
LITHIUM AUSTRALIA NL

ABN 29 126 129 413

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9:00 am WST

DATE: Friday, 18 December 2020

PLACE: Level 1
677 Murray Street
West Perth WA 6005

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

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary, Mr Barry Woodhouse on (08) 6145 0288.

TIME AND PLACE OF MEETING AND HOW TO VOTE

TIME AND PLACE

The Annual General Meeting (AGM) will be held at **9:00 am WST on 18 December 2020** at Level 1, 677 Murray Street, West Perth WA 6005.

YOUR VOTE IS IMPORTANT

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

ATTENDANCE AND VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 9:00 am WST on 16 December 2020.

VOTING IN PERSON

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

VOTING ONLINE

To vote online, go to www.advancedshare.com.au (and you will need your SRN or HIN to log in).

VOTING BY PROXY

You can appoint a proxy to attend and vote on your behalf as an alternative to attending the Meeting in person or casting a direct vote.

A proxy need not be a Shareholder and may be an individual or a company. If you are entitled to cast two or more votes at the Meeting, you may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

To vote by proxy, please vote online or complete and sign the enclosed Proxy Form in accordance with the instructions set out on the form and either send the Proxy Form:

- i. by voting online at www.advancedshare.com.au;
- ii. by delivering it in person to Advanced Share Registry Limited, 110 Stirling Highway, Nedlands WA 6009;
- iii. by post, to Advanced Share Registry Limited, PO Box 1156, Nedlands WA 6909;
- iv. by facsimile to the Company's Share Registry on +61 8 9262 3723; or
- v. by email to admin@advancedshare.com.au in pdf form.

so that your vote is received not later than **9:00 am WST on 16 December 2020**.

Proxy Forms received later than this time will be invalid.

Important Information for Shareholders

In accordance with subsection 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination No. 3) 2020*, the Company will not dispatch physical copies of the Notice of Annual General Meeting. Instead a copy of the Notice is available to be viewed and/or downloaded on the ASX market announcements platform at <https://www2.asx.com.au/markets/trade-our-cash-market/announcements> and enter LIT at the prompt or on the Company's website at <https://lithium-au.com/announcements/>.

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties in obtaining a copy of the Notice please contact me via mail at Barry.Woodhouse@lithium-au.com or by telephone +61 8 6145 0288.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Lithium Australia NL will be held at Level 1, 677 Murray Street, West Perth WA 6005 at 9:00 am WST on 18 December 2020.

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

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary unless defined elsewhere in the Explanatory Memorandum.

AGENDA

Reports and Accounts

To receive and consider the 2020 Annual Report, together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the auditor's report thereon.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

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

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the Remuneration Report for the financial year ended 30 June 2020.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings of the Company, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

However, a person described above (the “voter”) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; and
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GEORGE BAUK

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

“That George Bauk, being a Director who retires by rotation in accordance with the Constitution and, being willing and eligible for re-election, is hereby re-elected as a Director.”

3. RESOLUTION 3 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

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

“That, under and for the purposes of ASX Listing Rule 7.1A and all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the number of Shares on issue (at the time of the issue) over a 12 month period, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 1,769,912 SHARES TO LIND (TRANCHE 1 NOTICE)

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

“That the issue of 1,769,912 Shares to Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd or an associate of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF 4,444,445 SHARES TO LIND (TRANCHE 2 NOTICE)

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

“That the issue of 4,444,445 Shares to Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP on the terms and conditions and in the manner set out in the Explanatory

Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd or an associate of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way;
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF 2,840,910 SHARES TO LIND (TRANCHE 4 NOTICE)

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

"That the issue of 2,840,910 Shares to Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd or an associate of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF 3,537,736 SHARES TO LIND (TRANCHE 5 NOTICE)

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

"That the issue of 3,537,736 Shares to Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Global Macro Fund LP or Citicorp Nominees Pty Ltd or an associate of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF 3,311,259 SHARES TO LIND (TRANCHE 6 NOTICE)

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

"That the issue of 3,311,259 Shares to Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd or an associate of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF 3,529,412 SHARES TO LIND (TRANCHE 7 NOTICE)

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

"That the issue of 3,529,412 Shares to Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd or an associate of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF 4,444,445 SHARES TO LIND (TRANCHE 8 NOTICE)

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

"That the issue of 4,444,445 Shares to Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd or an associate of Lind Global Macro Fund, LP or Citicorp Nominees Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF 66,225 SHARES TO BDPT PTY LTD

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

"That the issue of 66,225 Shares to BDPT Pty Ltd on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of BDPT Pty Ltd or an associate of BDPT Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

12. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF 41,077,735 SHARES TO CLIENTS OF BW EQUITIES PTY LTD

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

"That the issue of 41,077,735 Shares to clients of BW Equities Pty Ltd on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of BW Equities Pty Ltd or an associate of BW Equities Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

13. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF 34,393,971 SHARES TO CLIENTS OF BW EQUITIES PTY LTD

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

"That the issue of 34,393,971 Shares to clients of BW Equities Pty Ltd on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of BW Equities Pty Ltd or an associate of BW Equities Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

14. RESOLUTION 14 – RATIFICATION OF PRIOR ISSUE OF 584,906 SHARES TO BDPT PTY LTD AND ONLINE CROWD PTY LTD

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

"That the issue of 584,906 Shares in aggregate to BDPT Pty Ltd and Online Crowd Pty Ltd on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of BDPT Pty Ltd and Online Crowd Pty Ltd or an associate of BDPT Pty Ltd or Online Crowd Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

15. RESOLUTION 15 – RATIFICATION OF PRIOR ISSUE OF 1,588,861 SHARES TO SENIOR MANAGERS

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

"That the issue of 1,588,861 Shares to senior managers of the Company on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the senior managers who received Shares the subject of this Resolution or an associate of those senior managers.

However, the Company need not disregard a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

16. RESOLUTION 16 – RATIFICATION OF PRIOR ISSUE OF 943,396 SHARES TO PROACTIVE INVESTORS AUSTRALIA PTY LTD

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

"That the issue of 943,396 Shares to Proactive Investors Australia Pty Ltd on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Proactive investors Australia Pty Ltd or an associate of Proactive investors Australia Pty Ltd.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

17. RESOLUTION 17 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO ADRIAN GRIFFIN, DIRECTOR

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

“That the issue of 11,250,000 Performance Rights to Mr Adrian Griffin (who is a Director) and/or his nominee(s) pursuant to the Lithium Australia NL Securities Incentive Plan, and the issue of Shares subject of the Performance Rights, on the terms and conditions and in the manner set out in the Explanatory Memorandum, is approved under and for the purposes of Listing Rule 10.14 and for all other purposes.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by Mr Adrian Griffin and/or his nominee(s) or an associate of Mr Griffin.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) Mr Adrian Griffin and/or his nominee(s) or his associates; or

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

However, a person described above (the “voter”) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

18. RESOLUTION 18– APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO BRYAN DIXON, DIRECTOR

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

“That the issue of 5,625,000 Performance Rights to Mr Bryan Dixon (who is a Director) and/or his nominee(s) pursuant to the Lithium Australia NL Securities Incentive Plan, and the issue of Shares subject of the Performance Rights, on the terms and conditions and in the manner set out in the Explanatory Memorandum, is approved under and for the purposes of Listing Rule 10.14 and for all other purposes.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by Mr Bryan Dixon and/or his nominee(s) or an associate of Mr Dixon.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (iii) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (iv) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) Mr Bryan Dixon and/or his nominee(s) or his associates;
- (b) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

However, a person described above (the “voter”) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

19. RESOLUTION 19 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO GEORGE BAUK, DIRECTOR

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

“That for the issue of 5,625,000 Performance Rights to Mr George Bauk (who is a Director) and/or his nominee(s) pursuant to the Lithium Australia NL Securities Incentive Plan, and the issue of Shares subject of the Performance Rights, on the terms and conditions and in the manner set out in the Explanatory Memorandum, is approved under and for the purposes of Listing Rule 10.14 and for all other purposes.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution by Mr George Bauk and/or his nominee(s) or an associate of Mr Bauk.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) Mr George Bauk and/or his nominee(s) or his associate;
- (b) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

However, a person described above (the “voter”) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair, the Chair is not George Bauk or his associate and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and

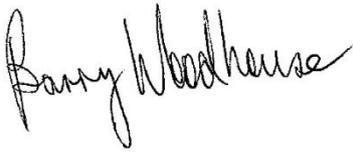
- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity; or
- (c) the voter is the Chair, the Chair is George Bauk or his associate and the appointment of the Chair as proxy:
 - (i) specifies the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

20. RESOLUTION 20 – APPROVAL OF AMENDMENT TO CONSTITUTION

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

“That, for the purpose of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend the Constitution in the manner set out in the accompanying Explanatory Memorandum, with effect from the close of the Meeting.”

