assist Shareholders with voting on this Resolution 12.

7.2 ASX Listing Rules

Pursuant to ASX Listing Rule 7.1 a company may during any 12-month period without shareholder approval issue or agree to issue equity securities which represent up to 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The Company has sufficient placement capacity under ASX Listing Rule 7.1 to issue the Conditional Placement Shares without Shareholder approval under the ASX Listing Rules. However, as Shareholder approval is being sought for the issue of the Conditional Placement Shares for the purposes of the Catalist Rules, the Company also seeks Shareholder approval for the issue of Conditional Placement Shares for the purposes of ASX Listing Rule 7.1 so that they can be issued without using up the Company's 15% annual placement capacity.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- the number of Conditional Placement Shares proposed to be issued is 50,000,000;
- the Conditional Placement Shares are expected to be issued within 7 market days on the SGX-ST of the date of the Meeting;
- the issue price will be A\$0.20 per Conditional Placement Share;

- the Conditional Placement Shares will be issued to Weier. Weier is not a related party of the Company for the purposes of the ASX Listing Rules;
- The Conditional Placement Shares, when issued, will rank in all respects *pari passu* with the existing issued Shares, and will be free from any encumbrances, save that they will not rank for any dividend, rights, allotments or other distributions, the record date for which falls on or before the issue of the Conditional Placement Shares;
- the intended use of funds raised from the Conditional Placement is for capital expenditure for continued upgrades to the processing facilities at the Bald Hill Mine, future exploration and other initiatives at the Bald Hill Mine, and for general working capital requirements; and
- the Conditional Placement Shares are not being issued under, or to fund, a reverse takeover.

7.3 Catalyst Rules Information

Conditional Placement Details

The Conditional Placement Shares represent approximately 3.51% of the Company's existing issued share capital of 1,425,922,411 Shares as at the date of this Notice of Meeting (**Existing Share Capital**) and approximately 3.39% of the Company's enlarged issued share capital of 1,476,422,411 Shares immediately after the issue of the Conditional Placement Shares and the issue of the associated Placement Fee Shares (**Enlarged Share Capital**).

If approved by Shareholders, the Conditional Placement Shares will be issued within 7 market days on the SX-ST from the date of the Meeting pursuant to the conditions set out in the listing and quotation notice from the SGX-ST dated 23 May 2019.

The Conditional Placement Shares, when issued, will rank in all respects *pari passu* with the existing issued Shares, and will be free from any encumbrances, save that they will not rank for any dividend, rights, allotments or other distributions, the record date for which falls on or before the issue of the Conditional Placement Shares.

Listing condition

The Company had on 23 May 2019 received the notice from the SGX-ST for the listing of and quotation for the Conditional Placement Shares on the Catalist Board (**LQN**), subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements; and
- (b) Shareholder approval to be obtained for the Conditional Placement at the Shareholders meeting.

The LQN is not to be taken as an indication of the merits of the Conditional Placement, the Conditional Placement Shares, the Company, its subsidiaries and their securities.

Shareholder approval condition

The issue of Conditional Placement Shares is conditional on specific Shareholder approval pursuant Catalyst Rule 812(2) as Weier is a substantial Shareholder of the Company, holding 5.88% of the Existing Share Capital. In addition, specific Shareholders approval is required pursuant to Catalyst Rule 805(1) as the allotment and issue of the Conditional Placement Shares is proposed to be made other than pursuant to a general share issuance mandate.

Placement Price

The Offer Price of A\$0.20 per Share represents a discount of approximately 3.52% to the VWAP of A\$0.2073 per Share based on trades done on the ASX on 13 May 2019 (being the full market day immediately preceding the entry into the placement agreement with Weier). The SGD equivalent of the Offer Price for the Placement Shares is approximately S\$0.1903, which represents a premium of approximately 2.26% to the VWAP of S\$0.1861 per Share based on trades done on the SGX on 13 May 2019. The Offer Price was arrived at following arm's length negotiations between the Company and Weier, taking into account the Company's prevailing share price.

