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# **AMERICAN PACIFIC BORATE & LITHIUM LTD**

**ACN 615 606 114**

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 9.00 am (EST)

**DATE:** 3 November 2017

**PLACE:** Sydney Harbour Marriott Hotel at Circular Quay  
30 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, 1 November 2017.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 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 2017.”*

**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.

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR HAROLD SHIPES

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

*“That, for the purpose of clause 12.17 of the Constitution and for all other purposes, Harold Shipes, a Director, retires and being eligible, is re-elected as a Director.”*

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#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR MICHAEL SCHLUMPBERGER

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

*“That, for the purpose of clause 12.17 of the Constitution and for all other purposes, Michael Schlumpberger, a Director, retires and being eligible, is re-elected as a Director.”*

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**5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR 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 clause 12.17 of the Constitution and for all other purposes, Anthony Hall, a Director, retires and being eligible, is re-elected as a Director.”*

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**6. RESOLUTION 5 – ELECTION OF DIRECTOR – MR 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 clause 12.17 of the Constitution and for all other purposes, Stephen Hall, a Director, retires and being eligible, is re-elected as a Director.”*

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**7. RESOLUTION 6 – ELECTION OF DIRECTOR – MR JOHN MCKINNEY**

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

*“That, for the purpose of clause 12.17 of the Constitution and for all other purposes, John McKinney, a Director, retires and being eligible, is re-elected as a Director.”*

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**8. RESOLUTION 7 – APPOINTMENT OF AUDITOR AT FIRST AGM**

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 327B of the Corporations Act and for all other purposes, RSM Australia Partners, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the meeting.”*

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**9. RESOLUTION 8 – 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 on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. 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.

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**Dated:** 27 September 2017

**By order of the Board**



**Aaron Bertolatti**  
**Company Secretary**

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**Voting in person**

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

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**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.***

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## EXPLANATORY STATEMENT

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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.

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### 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 2017 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>.

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### 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**

This is the Company's first annual general meeting since listing on the ASX on 28 July 2017. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## **3. RESOLUTIONS 2 – 6 RE-ELECTIONS OF DIRECTORS**

### **3.3 General**

Clause 12.16 of the Constitution states that the Directors may appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing number of Directors.

Pursuant to clause 12.17 of the Constitution, a director appointed under clause 12.16 holds office until the next annual general meeting after the appointment and is then eligible for re-election.

### **3.4 Resolution 2 – Election of Mr Harold Shipes**

Harold Shipes, who has served as a director since 2 May 2017, retires in accordance with the Constitution and seeks re-election.

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

Mr Harold (Roy) Shipes has over 50 years' commercial experience in metals & mining – primarily engineering and project development around the world including the USA, Canada, Peru, Australia, PNG, Venezuela and Mexico. He served as CEO and General Manager of OK Tedi Mining Ltd, GM Operations for the Southern Peru Copper Corporation and previously for Phelps Dodge Corp.

Mr Shipes is Founder and President of a number of North American focused mining companies, including American Pacific Mining, Western States Engineering and Atlas Precious Metals Inc (the owner of the Fort Cady assets). Prior to his mining career, Mr Shipes served as a captain in the US Air Force.

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

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

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

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

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

### **3.5 Resolution 3 – Election of Mr Michael Schlumpberger**

Mr Michael Schlumpberger, who has served as a director since 1 June 2017, retires in accordance with the Constitution and seeks re-election.

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

Michael Schlumpberger is a qualified mining engineer with over 30 years' experience in industrial minerals. His background includes management, operations and maintenance in all aspects of mining, processing, reclamation, and permitting.

Mr Schlumpberger has held senior roles with Potash Corporation of Saskatchewan, Passport Potash and ASX listed Highfield Resources, and has worked in the United States, Canada, and Europe. Mr Schlumpberger holds an MBA from East Carolina University.

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

(b) **Independence**

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

(c) **Board recommendation**

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

### **3.6 Resolution 4 – Election of Mr Anthony Hall**

Mr Anthony Hall, who has served as a director since 28 October 2016, retires in accordance with the Constitution 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 4.