DATED: 19 November 2020
BY ORDER OF THE BOARD



Barry Woodhouse
COMPANY SECRETARY
LITHIUM AUSTRALIA NL

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding how to vote on the Resolutions. The Directors recommend that Shareholders read this Explanatory Memorandum in full, together with the accompanying Notice.

FINANCIAL STATEMENTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the 2020 Annual Report together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report thereon.

The Company will not provide a hard copy of 2020 Annual Report to Shareholders unless specifically requested to do so. The 2020 Annual Report is available on the Company's website at www.lithium-au.com

1. RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

1.1 General

The Corporations Act requires a resolution that the remuneration report be adopted and be put to the shareholders at a listed company's annual general meeting. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the 2020 Annual Report.

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

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GEORGE BAUK

Rule 73.1 of the Constitution requires that at every annual general meeting of the Company, one third of Directors, or if their number is not three or a multiple of three, then the nearest to but not more than one third, must retire from office and if eligible seek re-election in accordance with the Constitution.

A retiring Director is eligible for re-election. The Directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

George Bauk retires and seeks re-election in accordance with ASX Listing Rule 14.4 and rule 73.1 of the Constitution. Details regarding George Bauk are set out in the 2020 Annual Report.

The Directors, other than George Bauk, recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

3.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approvals of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Capacity**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issued Equity Securities without Shareholder approval set out in Listing Rule 7.1. Resolution 3 is a **special resolution**. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

The Equity Securities that may be issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has three classes of quoted Equity Securities on issue, being the Shares (ASX Code: LIT), Options (ASX Code LITO) and Partly Paid Shares (ASX Code: LITCF).

3.2 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Minimum Price at which Equity Securities may be issued**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 3.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting;
- (ii) The time and date of the Company's next annual general meeting; and
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking), after which date, an approval under Listing Rule 7.1A ceases to be valid,

(10% Placement Capacity Period).

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

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

If Resolution 3 is approved by Shareholders, the market price for equity securities in that class may be significantly lower on the issue date than on the date the 7.1A mandate was approved.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (variable "A" in ASX Listing Rule 7.1A.2)	Dilution			
	Dilution based on number of Shares issued (being 10% of the number of Shares at the time of issue)	Funds raised based on issue price of \$0.051 * 50% = 0.0255 (50% decrease in current issue price)	Funds raised based on issue price of \$0.051 (Current issue price)	Funds raised based on issue price of \$0.0765 (50% increase in current issue price)
792,265,536 (Current)	79,226,554	2,020,277	4,040,554	6,060,831
1,188,398,304 (50% increase)*	118,839,830	3,030,416	6,060,831	9,091,247
1,584,531,072 (100% increase)*	158,453,107	4,040,554	8,081,108	12,121,663

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

The table above uses the following assumptions:

1. The current Shares on issue are as at the date of this Notice.
2. The issue price set out above is based on the closing price of the Shares on the ASX on 19 November 2020 (\$0.051).
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued either under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration and intends to use funds raised for:

- (i) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) commercialise the battery recycling business of Company subsidiary Envirostream;
- (iii) facilitate Envirostream's marketing and its battery collection network;
- (iv) cover the marketing costs of Company subsidiary Soluna Australia Pty Ltd, which sells renewable-energy battery storage systems,
- (v) provide the Company with additional working capital; and
- (vi) continued exploration expenditure on the Company's exploration projects including the Greenbushes Project, the German Projects including Sadisdorf and Eichigt, the Bynoe Project and the Far North Queensland Project.

(e) Allocation policy for issues under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous Approval under ASX Listing Rule 7.1A

The Company obtained approval under ASX Listing Rule 7.1A at its previous annual general meeting on 29 November 2019. In accordance with Listing Rule 7.3A.6, since 30 November 2019, the Company has issued 49,696,642 Equity Securities (49,696,642 Shares) which represents 9.30% of the total number of Equity Securities on issue at the commencement of that 12 month period. The Equity Securities issued during this time were as follows:

Issue date	Equity Securities	Persons issued to or basis of issue	Price amount raised and use of funds or value of non-cash consideration
17 January 2020	1,769,912 Shares	Lind Global Macro Fund, LP which is not a related party or KMP	The Shares were issued following receipt of Tranche Notice 1 pursuant to the Share Purchase and Convertible Security Agreement at an average of \$0.0565 per Shares to raise funds of \$100,000 for growth of the Soluna Australia battery business, commercialisation of the Company's cathode business, growth of the Company's battery recycling business, and for working capital purposes. The current value is \$0.051 per Share. The issue price of the Shares represented a 21.5 % discount to the value of Shares as at the date of their issue.
29 May 2020	3,537,736 Shares	Lind Global Macro Fund, LP which is not a related party or KMP	The Shares were issued following receipt of Tranche Notice 5 pursuant to the Share Purchase and Convertible Security Agreement at an average of \$0.0424 per Shares to raise funds of \$150,000 for growth of the Soluna Australia battery business, commercialisation of the Company's cathode business, growth of the Company's battery recycling business and for working capital purposes. The current value is \$0.051 per Share. The issue price of the Shares represented a 16.9% discount to the value of Shares as at the date of their issue.
29 June 2020	3,311,259 Shares	Lind Global Macro Fund, LP which is not a related party or KMP	The Shares were issued following receipt of Tranche Notice 6 pursuant to the Share Purchase and Convertible Security Agreement at an average of \$0.0453 per Shares to raise funds of \$150,000 for growth of the Soluna Australia battery business, commercialisation of the Company's cathode business, growth of the Company's battery recycling business and for working capital purposes. The current value is \$0.051 per Share. The issue price of the Shares represented a 0.05% discount to the value of Shares as at the date of their issue.
19 August 2020	41,077,735 Shares	Clients of BW Equities PL who are not related parties or KMP	These Shares were part of shares issued pursuant to a placement at \$0.053 per Share to raise funds of \$4,000,000 for growth of the Soluna Australia battery business, commercialisation of the Company's cathode business, growth of the Company's battery recycling business and for working capital purposes. The current value is \$0.051 per Share. The issue price of the Shares represented a 0.01% discount to the value of Shares as at the date of their issue.

Compliance with ASX Listing Rules 7.1A.4 and 3.10.3

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.3 for release to the market.

The Company did utilise the 10% Placement Capacity during the prior year as set out above.

3.3 Voting Exclusion

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 1,769,912 SHARES TO LIND (TRANCHE 1 NOTICE)

4.1 Background

As announced by the Company on 16 December 2019, the Company executed an agreement with Lind Global Macro Fund, LP, an entity managed by The Lind Partners (together **Lind** or **Investor**), for an investment of up to A\$6.3 million, a summary of the terms and conditions of which are set out in Annexure C to this Notice (**Funding Agreement**).

Lind's initial A\$3 million investment was provided by way of a Secured Convertible Security and a series of Share placements issued upon receipt of tranche notices. The Funding Agreement includes provisions that allow for conversion of debt owing to the Investor into Shares, optional cash payments by the Company or early repayment, subject to Lind' buy back conversion rights for up to 30% of the outstanding Face Value.

