

---

# **AMERICAN PACIFIC BORATE & LITHIUM LTD**

**ACN 615 606 114**

## **NOTICE OF ANNUAL GENERAL MEETING**

---

Notice is given that the Meeting will be held at:

**TIME:** 9.00 am (EST)

**DATE:** 2 November 2018

**PLACE:** Peloton Capital Pty Ltd  
Level 5, 56 Pitt Street, Sydney, New South Wales, 2000 Australia

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (EST) on Wednesday, 31 October 2018.***

---

## BUSINESS OF THE MEETING

---

### AGENDA

---

#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

---

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2018.”*

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

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either 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 (the **voter**) described above 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 by writing that specifies the way the proxy is to vote on this 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.

---

#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – STEPHEN HUNT

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

*“That, for the purpose of clauses 12.11 and 12.12 of the Constitution and for all other purposes, Stephen Hunt, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

---

#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – ANTHONY HALL

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

*“That, for the purpose of clauses 12.11 and 12.12 of the Constitution and for all other purposes, Anthony Hall, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

---

**5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – LEAD MANAGER OPTIONS EXERCISABLE AT \$0.25**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,000,000 Options exercisable at \$0.25 to the Lead Manager of the Placement on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**7. RESOLUTION 6 – ISSUE OF OPTIONS EXERCISABLE AT \$0.50 TO RELATED PARTY – MICHAEL SCHLUMPBERGER**

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

*“That, for the purposes of section 195(4) and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Options exercisable at \$0.50 to Michael Schlumpberger (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Michael Schlumpberger (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

---

**8. RESOLUTION 7 – ISSUE OF OPTIONS EXERCISABLE AT \$0.50 TO RELATED PARTY - ANTHONY HALL**

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

*“That, for the purposes of section 195(4) and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Options exercisable at \$0.50 to Anthony Hall (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Anthony Hall (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

---

**9. RESOLUTION 8 – ISSUE OF OPTIONS EXERCISABLE AT \$0.50 TO RELATED PARTY - HAROLD SHIPES**

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

*“That, for the purposes of section 195(4) and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Options exercisable at \$0.50 to Harold Shipes (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Harold Shipes (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

---

**10. RESOLUTION 9 – ISSUE OF OPTIONS EXERCISABLE AT \$0.50 TO RELATED PARTY - JOHN MCKINNEY**

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

*“That, for the purposes of section 195(4) and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 250,000 Options exercisable at \$0.50 to John McKinney (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of John McKinney (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

---

**11. RESOLUTION 10 – ISSUE OF OPTIONS EXERCISABLE AT \$0.50 TO RELATED PARTY - STEPHEN HUNT**

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

*“That, for the purposes of section 195(4) and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 250,000 Options exercisable at \$0.50 to Stephen Hunt (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Stephen Hunt (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or,

it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

---

**12. RESOLUTION 11 – ISSUE OF SHARES AT AN ISSUE PRICE OF \$0.20 TO RELATED PARTY – MICHAEL SCHLUMBERGER**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 425,000 Shares at an issue price of \$0.20 (\$85,000) to Michael Schlumpberger (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mike Schlumpberger (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**13. RESOLUTION 12 – ISSUE OF SHARES AT AN ISSUE PRICE OF \$0.20 TO RELATED PARTY – ANTHONY HALL**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 250,000 Shares at an issue price of \$0.20 (\$50,000) to Anthony Hall (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Anthony Hall (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**14. RESOLUTION 13 – ISSUE OF SHARES AT AN ISSUE PRICE OF \$0.20 TO RELATED PARTY – STEPHEN HUNT**

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 125,000 Shares at an issue price of \$0.20 (\$25,000) to Stephen Hunt (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Stephen Hunt (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## 15. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY

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

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**Dated:** 2 October 2018

**By order of the Board**



**Aaron Bertolatti**

**Company Secretary**

---

### **Voting in person**

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

---

### **Voting by proxy**

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

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

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

- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6141 3145.***



---

## EXPLANATORY STATEMENT

---

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

---

### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://americanpacificborate.com>.