### **3.7 Resolution 5 – Election of Mr Stephen Hunt**

Mr Stephen Hunt, who has served as a director since 2 May 2017, retires in accordance with the Constitution 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 5.

### **3.8 Resolution 6 – Election of Mr John McKinney**

Mr John McKinney, who has served as a director since 2 May 2017, retires in accordance with the Constitution and seeks re-election.

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

John McKinney, has performed in senior management positions in the mining industry for approximately 25 years. He is experienced in Corporate Operations, Management and Business Development. Mr. McKinney has co-founded a number of mining companies, including Western Gold Resources, American International Trading Company and Western States Engineering, an engineering company specializing in mining related engineering projects. His responsibilities have included overseeing operations in the U.S., Mexico and Bolivia, including Arisur, AITCO and Atlas Precious Metals in Bolivia. Mr. McKinney has been Executive Vice President of Atlas Precious Metals, Inc. since May 1994.

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

(b) **Independence**

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

(c) **Board recommendation**

The Board supports the re-election of Mr McKinney and recommends that Shareholders vote in favour of Resolution 6.

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#### 4. RESOLUTION 7 – APPOINTMENT OF AUDITOR AT FIRST AGM

The Directors of a public company must appoint an auditor within one month of registration. The directors have appointed RSM Australia Partners as the Company's auditor.

The auditor of a public company so appointed within one month of registration holds office until the first annual general meeting of the Company. The auditor must be re-appointed at the first annual general meeting so that they may continue to act as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for RSM Australia Partners to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

RSM Australia Partners has given its written consent to act as the Company's auditor subject to shareholder approval of this resolution.

If this resolution is passed, the appointment of RSM Australia Partners as the Company's auditor will take effect at the close of this Meeting.

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#### 5. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY

##### 5.1 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 \$37,312,000 (based on the number of Shares on issue and the closing price of Shares on the ASX on 26 September 2017).

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.

## **5.2 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 5.2(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 26 September 2017.

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)	Dilution			
	Issue Price (per Share)	0.1100 50% decrease in Issue Price	0.2200 Issue Price	0.3300 50% increase in Issue Price
169,600,002 (Current Variable A)	Shares issued - 10% voting dilution	16,960,000 Shares	16,960,000 Shares	16,960,000 Shares
	Funds raised	\$1,865,600	\$3,731,200	\$5,596,800
254,400,003 (50% increase in Variable A)	Shares issued - 10% voting dilution	25,440,000 Shares	25,440,000 Shares	25,440,000 Shares
	Funds raised	\$2,798,400	\$5,596,800	\$8,395,200
339,200,004 (100% increase in Variable A)	Shares issued - 10% voting dilution	33,920,000 Shares	33,920,000 Shares	33,920,000 Shares
	Funds raised	\$3,731,200	\$7,462,400	\$11,193,600

\*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 169,600,002 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 26 September 2017.
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.
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 has not previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A.

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 1.

(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.

### **5.3 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.

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## GLOSSARY

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**\$** 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.

**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 – ISSUES OF EQUITY SECURITIES SINCE 3 NOVEMBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
10 July 2017	75,000,000	Shares <sup>2</sup>	Subscribers under the Prospectus lodged with ASIC 30 May 2017, which opened 7 June 2017 and closed 3 July 2017.	\$0.20 per Share	<p>Amount raised = \$15,000,000  Amount spent = \$2,159,133</p> <p>Use of funds = exploration and development of the Fort Cady Borate-Lithium Project and Hector Lithium Project and costs related to the Company's Initial Public Offering.</p> <p>Amount remaining = \$12,840,867</p> <p>Proposed use of remaining funds<sup>3</sup> exploration and development of the Fort Cady Borate-Lithium Project and Hector Lithium Project.</p>

### 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. 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.

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**ANNEXURE A – NOMINATION OF AUDITOR LETTER**

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27 September 2017

American Pacific Borate & Lithium Ltd  
Level 24, Allendale Square  
77 St Georges Terrace  
Perth WA 6000

I, Aaron Bertolatti, being a member of American Pacific Borate & Lithium Ltd (**Company**), nominate RSM Australia Partners in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

A handwritten signature in black ink, appearing to read 'A Bertolatti', with a stylized flourish underneath.

Aaron Bertolatti