Resolution 4 seeks Shareholder ratification pursuant to and under ASX Listing Rule 7.4 and for all other purposes of the issue of 1,769,912 Shares to Lind (**Lind Tranche 1 Issue**) on 17 January 2020 (**Tranche 1 Issue Date**) pursuant to the Tranche Notice 1 issued by Lind under the Funding Agreement.

The Company issued the Shares the subject of Resolution 4 without prior Shareholder approval out of its 10% annual capacity under ASX Listing Rule 7.1A.

4.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company sought and obtained such approval at its previous annual general meeting on 29 November 2019.

The Lind Tranche 1 Issue does not fit within any of these exceptions under Listing Rule 7.1 and, as it has not yet been approved by the Shareholders, it effectively uses up part of the Company's additional 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1A for the 12 month period following the Tranche 1 Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval to the Lind Tranche 1 Issue under and for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the Lind Tranche 1 Issue will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 1 Issue Date.

If Resolution 4 is not passed, the Lind Tranche 1 Issue will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 1 Issue Date.

4.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

(a) *The number and class of securities the entity issued*

1,769,912 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration has received for the issue*

The Shares were issued at \$0.0565 per Share in consideration for an investment by Lind of \$100,000.

(c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 17 January 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to *Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP*, which is not a related party of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Lind Tranche 1 Issue was made in satisfaction of the Company's obligations under the Funding Agreement. Funds raised were used for growth of the Soluna Australia battery business, commercialisation of the VSPC Ltd cathode business, growth of the Envirostream Australia's battery recycling business, and costs of the funding, as well as general working capital.

(f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

A summary of the material terms of the Funding Agreement is set out in Section 4.1 and in the Company's ASX release of 16 December 2019.

4.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 4. The Board believes that the ratification of the issue of the Shares the subject of Resolution 4 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 4 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF 4,444,445 SHARES TO LIND (TRANCHE 2 NOTICE)

5.1 Background

Please see Section 4.1 and Annexure C for background information in respect of the Funding Agreement.

Resolution 5 seeks Shareholder ratification pursuant to and under ASX Listing Rule 7.4 and for all other purposes of the issue of 4,444,445 Shares to Lind (**Lind Tranche 2 Issue**) on 18 February 2020 (**Tranche 2 Issue Date**) pursuant to the Tranche Notice 2 issued by Lind under the Funding Agreement.

The Company issued the Shares the subject of Resolution 5 without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1.

5.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Lind Tranche 2 Issue does not fit within any of these exceptions and, as it has not yet been approved by the Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Tranche 2 Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 5 seeks Shareholder approval to the Lind Tranche 2 Issue under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the Lind Tranche 2 Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 2 Issue Date.

If Resolution 5 is not passed, the Lind Tranche 2 Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 2 Issue Date.

5.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) *The number and class of securities the entity issued*

4,444,445 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the entity has received for the issue*

The Shares were issued at \$0.045 per Share in consideration for an investment by Lind of \$200,000.

(c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 18 February 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to *Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP*, which is not a related party of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Lind Tranche 2 Issue was made in satisfaction of the Company's obligations under the Funding Agreement. Funds raised were used for growth of the Soluna Australia battery business, commercialisation of the VSPC Ltd cathode business, growth of the Envirostream Australia's battery recycling business, and costs of the funding, as well as general working capital.

(f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

A summary of the material terms of the Funding Agreement is set out in Section 4.1 and in Annexure C to this Notice.

5.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 5. The Board believes that the ratification of the issue of the Shares the subject of Resolution 5 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 5 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF 2,840,910 SHARES TO LIND (TRANCHE 4)

6.1 Background

Please see Section 4.1 for background information in respect of the Funding Agreement.

Resolution 6 seeks Shareholder ratification pursuant to and under ASX Listing Rule 7.4 and for all other purposes of the issue of 2,840,910 Shares to Lind (**Lind Tranche 4 Issue**) on 20 April 2020 (**Tranche 4 Issue Date**) pursuant to the Tranche 4 Notice issued by Lind under the Funding Agreement.

The Company issued the Shares the subject of Resolution 6 without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1.

6.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Lind Tranche 4 Issue does not fit within any of these exceptions and, as it has not yet been approved by the Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Tranche 2 Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 6 seeks Shareholder approval to the Lind Tranche 4 Issue under and for the purposes of Listing Rule 7.4.

If Resolution 6 is passed, the Lind Tranche 4 Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 4 Issue Date.

If Resolution 6 is not passed, the Lind Tranche 4 Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 4 Issue Date.

6.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

(a) *The number and class of securities the entity issued*

2,840,910 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the entity has received for the issue*

The Shares were issued at \$0.0352 per Share in consideration for an investment by Lind of \$100,000.

(c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 20 April 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to *Citicorp Nominees Pty Ltd*, the nominee of Lind Global Macro Fund, LP, which is not a related party of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Lind Tranche 4 Issue was made in satisfaction of the Company's obligations under the Funding Agreement. Funds raised were used for growth of the Soluna Australia battery business, commercialisation of the VSPC Ltd cathode business, growth of the Envirostream Australia's battery recycling business, and costs of the funding, as well as general working capital.

- (f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

A summary of the material terms of the Funding Agreement is set out in Section 4.1 and in Annexure C to this Notice.

6.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 6. The Board believes that the ratification of the issue of the Shares the subject of Resolution 6 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 6 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF 3,537,736 SHARES TO LIND (TRANCHE 5)

7.1 Background

Please see Section 4.1 for background information in respect of the Funding Agreement.

Resolution 7 seeks Shareholder ratification pursuant to and under ASX Listing Rule 7.4 and for all other purposes of the issue of 3,537,736 Shares to Lind (**Lind Tranche 5 Issue**) on 29 May 2020 (**Tranche 5 Issue Date**) pursuant to the Tranche 5 Notice issued by Lind under the Funding Agreement.

The Company issued the Shares the subject of Resolution 7 without prior Shareholder approval out of its 10% annual capacity under ASX Listing Rule 7.1A.

7.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company sought and obtained such approval at its previous annual general meeting on 29 November 2019.

The Lind Tranche 5 Issue does not fit within any of these exceptions under Listing Rule 7.1 and, as it has not yet been approved by the Shareholders, it effectively uses up part of the Company's additional 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1A for the 12 month period following the Tranche 5 Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 7 seeks Shareholder approval to the Lind Tranche 5 Issue under and for the purposes of Listing Rule 7.4.

If Resolution 7 is passed, the Lind Tranche 5 Issue will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 5 Issue Date.

If Resolution 7 is not passed, the Lind Tranche 5 Issue will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 5 Issue Date.

7.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 7:

(a) *The number and class of securities the entity issued*

3,537,736 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the entity has received for the issue*

The Shares were issued at \$0.0424 per Share in consideration for an investment by Lind of \$150,000.

(c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 29 May 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to *Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP*, which is not a related party of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Lind Tranche 5 Issue was made in satisfaction of the Company's obligations under the Funding Agreement. Funds raised were used for growth of the Soluna Australia battery business, commercialisation of the VSPC Ltd cathode business, growth of the Envirostream Australia's battery recycling business, and costs of the funding, as well as general working capital.

(f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

A summary of the material terms of the Funding Agreement is set out in Section 4.1 and in Annexure C to this Notice.

7.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 7. The Board believes that the ratification of the issue of the Shares the subject of Resolution 7 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 7 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF 3,311,259 SHARES TO LIND (TRANCHE 6)

8.1 Background

Please see Section 4.1 and Annexure C for background information in respect of the Funding Agreement.

Resolution 8 seeks Shareholder ratification pursuant to and under ASX Listing Rule 7.4 and for all other purposes of the issue of 3,311,259 Shares to Lind (**Lind Tranche 6 Issue**) on 29 June 2020 (**Tranche 6 Issue Date**) pursuant to the Tranche 6 Notice issued by Lind under the Funding Agreement.

The Company issued the Shares the subject of Resolution 8 without prior Shareholder approval out of its 10% annual capacity under ASX Listing Rule 7.1A.

8.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company sought and obtained such approval at its previous annual general meeting on 29 November 2019.