---

### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

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

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

---

## **3. RESOLUTIONS 2 & 3 RE-ELECTIONS OF DIRECTORS**

### **3.1 General**

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

### **3.2 Resolution 2 – Re-Election of Stephen Hunt**

Stephen Hunt, who has served as a director since 2 May 2017 and was re-elected on 3 November 2017, retires by rotation and seeks re-election.

#### **(a) Qualifications and other material directorships**

Stephen Hunt has 25 years' experience in the marketing mineral products worldwide. His career includes 15 years at BHP Billiton where he spent 5 years in the London office marketing minerals to a global customer base. Mr. Hunt has built his own minerals trading company, which has a strong Chinese focus. He brings 15 years of cumulative board experience with four ASX listed companies. Two of those companies were successful in transitioning from project development to production.

Currently Mr. Hunt is a Non-Executive Director of Volt Resources Ltd (ASX: VRC) and is a Member of the Australian Institute of Company Directors.

#### **(b) Independence**

If elected the board does not consider Mr Hunt will be an independent director.

#### **(c) Board recommendation**

The Board supports the re-election of Mr Hunt and recommends that Shareholders vote in favour of Resolution 2.

### **3.3 Resolution 3 – Re-Election of Anthony Hall**

Anthony Hall, who has served as a director since 28 October 2016 and was last re-elected on 3 November 2017, retires by rotation and seeks re-election.

#### **(a) Qualifications and other material directorships**

Anthony Hall is a qualified lawyer with 20 years' commercial experience in venture capital, risk management, strategy and business development. He was previously the Managing Director of ASX listed Highfield Resources Ltd (ASX: HFR) from 2011 to 2016. During his tenure, the company's market cap grew to over \$500m and raised over \$140m

to progress potash projects in Spain. The Muga Mine will be the first potash mine built in fifty years that is not owned by a major fertiliser company. Mr Hall holds a Bachelor of Laws (Hons), Bachelor of Business and a Graduate Diploma of Applied Finance and Investment.

Mr Hall does not hold directorships in any other ASX listed companies.

(b) **Independence**

If elected the board does not consider Mr Hall will be an independent director.

(c) **Board recommendation**

The Board supports the re-election of Mr Hall and recommends that Shareholders vote in favour of Resolution 3.

---

## **4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES**

### **4.1 General**

On 1 August 2018, the Company announced that it had undertaken a placement (**Placement**) and issued 20,000,000 Shares at an issue price of \$0.20 per Share to raise \$4,000,000 (**Placement Shares**).

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Placement Shares (**Ratification**).

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

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

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

### **4.2 Technical information required by ASX Listing Rule 7.4**

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

- (a) 20,000,000 Shares were issued;
- (b) the issue price was \$0.20 per Share;
- (c) 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;
- (d) the Shares were issued to institutional and sophisticated investors. None of these subscribers are related parties of the Company; and

- (e) the funds raised from this issue will be used to enable construction-related workstreams to progress quickly once a Definitive Feasibility Study for its the Fort Cady Borate Project in Southern California is complete.

---

## **5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – LEAD MANAGER OPTIONS EXERCISABLE AT \$0.25**

### **5.1 General**

On 10 August 2018, the Company issued 4,000,000 Options in consideration for lead manager services provided by Peloton Capital in respect of the Placement.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 4.1 above.

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

### **5.2 Technical information required by ASX Listing Rule 7.4**

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

- (a) 4,000,000 Options were issued;
- (b) the Options were issued for nil cash consideration in satisfaction of lead management services provided by Peloton Capital Pty Ltd in respect of the Placement;
- (c) the Options will be issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to Peloton Capital Pty Ltd and their nominees, who are not related parties of the Company; and
- (e) no funds were raised from this issue as the Options were issued in consideration for lead manager services provided to the Company in respect of the Placement.

---

## **6. RESOLUTION 6 – 10: ISSUE OF OPTIONS EXERCISABLE AT \$0.50 TO RELATED PARTIES**

### **6.1 General**

In order to provide long term incentives for the Directors, the Company has agreed, subject to obtaining Shareholder approval, to issue a total of 7,000,000 Options (**Related Party Options**) to the Directors (or their nominees) on the terms and conditions set out below.

Resolutions 6 -10 seeks Shareholder approval for the grant of the Related Party Options to the Directors (or their nominees).

## 6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Options constitutes giving a financial benefit and the persons who will receive the Options are each a related party of the Company by virtue of being a Director.