No transfer of “controlling interest”

The issue of the Conditional Placement Shares will not result in a transfer of a “controlling interest” in the Company (as defined in the Catalyst Rules) under Catalyst Rule 803. Save for Ms Vicki Xie, a current Non-Executive Director of Alliance and a nominee of Weier, Weier will not have any Board or management representation in Alliance in connection with the Conditional Placement and will not hold more than 15% of the Enlarged Share Capital.

Net proceeds

The Conditional Placement will provide funding for the continued exploration and development of the Bald Hill Mine.

The net proceeds of the Conditional Placement (after deducting estimated cash expenses of A\$0.05 million for associated listing and professional fees) is approximately A\$9.95 million (approximately S\$9.47 million), with 37% to be allocated as capital expenditure for the Bald Hill Mine, 34% as working capital for the Bald Hill Mine taking into account its operating expenses, and the balance of 29% for exploration, other business initiatives, and other working capital requirements.

Pending the deployment of the net proceeds from the Conditional Placement, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Company may, in its absolute discretion, deem fit.

The Company had in the past two years raised gross proceeds from the issue of shares of approximately A\$52.5 million (net A\$50.4 million after deducting associated expenses), comprising the placements completed in November 2017 as announced on 8 November 2017, the placement completed in May 2018 as announced on 2 May 2018 and the placement completed in July 2018 as announced on 5 July 2018, which proceeds had been applied substantially in accordance with their intended purposes or as otherwise disclosed in the announcements by the Company on SGX. In addition, as announced on 16 May 2019, the Company entered into a subscription agreement with Galaxy Resources Limited to raise gross proceeds of A\$22.5 million (net A\$22.45 million after deducting associated expenses) (**Institutional Placement**). The Institutional Placement proceeds have not yet been applied.

The Directors are of the opinion that after taking into consideration the Company’s present bank facilities and the net proceeds from the Institutional Placement and the Conditional Placement, the working capital available to the Group is sufficient to meet its present requirements.

Information on Weier and Jiangte

As at the date of this Notice of Meeting, Weier is a current substantial Shareholder of Alliance, holding 83,784,643 Shares, representing 5.88% of the Existing Share Capital of 1,425,922,411 Shares.

Weier is a wholly owned subsidiary of Jiangte. Jiangte has been listed on Shenzhen Stock Exchange since 2007. Through its wholly-owned subsidiaries in China, Europe and Japan, Jiangte has been engaged in the R&D, production and sales of specialised electric motors (since 1945) and the production of lithium battery cathode material, electric automobile drive motors and control systems, and electric vehicles (since 2012).

Weier has been identified for the strategic Conditional Placement as an experienced participant in the lithium sector and existing Shareholder in the Company willing to make further investment into Alliance.

Jiangte has a 50% interest in Jiangxi Bao Jiang Lithium Industrial Limited (**JBLLIL**). JBLLIL is the Company’s main long term offtaker of spodumene from the Bald Hill Mine. The other 50% in JBLLIL is owned by Burwill Holdings Limited, which is also a substantial Shareholder of the Company holding 93,388,728 Shares (6.55% of the Existing Share Capital).

As announced on SGX and ASX on 29 April 2019, on 26 April 2019, Alliance and Jiangte also entered into a non-binding memorandum of understanding with Jiangte to develop the terms on which the parties will cooperate in a 50:50 joint venture to produce and sell battery-grade lithium hydroxide.

Ms Vicki Xie and Mr Arnold Chan, who are the Directors of the Company as at the date of this Notice of Meeting, are the nominees of Weier and Burwill Holdings Limited respectively.

Shareholding Structure

The shareholding interests of current and new substantial Shareholders of Alliance are set out below.