The Lind Tranche 6 Issue does not fit within any of these exceptions under Listing Rule 7.1 and, as it has not yet been approved by the Shareholders, it effectively uses up part of the Company's additional 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1A for the 12 month period following the Tranche 6 Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 8 seeks Shareholder approval to the Lind Tranche 6 Issue under and for the purposes of Listing Rule 7.4.

If Resolution 8 is passed, the Lind Tranche 6 Issue will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 6 Issue Date.

If Resolution 8 is not passed, the Lind Tranche 6 Issue will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 6 Issue Date.

8.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 8:

(a) *The number and class of securities the entity issued*

3,311,259 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the entity has received for the issue*

The Shares were issued at \$0.0453 per Share in consideration for an investment by Lind of \$150,000.

(c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 29 June 2020.

- (d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to *Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP*, which is not a related party of the Company.

- (e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Lind Tranche 6 Issue was made in satisfaction of the Company's obligations under the Funding Agreement. Funds raised were used for growth of the Soluna Australia battery business, commercialisation of the VSPC Ltd cathode business, growth of the Envirostream Australia's battery recycling business, and costs of the funding, as well as general working capital.

- (f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

A summary of the material terms of the Funding Agreement is set out in Section 4.1 and in Annexure C to this Notice.

8.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 8. The Board believes that the ratification of the issue of the Shares the subject of Resolution 8 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 8 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF 3,529,412 SHARES TO LIND (TRANCHE 7 NOTICE)

9.1 Background

Please see Section 4.1 and Annexure C for background information in respect of the Funding Agreement.

Resolution 9 seeks Shareholder ratification pursuant to and under ASX Listing Rule 7.4 and for all other purposes of the issue of 3,529,412 Shares to Lind (**Lind Tranche 7 Issue**) on 5 August 2020 (**Tranche 7 Issue Date**) pursuant to the Tranche 7 Notice issued by Lind under the Funding Agreement.

The Company issued the Shares the subject of Resolution 9 without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1.

9.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Lind Tranche 7 Issue does not fit within any of these exceptions and, as it has not yet been approved by the Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Tranche 7 Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 9 seeks Shareholder approval to the Lind Tranche 7 Issue under and for the purposes of Listing Rule 7.4.

If Resolution 9 is passed, the Lind Tranche 7 Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 7 Issue Date.

If Resolution 9 is not passed, the Lind Tranche 7 Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 7 Issue Date.

9.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 9:

(a) *The number and class of securities the entity issued*

3,529,412 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the entity has received for the issue*

The Shares were issued at \$0.0425 per Share in consideration for an investment of by Lind \$150,000.

(c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 5 August 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to *Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP*, which is not a related party of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Lind Tranche 7 Issue was made in satisfaction of the Company's obligations under the Funding Agreement. Funds raised were used for growth of the Soluna Australia battery business, commercialisation of the VSPC Ltd cathode business, growth of the Envirostream Australia's battery recycling business, and costs of the funding, as well as general working capital.

(f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

A summary of the material terms of the Funding Agreement is set out in Section 4.1 and in Annexure C to this Notice.

9.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 9. The Board believes that the ratification of the issue of the Shares the subject of Resolution 9 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 9 as it provides the Company

with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

10. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF 4,444,445 SHARES TO LIND (TRANCHE 8 NOTICE)

10.1 Background

Please see Section 4.1 and Annexure C for background information in respect of the Funding Agreement.

Resolution 10 seeks Shareholder ratification pursuant to and under ASX Listing Rule 7.4 and for all other purposes of the issue of 4,444,445 Shares to Lind (**Lind Tranche 8 Issue**) on 10 September 2020 (**Tranche 8 Issue Date**) pursuant to the Tranche 8 Notice issued by Lind under the Funding Agreement.

The Company issued the Shares the subject of Resolution 10 without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1.

10.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Lind Tranche 8 Issue does not fit within any of these exceptions and, as it has not yet been approved by the Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Tranche 8 Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 10 seeks Shareholder approval to the Lind Tranche 8 Issue under and for the purposes of Listing Rule 7.4.

If Resolution 10 is passed, the Lind Tranche 8 Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 8 Issue Date.

If Resolution 10 is not passed, the Lind Tranche 8 Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Tranche 8 Issue Date.

10.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 10:

(a) *The number and class of securities the entity issued*

4,444,445 Shares were issued. The Lind Tranche 8 Issue Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the entity has received for the issue*

The Lind Tranche 8 Issue Shares were issued at \$0.045 per Share in consideration for an investment by Lind of \$200,000.

- (c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 10 September 2020.

- (d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to Citicorp Nominees Pty Ltd, the nominee of Lind Global Macro Fund, LP, which is not a related party of the Company.

- (e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Lind Tranche 8 Issue was made in satisfaction of the Company's obligations under the Funding Agreement. Funds raised were used for growth of the Soluna Australia battery business, commercialisation of the VSPC Ltd cathode business, growth of the Envirostream Australia's battery recycling business, and costs of the funding, as well as general working capital.

- (f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

A summary of the material terms of the Funding Agreement is set out in Section 4.1 and in Annexure C to this Notice.

10.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 10. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 10 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF 66,225 SHARES TO BDPT PTY LTD

11.1 Background

On 29 June 2020 (**BDPT Issue Date**) the Company satisfied invoices to a supplier, BDPT Pty Ltd for services rendered to the Company by the issue of 66,225 Shares (**BDPT Shares**) in lieu of a cash payment (**BDPT Issue**).

The Company issued the BDPT Shares without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1.

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of the BDPT Shares.

11.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15 % of the fully paid ordinary securities it had on issue at the start of that period.

The BDPT Issue does not fit within any of these exceptions under Listing Rule 7.1 and, as it has not yet been approved by the Shareholders, it effectively uses up part of the Company's 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the BDPT Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 11 seeks Shareholder approval to the BDPT Issue under and for the purposes of Listing Rule 7.4.

If Resolution 11 is passed, the BDPT Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the BDPT Issue Date.

If Resolution 11 is not passed, the BDPT Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the BDPT Issue Date.

11.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 11:

(a) *The number and class of securities the entity issued*

66,225 Shares were issued. The BDPT Shares issued are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares

(b) *The price or other consideration the Company has received for the issue*

The Shares were issued for nil consideration as they were issued in satisfaction of an invoice payable by the Company. The deemed issue price was \$0.0453 per Share.

(c) *The date or dates on which the securities were or will be issued*

The BDPT Shares were issued on 29 June 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to BDPT Pty Ltd, which is not a related party of the Company.

(e) *The purpose of the issue including the use or intended use of any funds raised by the issue*

The BDPT Shares were issued in satisfaction of an invoice payable by the Company for services rendered to it by BDPT Pty Ltd, in lieu of a cash payment. Accordingly no funds raised from this issue of the BDPT Shares.

11.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 11. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 11 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

12. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF 41,077,735 SHARES TO CLIENTS OF BW EQUITIES PTY LTD

12.1 Background

As announced on 12 August 2020 the Company received firm commitments for a \$4,000,000 share placement to institutions and sophisticated or professional investors through the issue of 75,471,706 Shares at \$0.053 per Share (**August Placement**). The August Placement was heavily oversubscribed.

BW Equities Pty Ltd acted as lead manager to the August Placement. Shares issued pursuant to the August Placement (being the subject of Resolution 12 and Resolution 13) were issued, in accordance with the ASX Listing Rules, under the Company's existing 7.1 and 7.1A capacities. The 41,077,735 Shares issued under the August Placement and which are the subject of Resolution 12 were issued under the Company's existing 7.1A capacity (**August Placement 7.1A Shares**).

Resolution 12 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of the August Placement 7.1A Shares pursuant to the August Placement on 19 August 2020 (**August Placement Issue Date**).

12.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15 % of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company sought and obtained such approval at its previous annual general meeting on 29 November 2019.

The issue of the August Placement 7.1A Shares does not fit within any of these exceptions under Listing Rule 7.1 and, as it has not yet been approved by the Shareholders, it effectively uses up part of the Company's additional 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1A for the 12 month period following the August Placement Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 12 seeks Shareholder approval to the issue of the August Placement 7.1A Shares under and for the purposes of Listing Rule 7.4.