The Directors (other than the Director who has a material personal interest in the relevant Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the agreement to grant the Related Party Options is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

## 6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## 6.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Related Party Options will be granted to each of the Directors (or their nominees);
- (b) the number of Related Party Options to be issued to each Director (or their nominee) is as follows:

Director	No. of Options
Michael Schlumpberger	4,000,000
Anthony Hall	2,000,000
Harold Shipes	500,000
John McKinney	250,000
Stephen Hunt	250,000

- (c) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (d) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Related Party Options are set out in Schedule 2.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to the Directors (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

---

## **7. RESOLUTION 11 – 13: ISSUE OF SHARES AT AN ISSUE PRICE OF \$0.20 TO RELATED PARTIES - MICHAEL SCHLUMPBERGER, ANTHONY HALL & STEPHEN HUNT**

### **7.1 General**

Pursuant to Resolution 4, the Company is seeking Shareholder approval for the ratification of the issue of 20,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$4,000,000 (**Placement**).

The Company has committed an additional \$160,000 worth of Shares to Directors at the Placement price subject to Shareholder approval (**Director Offer**).

Michael Schlumpberger, Anthony Hall and Stephen Hunt wish to participate in the Director Offer.

Resolutions 11-13 seek Shareholder approval for the issue of 800,000 Shares arising from the Directors' participation in the Director Offer (**Participation**).

### **7.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Michael Schlumpberger, Anthony Hall and Stephen Hunt are related parties of the Company by virtue of being Directors.

The Directors (other than the Directors who have a material personal interest in the relevant Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to the Directors on the same terms as Shares issued to

non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

### **7.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Director Offer involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### **7.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be issued to Michael Schlumpberger, Anthony Hall and Stephen Hunt (or their nominees);
- (b) the maximum number of Shares to be issued is 800,000 to be issued as follows:
  - (i) 425,000 Shares are to be issued to Michael Schlumpberger (or his nominee);
  - (ii) 250,000 Shares are to be issued to Anthony Hall (or his nominee); and
  - (iii) 125,000 Shares are to be issued to Stephen Hunt (or his nominee).
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price will be \$0.20 per Share, being the same as all other Shares issued under the Placement;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Placement as set out in section 4.2(e) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Michael Schlumpberger, Anthony Hall and Stephen Hunt (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

---

## **8. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **8.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual 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.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$22,331,200 (based on the number of Shares on issue and the closing price of Shares on the ASX on 12 September 2018).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: ABR).

If Shareholders approve this Resolution, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

This Resolution 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 this Resolution for it to be passed.

### **8.2 Technical information required by ASX Listing Rule 7.1A**

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

#### **(a) Minimum Price**

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 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or



- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 8.2(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 Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) 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 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 this Resolution 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.

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 market price of Shares and the number of Equity Securities on issue as at 12 September 2018.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) 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			
	Issue Price (per Share)	\$ 0.085 50% decrease in Issue Price	\$0.17 Issue Price	\$0.255 50% increase in Issue Price
132,160,002  (Current Variable A)	Shares issued - 10% voting dilution	13,216,000 Shares	13,216,000 Shares	13,216,000 Shares
	Funds raised	\$1,123,360	\$2,246,720	\$3,370,080
198,240,003  (50% increase in Variable A)	Shares issued - 10% voting dilution	19,824,000 Shares	19,824,000 Shares	19,824,000 Shares
	Funds raised	\$1,685,040	\$3,370,080	\$5,055,120
264,320,004  (100% increase in Variable A)	Shares issued - 10% voting dilution	26,432,000 Shares	26,432,000 Shares	26,432,000 Shares
	Funds raised	\$2,246,720	\$4,493,440	\$6,740,160

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

**The table above uses the following assumptions:**

1. There are currently 131,360,002 Shares on issue as at the date of this Notice of Meeting. 800,000 Shares will be issued under this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 12 September 2018.
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 Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 (except for 250,000 fully paid ordinary shares issued on 12 July 2018 to a consultant as payment of a referral fee following the acquisition of the Salt Wells North and Salt Wells South borate and lithium exploration projects in Nevada, USA).
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.