Name of substantial Shareholder	Before Conditional Placement and issue of associated Placement Fee Shares ⁽¹⁾		After Conditional Placement and issue of associated Placement Fee Shares ⁽²⁾	
	No. of Shares	%	No. of Shares	%
Galaxy Resources Limited	174,300,000	12.22	174,300,000	11.81
Weier ⁽³⁾	83,784,643	5.88	133,784,643	9.06
UBS Group AG ⁽⁴⁾	126,228,461	8.85	126,228,461	8.55
Burwill Holdings Limited ⁽⁴⁾	93,388,728	6.55	93,388,728	6.33
Tribeca Investment Partners Pty Ltd ⁽⁴⁾	79,463,792	5.57	79,463,792	5.38

Notes:

(1) Based on the Existing Share Capital of 1,425,922,411 Shares as at the date of this Notice of Meeting.

(2) Based on the Enlarged Share Capital of 1,476,422,411 Shares.

(3) As Weier is a wholly-owned subsidiary of Jiangte, Jiangte is deemed interested in all Shares held by Weier.

(4) Number of Shares held is according to the latest substantial holder notices received from the respective Shareholders.

Financial Effects

The financial effects of the Conditional Placement (including the issue of the associated Placement Fee Shares) are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company after the Conditional Placement.

The financial effects of the Conditional Placement (including the issue of the associated Placement Fee Shares) have been computed based on the unaudited consolidated financial statements of the Company for the 12 months ended 31 December 2018.

	Before Conditional Placement and issue of associated Placement Fee Shares	After the Conditional Placement and issue of associated Placement Fee Shares
Effect on Share capital (assuming the Institutional Placement and Conditional Placement were completed on 31 December 2018)		
Issued and paid-up share capital (A\$'000)	331,685	341,635
Total number of Issued Shares ('000)	1,425,922	1,476,422
Effect on Net Total Assets (NTA) per Share (assuming the Institutional Placement and Conditional Placement were completed on 31 December 2018)		
NTA (A\$'000)	209,623	219,573
NTA per Share (A\$ cents)	14.70 ⁽¹⁾	14.87
Effect on Loss per Share (LPS) (assuming the Institutional Placement and Conditional Placement were completed on 1 January 2018)		
Loss attributable to Shareholders (A\$'000)	40,520	40,520
Weighted Average Number of Shares ('000)	759,214	809,714
LPS (A\$ cents)	5.34 ⁽²⁾	5.00

Notes:

(1) NTA per Share is calculated based on the NTA and the issued and paid-up Shares comprising 1,425,922,411 Shares

(2) LPS is calculated based on the loss attributable to Shareholders and the weighted average number of issued Shares comprising 756,714,010 Shares.

Interests of Directors and Substantial Shareholders

Save as publicly disclosed or set out in this announcement and other than by way of their shareholding interests in the Company, to the best of Directors' knowledge, no connections exist between any of Weier, Jiangte, the Lead Manager and any other substantial Shareholders or Directors of the Company.

The Conditional Placement will be undertaken in accordance with the securities laws and regulations of the relevant jurisdictions to investors outside of Singapore and no offer information statement will be issued by the Company in connection therewith under the SFA.

7.4 Directors' recommendations

The Directors (other than Vicki Xie, who is a nominee of Weier and Arnold Chan, who is a nominee of Burwill Holdings Limited) recommend that Shareholders vote in favour of Resolution 12.

8. RESOLUTION 13 – RATIFICATION OF ISSUE OF INSTITUTIONAL PLACEMENT SHARES

8.1 General

On 16 May 2019, the Company announced strategic institutional placement of 112,500,000 Shares (**Institutional Placement Shares**) to Galaxy Resources Limited (**Galaxy Resources**) (**Institutional Placement**).

The offer price for Institutional Placement was A\$0.20 (**Offer Price**) per Share.

The Institutional Placement Shares have been issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 and general share issuance mandate under the Catalist Rules.

Pursuant to ASX Listing Rule 7.1, a company may, during any 12-month period, issue or agree to issue equity securities which represent up to 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period. ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities (provided that it did not breach ASX Listing Rule 7.1 on issue) those securities will be deemed to have been issued with shareholder approval for the purpose of ASX Listing Rule 7.1.