If Resolution 12 is passed, the issue of the August Placement 7.1A Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the BDPT Issue Date.

If Resolution 12 is not passed, the issue of the August Placement 7.1A Shares will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the August Placement Issue Date.

12.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 12:

(a) *The number and class of securities the Company issued*

41,077,735 Shares were issued. The August Placement 7.1A Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the Company has received for the issue*

The August Placement 7.1A Shares were issued at \$0.053 per Share to sophisticated investors as managed by BW Equities Pty Ltd in consideration for a total investment of \$2,177,120.

(c) *The date or dates on which the securities were or will be issued*

The August 7.1A Placement Shares were issued on 19 August 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to sophisticated or professional investors as managed by BW Equities Pty Ltd, who are not a related parties of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

Funds raised were used for commercialisation of Envirostream Australia's battery recycling business, enhancement of Envirostream Australia's marketing and collection network;, marketing costs for Soluna Australia's renewable-energy storage systems, and additional working capital for the Company.

12.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 12. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 12 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

13. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF 34,393,971 SHARES TO CLIENTS OF BW EQUITIES PTY LTD

13.1 Background

Please see Section 12.1 for background information in respect of the August Placement.

Resolution 13 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of 34,393,971 Shares which were issued under the August Placement using the Company's capacity under ASX Listing Rule 7.1 (**August Placement 7.1 Shares**) on the August Placement Issue Date.

13.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the August Placement 7.1 Shares does not fit within any of these exceptions and, as it has not yet been approved by the Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the August Placement Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 13 seeks Shareholder approval to the issue of the August Placement 7.1 Shares under and for the purposes of Listing Rule 7.4.

If Resolution 13 is passed, the issue of the August Placement 7.1 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the August Placement Issue Date.

If Resolution 13 is not passed, the issue of the August Placement 7.1 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the August Placement Issue Date.

13.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 13:

(a) *The number and class of securities the Company issued*

34,393,971 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the Company has received for the issue*

The August Placement 7.1 Shares were issued at \$0.053 per Share to sophisticated investors as managed by BW Equities Pty Ltd in consideration for a total investment of \$1,822,880.

(c) *The date or dates on which the securities were or will be issued*

The August 7.1 Placement Shares were issued on 19 August 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to sophisticated investors as managed by BW Equities Pty Ltd, who are not a related parties of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

Funds raised were used for commercialisation of Envirostream Australia's battery recycling business, enhancement of Envirostream Australia's marketing and collection network;, marketing costs for Soluna Australia's renewable-energy storage systems, and additional working capital for the Company.

13.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 13. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 13 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

14. RESOLUTION 14 – RATIFICATION OF PRIOR ISSUE OF 584,906 SHARES TO ONLINE CROWD PTY LTD AND BDPT PTY LTD

14.1 Background

On 19 August 2020 the Company satisfied invoices for services rendered to the Company by the issue of 584,906 Shares in aggregate to BDPT Pty Ltd and Online Crowd Pty Ltd in lieu of cash payments (**Supplier Shares**).

The Company issued the Supplier Shares without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1 on 19 August 2020 (**Supplier Share Issue Date**).

Resolution 14 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Supplier Shares.

14.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15 % of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Supplier Shares does not fit within any of these exceptions and, as it has not yet been approved by the Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Supplier Share Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 14 seeks Shareholder approval to the issue of the Supplier Shares under and for the purposes of Listing Rule 7.4.

If Resolution 14 is passed, the issue of the Supplier Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Supplier Share Issue Date.

If Resolution 14 is not passed, the issue of the Supplier Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Supplier Share Issue Date.

14.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 14:

(a) *The number and class of securities the Company issued*

584,906 Shares were issued. The Shares issued are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the Company has received for the issue*

The Shares were issued at a deemed issue price of \$0.053 per Share.

(c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 19 August 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

113,208 Shares were issued to BDPT Pty Ltd.

471,698 Shares were issued to Online Crowd Pty Ltd.

BDPT Pty Ltd and Online Crowd Pty Ltd are not related parties of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Shares the subject of Resolution 14 were issued in satisfaction of invoices for services rendered to the Company in lieu of cash payments. Accordingly no funds were raised by their issue.

14.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 14. The Board believes that the ratification of the issue of the Shares the subject of Resolution 14 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 14 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

15. RESOLUTION 15 – RATIFICATION OF PRIOR ISSUE OF 1,588,861 SHARES TO SENIOR MANAGERS

15.1 Background

On 3 September 2020 the Company satisfied amounts outstanding to senior managers employed or engaged by the Company, for services rendered during the CoVID pandemic to the Company, by the issue of 1,588,861 Shares in lieu of a cash payment of their wages or fees in order to preserve the Company's cash reserve.

The Company issued the 1,588,861 Shares to the senior managers (**Manager Shares**) without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1 on 3 September 2020 (**Manager Share Issue Date**).

Resolution 15 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

15.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Manager Shares does not fit within any of these exceptions and, as it has not yet been approved by the Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Manager Share Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 15 seeks Shareholder approval to the issue of the Manager Shares under and for the purposes of Listing Rule 7.4.

If Resolution 15 is passed, the issue of the Manager Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Manager Share Issue Date.

If Resolution 15 is not passed, the issue of the Manager Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Manager Share Issue Date.

15.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 15:

(a) *The number and class of securities the Company issued*

1,588,861 Shares were issued. The Manager Shares issued are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration The Company received for the issue*

The Shares were issued for nil consideration as they were issued in satisfaction of amounts outstanding to the senior managers. The deemed issue price was \$0.0508 per Share.

(c) *The date or dates on which the securities were or will be issued*

The Manager Shares were issued on 3 September 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Manager Shares were issued to senior managers of the company who are not related parties of the Company are listed below.

413,417 Shares were issued to Barry Woodhouse

330,288 Shares were issued to Neil Scholtz

233,347 Shares were issued to Andrew Napier

236,625 Shares were issued to Oresource Pty Ltd

131,626 Shares were issued to Xavier Pty Ltd

100,277 Shares were issued to Raegan Jubb Pty Ltd

143,281 Shares were issued to Kieron D'Arcy Pty Ltd

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Manager Shares were issued in lieu of cash as payment of wages or invoices for services rendered to the Company in order to preserve the Company's cash reserve during the COVID pandemic. Accordingly, no funds raised from this issue of the Manager Shares.

15.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 15. The Board believes that the ratification of the issue of the Manager Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 15 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

16. RESOLUTION 16 – RATIFICATION OF PRIOR ISSUE OF 943,396 SHARES TO PROACTIVE INVESTORS AUSTRALIA PTY LTD

16.1 Background

On 3 September 2020 the Company satisfied invoices to Proactive Investors Australia Pty Ltd for services rendered to the Company by the issue of 943,396 Shares in lieu of a cash payment (**Proactive Shares**).

The Company issued the 943,396 Shares without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1 on 3 September 2020 (**Proactive Share Issue Date**).

Resolution 16 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

16.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Proactive Shares does not fit within any of these exceptions and, as it has not yet been approved by the Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Manager Share Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 16 seeks Shareholder approval to the issue of the Proactive Shares under and for the purposes of Listing Rule 7.4.

If Resolution 16 is passed, the issue of the Manager Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Manager Share Issue Date.

If Resolution 16 is not passed, the issue of the Proactive Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Proactive Share Issue Date.

16.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 16:

- (a) *The number and class of securities the Company issued*

943,396 Shares were issued. The Shares issued are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the Company received for the issue*

The Shares were issued for nil consideration as they were issued in satisfaction of an invoice payable by the Company. The deemed issue price was \$0.053 per Share.

(c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 3 September 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to Proactive Investors Australia Pty Ltd which is not a related party of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

No funds raised from this issue of the Shares as they were issued in lieu of cash as payment of an invoice for services rendered to the Company.

16.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 16. The Board believes that the ratification of the issue of the Shares the subject of Resolution 16 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 16 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

17. RESOLUTIONS 17 - 19 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

17.1 Background to Resolutions 17, 18 and 19

The Company is proposing to issue 22,500,000 Performance Rights in aggregate to Directors Adrian Griffin, Bryan Dixon and George Bauk under the Lithium Australia NL Incentive Plan pursuant to Resolutions 17 to 19 (inclusive) respectively.