6. 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.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the 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 the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets, general working capital etc; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments including previously announced acquisitions in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

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

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients 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 recipients 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 circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 3 November 2017 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 2 November 2017, the Company otherwise issued a total of 20,250,000 Shares and 6,850,000 Options which represents approximately 14.7% of the total diluted number of Equity Securities on issue in the Company on 2 November 2017, which was 184,820,002.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 3.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

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

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

### **8.3 Voting Exclusion**

A voting exclusion statement is included in this Notice. 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 this Resolution.

---

## GLOSSARY

---

**\$** means Australian dollars.

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

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

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

**Company** means American Pacific Borate and Lithium Limited (ACN 615 606 114).

**Constitution** means the Company's constitution.

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

**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.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the

Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Placement** has the meaning given to it in clause 4.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

---

## SCHEDULE 1 – TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

---

**(a) Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

**(b) Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5:00 pm (WST) on 10 August 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**(f) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(g) Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

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

**(i) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(k) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(l) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



---

## SCHEDULE 2 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

---

**(a) Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

**(b) Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.50 (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5:00 pm (WST) on that date which is 4 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**(f) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(g) Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

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

**(i) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(k) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(l) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 2 NOVEMBER 2017

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
22 February 2018	500,000	Unquoted Options <sup>3</sup>	Eligible Employees under the Company's Incentive Option Plan	nil	Non-cash Consideration: Performance based remuneration for services provided to the Company Current value <sup>7</sup> = \$31,721
15 June 2018	600,000	Unquoted Options <sup>4</sup>	Eligible Employees under the Company's Incentive Option Plan	nil	Non-cash Consideration: Performance based remuneration for services provided to the Company Current value <sup>7</sup> = \$30,859
15 June 2018	1,750,000	Unquoted Options <sup>5</sup>	Eligible Employees under the Company's Incentive Option Plan	nil	Non-cash Consideration: Performance based remuneration for services provided to the Company Current value <sup>7</sup> = \$83,674
12 July 2018	250,000	Fully Paid Ordinary Shares <sup>2</sup>	Consultant as payment of a referral fee following the acquisition of the Salt Wells North and Salt Wells South borate and lithium exploration projects in Nevada, USA	nil	Non-cash Consideration: Consideration for services provided Current value <sup>7</sup> = \$42,500
10 August 2018/14 August 2018	20,000,000	Fully Paid Ordinary Shares <sup>2</sup>	Institutional and sophisticated investors pursuant to the Placement (Refer to Resolution 4)	\$0.20	Amount raised = \$4,000,000 Amount spent = \$nil Use of funds - The funds raised from this issue will be used to enable construction-related workstreams to progress quickly once a Definitive Feasibility Study for its the Fort Cady Borate Project in Southern California is complete.  Amount remaining = \$4,000,000
10 August 2018	4,000,000	Unquoted Options <sup>6</sup>	Lead Manager in consideration for lead manager services in respect of the Placement (Refer to Resolution 5)	nil	Non-cash Consideration: Consideration for services provided Current value <sup>7</sup> = \$223,964

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: ABR (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.60 each, on or before 30 June 2022. The full terms and conditions are contained in the Company's Incentive Option Plan dated 27 July 2017.
4. Unquoted Options, exercisable at \$0.60 each, on or before 30 June 2022. 100,000 Options to vest immediately and 500,000 to vest 12 months from the date of issue provided that the Option holder is still employed by the Company at the time. The full terms and conditions are contained in the Company's Incentive Option Plan dated 27 July 2017.
5. Unquoted Options, exercisable at \$0.40 each, on or before 30 April 2021. Options to vest as follows:
  - (i) 750,000 after seven months service and completion of the DFS facilitation of pre-production capex financing or change in control event;
  - (ii) 500,000 on execution of binding contracts for third party provision or on market fundraising of pre-production capex or change in control event;
  - (iii) 500,000 on binding contracts for sufficient offtake to facilitate the provision of the pre-production capex or change in control event.
6. The full terms and conditions are contained in the Company's Incentive Option Plan dated 27 July 2017.
7. Unquoted Options, exercisable at \$0.25 each, on or before 10 August 2020. The full terms and conditions are set out in Schedule 1 of this Notice of Meeting.
8. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.17) as the context requires on the ASX on 10 September 2018.

In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
9. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.