The purpose of Resolution 13 is to seek ratification by Shareholders of the issue of the Institutional Placement Shares as further explained below.

By ratifying the issue of the Institutional Placement Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1. without the requirement to obtain prior Shareholder approval.

If this Resolution 13 is not approved, the issue of the Institutional Placement Shares will not be invalidated, however, the Institutional Placement Shares will count towards the Company's 15% placement capacity under ASX Listing Rule 7.1.

A voting exclusion applies to Resolution 13, which is set out in the Notice of Meeting under Resolution 13.

8.2 Additional information required by ASX Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- the total number of Institutional Placement Shares that were issued is 112,500,000;
- the Institutional Placement Shares were issued at a price of A\$0.20 per Share;
- the Institutional Placement Shares on issue rank in all respects *pari passu* with the existing issued Shares, and were free from any encumbrances, save that they will not rank for any dividend, rights, allotments or other distributions, the record date for which falls on or before the issue of the Institutional Placement Shares;
- the Institutional Placement Shares were issued to Galaxy Resources Limited, which is not a related party of the Company for the purposes of the ASX Listing Rules; and
- the intended use of funds raised from the Institutional Placement is for capital expenditure for continued upgrades to the processing facilities at the Bald Hill Mine, future exploration and other initiatives at the Bald Hill Mine, and for general working capital requirements.

8.3 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 13.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE PURPOSES OF CATALIST RULE 1202

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Notice of Extraordinary General Meeting and the accompanying Explanatory Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Notice of Extraordinary General Meeting and the accompanying Explanatory Statement constitutes full and true disclosure of all material facts about the proposed resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Notice of Extraordinary General Meeting and the accompanying Explanatory Statement misleading.

Where information in the Notice of Extraordinary General Meeting and the accompanying Explanatory Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Notice of Extraordinary General Meeting and the accompanying Explanatory Statement in its proper form and context.

GLOSSARY

A\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Award means a right to a Share or an Option pursuant to the Incentive Plan Rules.

Bald Hill Mine means the Company's Bald Hill Lithium and Tantalum Mine in Eastern Goldfields, Western Australia.

Board means the board of directors of the Company.

Catalist Board means the sponsor-supervised listing platform of the SGX-ST.

Catalist Rules means Section B of the Listing Manual of the SGX-ST.

closely related party of a member of the Key Management Personnel means:

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

Company or **Alliance** means Alliance Mineral Assets Limited (ACN 147 393 735).

Constitution means the Company's constitution.

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

CDP means the Central Depository (Pte) Limited.

Depositor means a person who has an account directly with the Depository and not through a depository agent or a depository agent (being an entity registered as a "depository agent" with the Depository for the purpose of maintaining securities sub-accounts for its own account and for the account of others).

Depository means a depository which operates a system for the deposit and custody of securities or which permits or facilitates the settlement of securities transactions or dealings in securities without the physical delivery of scrips which includes the CDP.

Depository Register means a register maintained by the Depository in respect of book-entry securities.

Directors means the directors of the Company.

Eligible Participants means the persons that may be eligible to participate under the Incentive Plan Rules.

ESOS means the Company's Employee Share Option Scheme adopted by the Company on 16 June 2014.

Explanatory Statement means the explanatory statement accompanying the Notice.

Extraordinary General Meeting or the **Meeting** means the meeting of Shareholders convened by this Notice of Meeting.

Group means the Company and its related bodies corporate (as defined in the Corporations Act).

HKSE means the Hong Kong Stock Exchange.

Incentive Plan Rules means the Company's Equity Incentive Plan Rules, a summary of which is set out in Annexure A.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager means Canaccord Genuity (Australia) Limited.

Listing Rules means either or both of ASX Listing Rules and the Catalist Rules as the context requires.

Merger means the transaction, including the scheme of arrangement between Tawana and its shareholders, pursuant to which the Company acquired 100% of the ordinary shares in Tawana.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Forms.