Listing Rule 10.14 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not allow any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in paragraph (a) or (b) is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issues the subject of Resolutions 17, 18 and 19 fall within paragraph (a) above (being Listing Rule 10.14.1) and therefore require the approval of Shareholders under Listing Rule 10.14.

Resolutions 17, 18 and 19 seek the required Shareholder approval to the issue of Performance Rights to Directors Messrs Griffin, Dixon and Bauk respectively under and for the purposes of Listing Rule 10.14.

If Resolutions 17, 18 and 19 are each passed, the Company will be able to proceed to issue the respective Performance Rights to Messrs Griffin, Dixon and Bauk.

If Resolutions 17, 18 and 19 are not passed, the Company will not be able to proceed to issue the respective Performance Rights to Messrs Griffin, Dixon and Bauk.

17.2 Terms and Conditions of the Performance Rights

The terms and conditions of the Performance Rights are summarised within the summary of the terms and conditions of the Incentive Plan contained in Annexure A.

The Performance Rights will be issued for no consideration. No consideration is payable for the conversion of Performance Rights to Shares.

The Company is cognisant of the requirement to preserve cash, while providing the principal drivers of Shareholder value with appropriate incentives. The Board considered that a sustained and substantial target increase in the share price at 60%, 100% and 140% is not an easy target, but if the target is reached, then all Shareholders will benefit. This is an appropriate incentive for Directors as the current annualised VWAP is approximately \$0.05.

The Performance Rights milestones will be based on adjusted share price milestone (ASPM) of one fully paid share in the capital of the Company. The price milestone target ascribed to each of the three performance hurdles will be the 20-day VWAP adjusted to reflect the impact of any:

- Declared dividend;
- Capital returns;
- Cash or scrip distributions;
- Bonus issues;
- Share splits; and
- Share consolidations.

For example, in the event of a declared dividend, the price milestone target will increased by the aggregate of any amount paid and the value of any associated tax credits.

The 20-day VWAP price milestone target ascribed to each of the three performance hurdles is based on the 20-day VWAP of \$0.0505 as at valuation date and the ASPM as noted below.

Performance hurdles					
Hurdle number	20 Day VWAP at value date	ASPM	% Value Increase	Target Share Value	Performance Period
H1	\$0.05	\$0.03	60%	\$0.08	5 years
H2	\$0.05	\$0.05	100%	\$0.10	5 years
H3	\$0.05	\$0.07	140%	\$0.12	5 years

Australian Accounting Standard 2 Share-based Payment ('AASB 2') states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

Therefore, the assessments of performance hurdles 1, 2 and 3 are that they are market vesting conditions and in accordance with AASB 2, have been valued using a Monte Carlo simulation option pricing model based on the 20-day VWAP as at the valuation date. Further information in relation to the valuation of these Performance Rights are listed in Annexure B.

Distribution of Performance Rights						
Share Value	ASPM	% value increase	Adrian Griffin	Bryan Dixon	George Bauk	Total
8 cents	3 cents	60%	3,750,000	1,875,000	1,875,000	7,500,000
10 cents	5 cents	100%	3,750,000	1,875,000	1,875,000	7,500,000
12 cents	7 cents	140%	3,750,000	1,875,000	1,875,000	7,500,000
Total			11,250,000	5,625,000	5,625,000	22,500,000

A summary of the Incentive Plan under which the Performance Rights are to be issued is set out in **Annexure A**.

17.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issue of Performance Rights) to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, each Director is considered to be a related party of the Company. The proposed issue of Performance Rights to Directors and/or their nominee(s) involves the provision of a financial benefit to a related party of the Company. Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E where the financial benefit is remuneration that would be reasonable given the circumstances of the Company and the related party's circumstances. The Board has determined that proposed grant of Performance Rights to Messrs Griffin, Dixon and Bauk within the exemption contained in section 211 of the Corporations Act as reasonable remuneration.

17.4 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 10.14 the following information is provided in relation to Resolutions 17 to 19 (inclusive):

- (a) Directors Messrs Griffin, Dixon and Bauk (or their nominees) are the persons to whom equity securities (being Performance Rights) will be issued if Resolutions 17 to 19 (inclusive) are passed by Shareholders.
- (b) 11,250,000 Performance Rights are proposed to be issued to Mr Griffin pursuant to Resolution 17 and 5,625,000 Performance Rights are proposed to be issued to each of Messrs Dixon and Bauk under Resolutions 18 and 19 respectively.
- (c) The current remuneration packages of Messrs Griffin, Dixon and Bauk are set out below:

Resolution	Director	Position	Annual remuneration including superannuation and non cash benefits	Estimated value of Performance Rights (Annexure B)	Total (annual remuneration plus estimated value of Performance Rights)
17	Adrian Griffin	Managing Director	\$421,575	\$397,500	\$819,075
18	Bryan Dixon	Non-Executive Director	\$181,028*	\$198,750	\$379,778
19	George Bauk	Non-Executive Chairman	\$90,000	\$198,750	\$288,750

* Includes consulting fees of \$121,028 paid to Warrior Strategic Pty Ltd.

- (d) The expiry date of the Performance Rights is 5 years from the date of their grant.
- (e) The nature of the financial benefit proposed to be given is the issue of Performance Rights for no consideration. The purpose of the issue is to provide cost effective consideration to Directors for their contribution to the Company in their respective roles.
- (f) The Performance Rights will be issued within 36 months of the date of the Meeting or such later date as the ASX Listing Rules permit (including such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (g) No Performance Rights or other Plan Securities have previously been issued under the Incentive Plan to persons referred to in ASX Listing Rule 10.14, nor has the Incentive Plan previously been adopted by Shareholders.
- (h) All Directors are entitled to participate in the Incentive Plan and include Messrs Griffin, Dixon and Bauk.
- (i) The Performance Rights are to be granted for nil consideration and therefore no funds will be raised from their issue.
- (j) As at the date of this Notice, the Directors hold the following relevant interests in the securities in the Company:

Director	Ordinary Shares	Partly Paid Contributing Shares	Current Listed Options held	Director Performance Rights held	Director Performance Rights proposed to be issued	Shareholding on a fully diluted basis*
Adrian Griffin	16,879,866	6,791,718	2,031,102	3,000,000	11,250,000	4.90%
Bryan Dixon	3,327,654	759,936	-	-	5,625,000	1.19%
George Bauk	1,984,981	1,410,125	131,696	1,200,000	5,625,000	1.27%

*Assuming Shareholders approve the issue of the Performance Rights to Directors that are subject to Resolutions 17 to 19 inclusive and all Performance Rights and current options are exercised.

- (k) If Shareholders approve Resolutions 17 to 19 inclusive, and all Performance Rights are issued and exercised, depending on the prevailing Share price at the time the Performance Rights are exercised (including all current unlisted Options held by Directors and the Performance Rights the subject of Resolutions 17 to 19) it will dilute the holdings of existing Shareholders by approximately 3.26%.
- (l) The Directors consider that the incentive represented by the issue of Performance Rights is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration.
- (m) The Company has valued the Performance Rights. See **Annexure B** for details of the valuation. Australian Accounting Standard 2 Share-based Payment ('AASB 2') states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments grant. Due to the nature of the vesting conditions and the early stage nature of the company it is possible that the vesting conditions will not be met and thus no Performance Rights will vest. Therefore, the expense attributable to the Performance Rights and the value received by Directors from them could range between nil and the share price when the Performance Rights are granted. This valuation is not automatically the valuation for taxation purposes.
- (n) The Board recognises that the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that non-executive directors should not receive performance rights as part of their remuneration. Notwithstanding this, the Board considers the issue of Performance Rights to the Directors is appropriate in the circumstances for the reasons set out below:
- (i) The Board has concluded that the totality of the Directors' remuneration packages, including the equity component of such number of Performance Rights proposed to be issued to each Director under Resolutions 17 to 19 inclusive is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of the Directors' management experience and knowledge of the mineral exploration industry.

- (o) Details of any securities issued under the Incentive Plan including the Performance Rights the subject of Resolutions 17 to 19 will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

The Board does not consider that there are any material taxation consequences or benefits foregone by the Company as a result of issuing the Performance Rights on the terms proposed.

Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision as to whether it is in the best interests of the Company to pass the Resolutions other than as follows:

- (a) If all the Performance Rights the subject of Resolutions 17 to 19 inclusive are granted and exercised, then the Company's fully paid share capital (based on the existing number of Shares and assuming no other Company securities are exercised or converted) will be diluted by 2.76%;
- (b) The Directors consider that the incentive represented by the grant of Performance Rights is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration;
- (c) The primary purpose of the grant of Performance Rights is to provide an incentive to Messrs Griffin, Dixon and Bauk. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Performance Rights that are the subject of Resolutions 17 to 19 inclusive (other than as set out below); and
- (d) The Board has examined the individual remuneration packages of Directors to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives and non-executives in similar roles. The Board considers the grants to Messrs Griffin, Dixon and Bauk are appropriate in the circumstances for the reasons set out below.

No loans by the Company exist in relation to the proposed grant of the Performance Rights.

Based on its examination, the Board has concluded that the totality of Messrs Griffin, Dixon and Bauk's remuneration packages, including the equity component of up to 22,500,000 Performance Rights now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Messrs Griffin, Dixon and Bauk's significant management experience and knowledge of the and energy metals and mineral exploration industry.

Accounting standards require that granted Performance Rights be valued and expensed. The Directors do not consider that there are any other opportunity costs to the Company or benefits forgone by the Company in respect of the proposed issue of Performance Rights pursuant to Resolutions 17 to 19 inclusive.

The last available price of Shares quoted on ASX prior to the date of this Notice of Meeting on 19 November was \$0.051. The highest price for Shares trading on ASX over the last 12 months was \$0.078 on 14 January 2020 and the lowest price in that period was \$0.032 on 24 March 2020.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Approval pursuant to ASX Listing Rule 7.1 is not required (under Exception 14 to ASX Listing Rule 7.1) in order to issue the Performance Rights to Messrs Griffin, Dixon and Bauk and/or their nominee(s) as approval is being obtained under ASX Listing Rule 10.14.

Shareholders should note that the issue of securities to Messrs Griffin, Dixon and Bauk and/or their nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

The Company is seeking approval to assist the Company in meeting its existing obligations to Directors and to provide the Company with the flexibility to continue to remunerate Directors fairly and responsibly.

The terms and conditions of the Incentive Plan, and of the Performance Rights, are summarised in Annexure A to this Notice of Meeting.

18. RESOLUTION 20 - APPROVAL OF AMENDMENTS TO CONSTITUTION

18.1 Background

On 1 December 2019, a number of amendments to the Listing Rules came into effect. These amendments included the introduction of a modified escrow regime, which is designed to make ongoing compliance with the Listing Rules more efficient. The amendments to Listing Rule 9.1(a) require an ASX listed entity to include in its constitution the provisions set out in Listing Rule 15.12.

18.2 Proposed Amendments to the Constitution

Clause 161 of the Company's current Constitution deals with Restricted Securities but does not meet the requirements of ASX's modified escrow regime.

While the Company does not currently have any Restricted Securities on issue, it is considered prudent to make these changes now, to ensure compliance with the Listing Rules if Restricted Securities are issued in the future.

An amendment of the Constitution is therefore sought by deleting the current clause 161 and inserting a new clause 161 in its place which will read as follows:

161 Restricted Securities

161.1 The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above, if any securities of the Company are classified as Restricted Securities under the Listing Rules:

- (i) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;*
- (ii) if the Restricted Securities are in the same class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Securities;*
- (iii) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;*
- (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX; and*
- (v) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Securities for so long as the breach continues.*

161.2 In this clause, the expressions 'Disposed of', 'Disposal', 'Escrow Period', 'Holding Lock' and 'Restricted Securities' have the same meaning as in the Listing Rules.

18.3 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 20.

ANNEXURE A – SUMMARY OF THE TERMS AND CONDITIONS OF THE LITHIUM AUSTRALIA NL INCENTIVE PLAN

The Lithium Australia NL Securities Incentive Plan (**Plan**) is being considered for approval by Shareholders at the General Meeting. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
 - (ii) link the reward of Eligible Participants to Shareholder value creation;
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities; and
 - (iv) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

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

(d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company.

The Board may accept an application from an Eligible Participant in whole or in part.

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

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

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

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

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

(h) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. More than one signed Notice of Exercise can be delivered by a Participant in relation to a holding of Convertible Securities from the date of a Vesting Notice until the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

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

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

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

(j) **(Forfeiture or non forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest or remain non forfeited.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

(i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

(ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

Good Leaver Where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Good Leaver, unless the Board determines otherwise vested Convertible Securities that have not been exercised will continue in force and remain exercisable until the Expiry Date and unvested Convertible Securities will be forfeited unless the Board determines otherwise. A Good Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) who ceases employment, office or engagement with any Group Company ceases and who is not a Bad Leaver, and includes where an Eligible Participant's employment, office or engagement ceases due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides.

A **Bad Leaver** Unless the Board determines otherwise, where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Bad Leaver unvested Convertible Securities will be forfeited and vested Convertible Securities that have not been exercised will be forfeited on the date of the cessation of employment or office of such Participant in accordance with clause 10. A Bad Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) whose employment, office or engagement with a Group Company ceases in any of the following circumstances: (i) the Eligible Participant's employment or engagement is terminated, or the Eligible Participant is dismissed from office, due to serious and wilful misconduct; a material breach of the terms of any contract of employment, engagement or office entered into by a Group Company and the Eligible Participant; gross negligence; or any other conduct justifying termination of employment, engagement or office without notice either under the Eligible Participant's contract of employment or engagement or office, or at common law; (ii) the Eligible Participant ceases his or her employment or engagement or office for any reason, and breaches a post-termination restriction contained in the Eligible Participant's employment contract; or (iii) the Eligible Participant becomes ineligible to hold his or her office for the purposes of Part 2D.6 (disqualification from managing corporations) of the Corporations Act.

Discretion The Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Convertible Securities will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

(k) **(Change of control)**: If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

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

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

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

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

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

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

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

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

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

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

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

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

ANNEXURE B – VALUATION OF PERFORMANCE RIGHTS

Valuation

The Performance Rights milestones will be based on adjusted share price milestone (ASPM) of one fully paid share in the capital of the Company. The price milestone target ascribed to each of the three performance hurdles will be the 20-day VWAP adjusted for:

- Share price appreciation
- Declared dividend
- Capital returns
- Cash or scrip distributions
- Bonus issues
- Share splits
- Share consolidations

The 20-day VWAP price milestone target ascribed to each of the three performance hurdles is based on the 20-day VWAP of \$0.0505 as at valuation date and the ASPM as noted below:

Performance hurdles					
Hurdle number	20 Day VWAP at value date	ASPM	% Value Increase	Target Share Value	Performance Period
H1	\$0.05	\$0.03	60%	\$0.08	5 years
H2	\$0.05	\$0.05	100%	\$0.10	5 years
H3	\$0.05	\$0.07	140%	\$0.12	5 years

Australian Accounting Standard 2 Share-based Payment ('AASB 2') states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

Therefore, our assessments of performance hurdles 1, 2 and 3 are that they are market vesting conditions and in accordance with AASB 2, have been valued using a Monte Carlo simulation option pricing model based on the 20-day VWAP as at the valuation date. See table below which lists the variables used as the basis for the valuation. There is no exercise price paid for the Performance Rights.