Option means an option to acquire a Share.

Performance Right means a right to be issued a Share.

Placement Fee Shares means 500,000 Shares proposed to be issued to the Lead Manager at the issue price of A\$0.20 per Share in lieu of cash fees in respect of the Conditional Placement being 1% of gross proceeds from the Conditional Placement, as further described in the Company's announcement on 16 May 2019.

Proxy Form means the proxy form accompanying the Notice.

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

SFA means the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time.

S\$ means Singapore dollars.

SGT means Singapore Standard Time as observed in Singapore.

SGX-ST means Singapore Exchange Securities Trading Limited.

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

Shareholder means persons who are registered holders of Shares in the Register of Members of the Company except where the registered holder is CDP, then the term "Shareholders" shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and into whose accounts those Shares are credited.

Share Registry means Computershare Investor Services Pty Ltd in Australia and Boardroom Corporate & Advisory Services Pte Ltd in Singapore.

Sponsor means PrimePartners Corporate Finance Pte. Ltd.

Tawana means Tawana Resources NL (ACN 085 166 721)

VWAP means the volume weighted average price of the Shares for the specified period.

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

ANNEXURE A – SUMMARY OF THE EQUITY INCENTIVE PLAN RULES

- a. **Eligible Participants:** Eligible Participants under the Incentive Plan Rules are full-time, part-time or casual employees (including executive directors) or non-executive directors of the Company and its subsidiaries who has been determined or selected by the Board from time to time. Shareholder approval may be required under ASX Listing Rules before any director of the Company can participate under the Incentive Plan Rules.

The Board may from time to time determine that the Incentive Plan Rules apply to consultants or contractors of the Company and its subsidiaries, provided that grant of Awards to such persons will be carried out in accordance with Chapter 8 of the Catalyst Rules other than Part VIII.

If the terms of the grant allow an Eligible Participant to nominate another person or entity to hold the Awards, the Company will ensure that any approvals (including shareholder approval) will be obtained and Catalyst Rules are otherwise complied with prior to the issue.

Controlling Shareholders and their Associates (as those terms are defined in the Catalyst Rules) will not be considered Eligible Participants under the Incentive Plan Rules notwithstanding that they may satisfy the criteria of an “Eligible Participant” as stipulated in the Incentive Plan Rules. At the date of this Notice, there were no such persons.

- b. **Types of Awards:** Under the Incentive Plan Rules the Company can issue performance rights or options (each an **Award**) to Eligible Participants. A performance right is a conditional right which, upon the satisfaction or waiver of the relevant vesting conditions, entitles its holder to receive one Share. An option is a right which, upon the satisfaction or waiver of the relevant vesting and exercise conditions and the exercise of the option, entitles its holder to receive one Share.
- c. **Fulfillment of vested Awards:** The Company will fulfil vested Awards by arranging for a transfer of existing Shares (whether from the trustee of an employee share trust or otherwise) or the issue of new Shares to the Eligible Participants. The Company retains a discretion to fulfil vested Awards by paying an Eligible Participant cash to the same value as an alternative to providing Shares. Where considered appropriate by the Board, the Company may offer to the holders of options a cashless exercise mechanism. The fulfillment method will depend on the circumstances at the time of the vesting. The resulting Shares issued or transferred on vesting and/or exercise of Awards will rank equally with all other Shares.
- d. **Consideration:** No consideration is payable by an Eligible Participants for a grant of a performance right or option, unless the Board decides otherwise.
- e. **Options Exercise:** The exercise price for the options will be determined by the Board at the time of the grant and stated in the invitation letter. An option may have an exercise price of zero. Options with an exercise price set at a discount to the 5 day VWAP prior to grant, may be exercisable after 2 years from the date of grant. Other options may be exercisable after 1 year from the date of grant.
- f. **Limitation of the Size of the Incentive Plan:** The Board may, from time to time, at its absolute discretion, determine the number of Awards to be granted under the Incentive Plan Rules, provided that the number of Awards that can be issued under the Incentive Plan Rules is limited so that the number of Shares that can be issued pursuant to the Incentive Plan Rules or any other equity incentive plan, together with the such Shares issued in the last 3 years or that could be issued pursuant to Awards granted in the last 3 years, does not exceed 15% of the issued share capital of the Company on the date of the issue. There is no maximum Awards specified for different class or category of Eligible Participant or for any one Eligible Participant, subject to the above and the limits that may be applicable under the Listing Rules.
- g. **Vesting conditions:** The Board may impose vesting and/or exercise conditions on the Awards at the time of the grant. The Board may in its discretion determine that any unvested Awards will become vested and may be exercised, whether or not any or all of the applicable vesting conditions and exercise conditions have been satisfied, or if there is a change of control of the Company.
- h. **Administration of the Incentive Plan Rules:** The Incentive Plan Rules will be administered by the Board.
- i. **Employee Share Trust:** The Board may, in its discretion, use an employee share trust or other mechanism for the purposes of holding and or delivering any Shares under the Incentive Plan Rules on such terms and conditions as determined by the Board in its absolute discretion.