Valuation of Performance Rights based on Monte Carlo valuation model

Hurdles	No. Rights	Grant Date	Vesting Date	Expiry Date	Expiry Period (Yrs)	Performance Measurement Period	Share Price Target	Consec days price must remain above target	Vesting Conditions	Volatility	Continuously Compounded RFR	Dividend Yield	Fair Value	Total Value
H1	7,500,000	10/11/2020	0.0505	9/11/2025	5.00	5.00	0.08	20	Market Vesting	85%	0.30%	0%	0.0379	\$ 284,250
H2	7,500,000	10/11/2020	0.0505	9/11/2025	5.00	5.00	0.10	20	Market Vesting	85%	0.30%	0%	0.0354	\$ 265,500
H3	7,500,000	10/11/2020	0.0505	9/11/2025	5.00	5.00	0.12	20	Market Vesting	85%	0.30%	0%	0.0327	\$ 245,250
	22,500,000													\$ 795,000

A further breakdown of the individual directors' valuations is as follows:

Hurdles	# of instruments	Value per instrument \$	Total Value
Adrian Griffin			
H1	3,750,000	\$0.0379	\$142,125
H2	3,750,000	\$0.0354	\$132,750
H3	3,750,000	\$0.0327	\$122,625
Total	11,250,000		397,500
Bryan Dixon			
H1	1,875,000	\$0.0379	\$71,063
H2	1,875,000	\$0.0354	\$66,375
H3	1,875,000	\$0.0327	\$61,312
Total	5,625,000		198,750
George Bauk			
H1	1,875,000	\$0.0379	\$71,063
H2	1,875,000	\$0.0354	\$66,375
H3	1,875,000	\$0.0327	\$61,312
Total	5,625,000		198,750
TOTAL	22,500,000		795,000

ANNEXURE C – SUMMARY OF TERMS AND CONDITIONS OF FUNDING AGREEMENT

The Funding Agreement includes provisions that allow for conversion of securities outstanding to Lind into Shares, optional cash payments by the Company or early repayment, subject to Lind's buy back conversion rights for up to 30% of the outstanding Face Value.

Lind will initially advance A\$3 million to the Company in two parts.

The Company will issue a zero-interest redeemable secured convertible security (**Convertible Security**) with a face value amount of A\$3.3 million for an advance of A\$2.9 million. The difference between the amount advanced and the face value repayable reflects the financing charges associated with this facility and is inclusive of interest. The Company has the right to buy back the Convertible Security at any time with no pre-payment premium subject to Lind's buy back conversion rights for up to 30% of the outstanding Face Value.

Lind can convert the Convertible Security into Shares after an initial lock-up period at a price being the lower of A\$0.055 per Share or 92.5% of three consecutive daily VWAPs during a specified period of time (**Conversion Price**). Initially, Lind will be restricted to converting a maximum of A\$150,000 in any month, with this later increasing to A\$300,000 in any month. Additionally, the Company can redeem the entire outstanding amount at any time for no penalty, subject to Lind having the right to elect to convert 30% of the Face Value at the Conversion Price.

Lind will also subscribe for Shares for up to AU\$3.4 million over 12 months by way of pre-payments ranging from A\$100,000 to A\$300,000 per month for 12 months, which can be extended for an additional 12 months by agreement between the parties. Simultaneous to funding the Convertible Security, Lind will pre-pay the first tranche in the amount of A\$100,000. Thereafter, Lind will purchase Shares from the Company on a monthly basis in the amount of A\$100,000 per monthly tranche. Upon mutual consent, the Company and Lind may increase the amount of each tranche up to A\$300,000. The Company will have the right to reduce any tranche down to A\$25,000. Lind will pre-pay each monthly tranche at the beginning of the month and the Company will issue the Shares to Lind at the end of the month at the Purchase Price. The Purchase Price will be the lower of A\$0.055 per Share or 92.5% of three consecutive daily VWAPs during a specified period of time (**Purchase Price**).

As part of the consideration payable for this Funding Agreement, the Company will issue 33.33 million Options to Lind with an exercise price of A\$0.055 per Option and an expiry of three years from issue. Security will be provided to Lind by way of a General Security Agreement and by way of the issue of 15 million collateral Shares that will be credited at the end of the Funding Agreement. Upon execution of the Funding Agreement, the Company will issue 15 million collateral Shares.

The parties have agreed that no more than 71,440,776 Shares (**Maximum Number**) can be issued under the Convertible Security without shareholder approval. As the Maximum Number is within the Company's ASX Listing Rule 7.1 placement capacity, Shareholder approval is not required for the issue of the Convertible Security. The Company will, at a general meeting to be called shortly, seek shareholder approval for the issue of a replacement Convertible Security that can convert into Shares without being subject to the Maximum Number and approve the issue to Lind of the 33.33 million Options. However even if the replacement Convertible Security is approved and issued, the Company's obligations in relation to the monthly tranches will remain subject to the Maximum Number.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 3.1.

2020 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the financial year ended 30 June 2020, which can be downloaded from the Company's website at www.lithium-au.com.

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

August Placement is defined in Section 12.1

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791) and the market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time except to the extent of any express written waiver by ASX.

Board means the board of Directors.

Chair means the chairperson of the Meeting.

Closely Related Party is defined in respect of a member of Key Management Personnel as:

- (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 dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by regulations that may be made for this purpose.

Company, LIT or **Lithium Australia** means Lithium Australia NL (ABN 29 126 129 413).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) and any regulations made under it, each as amended from time to time.

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities has the meaning given by the ASX Listing Rules and includes a Share, a Partly Paid Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as such.

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

Funding Agreement is defined in Section 4.1.

Incentive Plan or **Plan** means the Lithium Australia NL Incentive Plan, a summary of the terms and conditions of which is set out in Annexure A.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Lind is defined in Section 4.1.

Notice means the notice of meeting accompanying this Explanatory Memorandum.

Option means an option to acquire a Share.

Partly Paid Share means a partly paid share in the capital of the Company, paid to \$0.0001 and unpaid to \$0.2499.

Performance Right means a performance right in the Company issued on the terms and conditions set out in Section 17.2.

Proxy Form means the proxy form accompanying this Explanatory Memorandum.

Remuneration Report means that section of the Directors' report under the heading "Remuneration Report" set out in the 2020 Annual Report.

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

Section means a section of this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day and notified to market participants being:

(a) a day other than:

- (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
- (ii) any other day which ASX declares and publishes is not a trading day; and

(b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

WST means Western Standard Time.

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

**PROXY FORM
LITHIUM AUSTRALIA NL
ABN 29 126 129 413**

ANNUAL GENERAL MEETING

I/We

of

appoint being a member of Lithium Australia NL entitled to attend and vote at the Annual General Meeting, hereby

Name of proxy

OR

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at Level 1, 675 Murray Street, Perth WA at 9:00am WST on 18 December 2020, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 17, 18 and 19 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 17, 18 and 19 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report (Non-Binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – George Bauk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval for Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of prior issue of 1,769,912 Shares to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of prior issue of 4,444,445 Shares to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of prior issue of 2,840,910 Shares to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Ratification of prior issue of 3,537,736 Shares to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Ratification of prior issue of 3,331,259 Shares to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Ratification of prior issue of 3,529,412 Shares to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Ratification of prior issue of 4,444,445 Shares to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Ratification of prior issue of 66,225 Shares to BDPT Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 Ratification of prior issue of 41,077,735 Shares to clients of BW Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 Ratification of prior issue of 34,393,971 Shares to clients of BW Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14 Ratification of prior issue of 584,906 Shares to BDPT Pty Ltd and Online Crowd Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15 Ratification of prior issue of 1,588,861 Shares to senior managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16 Ratification of prior issue of 943,396 Shares to Proactive Investors Australia Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17 Approval of issue of Performance Rights to Adrian Griffin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 18 Approval of issue of Performance Rights to Bryan Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 19 Approval of issue of Performance Rights to George Bauk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 20 Approval of amendments to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s): _____ Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

E-mail Address: _____ Consent for contact by e-mail YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the Proxy Form enclosed and either send the Proxy Form :
 - (a) by post, to Lithium Australia NL, PO Box 1088, West Perth WA 6872
 - (b) by facsimile, to the Company on facsimile number (08) 9475 0847; or
 - (c) by email, to the Company at info@lithium-au.com

so that it is received not later than **9:00am WST on 16 December 2020**.

Proxy forms received later than this time will be invalid.