- j. **Forfeiture:** Unless otherwise determined by the Board, an Eligible Participant's Awards will be forfeited where:
- i. an Eligible Participant's employment or office with the Company ceases;
 - ii. the relevant vesting and or exercise conditions(s) are not satisfied or cannot be satisfied by the relevant expiry date of the Awards; or
 - iii. an Eligible Participant acts fraudulently or dishonestly or in breach of his or her obligations to the Group) or becomes insolvent.
- k. **Change of Control:** In the event that a change of control event occurs all of the Eligible Participant's Awards (whether vested or unvested) will immediately vest on the date on which there is a change of control event, regardless of whether or not the employment, engagement or office of the Eligible Participant is terminated or ceases in connection with the change of control event. The Board may also determine another way in which the unvested Awards will be dealt with if a change of control event is likely to occur.
- l. **Restriction on Dealing:** An Eligible Participant may not deal with or hedge an Award that has been granted to them, unless the Board in its absolute discretion so approves or the relevant dealing is effected by force of law on death or legal incapacity to the Eligible Participant's legal personal representative.
- m. **No Rights before vesting:** Prior to the resulting Share being issued to the holder of an Award, the holder is not entitled to a notice of, or to vote or attend at, a meeting of the shareholders of the Company, receive any dividends declared by the Company, or participate in any distribution arising from a liquidation of the Company, by virtue of holding an Award.
- n. **Alteration in Share Capital and Adjustments of Awards:** if there is a reorganisation of the issued share capital of the Company (including any capitalisation issue, pro-rata issue, subdivision, consolidation, capital reduction, distribution, return or cancellation of issued capital), the number of Awards to which each Eligible Participant is entitled or the exercise price, or both as appropriate, will be adjusted in the manner specified by the Listing Rules, provided that no adjustment shall be made, if, as a result, the Eligible Participant receives a benefit that a shareholder of the Company does not receive. The issue of securities as consideration for an acquisition will normally not be regarded as a circumstance requiring adjustment. Adjustments other than on a capitalisation issue must also be confirmed in writing by the Company's auditors to be fair and reasonable. Any adjustment must be made in such a way that a participant will not receive a benefit that a shareholder of the Company does not receive.
- o. **Amendment of Incentive Plan Rules:** The Board may alter the Incentive Plan Rules, subject to restrictions or requirements imposed by the Listing Rules. If the Listing Rules require that Shareholder approval is obtained to amend the rules of the Incentive Plan Rules, Shareholder approval will be sought at the relevant time.
- p. **Suspension or Termination:** The Board may suspend or terminate the Incentive Plan Rules at any time, without notice, for a fixed period or indefinitely, but the suspension or termination must not affect any existing grants of any Awards or the rights of Eligible Participants.