



11 March 2021

GENERAL MEETING - NOTICE AND PROXY FORM

Dear Shareholder

Technology Metals Australia Limited is convening a General Meeting of shareholders to be held on Friday 16 April 2021 at 9:00 am (WST) at Suite 9, 330 Churchill Avenue, Subiaco WA 6008 (**Meeting**). In accordance with subsection 5(f) of the Corporations (**Coronavirus Economic Response**) Determination (**No. 4**) 2020, the Company will not be dispatching physical copies of the Notice of General Meeting (**Notice**).

A copy of the Notice is available at the following link – <https://www2.asx.com.au/markets/trade-our-cash-market/historical-announcements> and by entering the code 'TMT'. You may vote by attending the Meeting in person, by proxy, or by appointing an authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place as set out above. If possible, Shareholders are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, so that the Company may check the Shareholders' holding against the Company's share register and note attendance.

Voting by Proxy

Appointment of Proxy: Shareholders who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the Meeting and to vote on their behalf. The proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint two proxies and should specify the proportion of votes each proxy is entitled to exercise. If a Shareholder appoints two proxies, each proxy may exercise half of the Shareholder's votes if no proportion or number of votes is specified.

Voting by proxy: A Shareholder can direct its proxy to vote for, against or abstain from voting on each Resolution by marking the appropriate box in the voting directions to your proxy section of the Proxy Form. If a proxy holder votes, they must cast all votes as directed. Any directed proxies that are not voted will automatically default to the Chairman, who must vote the proxies as directed in the Proxy Form.

Proxy Forms must be received by 9:00 am (WST) on 14 April 2021.

Details on how to lodge your Proxy Form can be found on the enclosed Proxy Form. If you have any questions about your Proxy Form, please contact the Company Secretary by telephone at +61 8 6489 1600. If COVID-19 social distancing restrictions change prior to the Meeting, the Company will advise via an ASX announcement as to any changes in the manner in which the Meeting will be held and as to whether shareholders will still be able to attend in person and participate in the usual way. The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

Yours faithfully

By order of the Board

Sonu Cheema

Non-Executive Director and Company Secretary

Technology Metals Australia Limited

TECHNOLOGY METALS AUSTRALIA LIMITED

(ACN 612 531 389)

NOTICE OF GENERAL MEETING

Meeting to be held at Suite 9, 330 Churchill Avenue, Subiaco, Western Australia on 16 April 2021 commencing at 9:00 am (AWST).

This Notice and Explanatory Statement should be read in its entirety.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

TECHNOLOGY METALS AUSTRALIA LIMITED (ACN 612 531 389)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Technology Metals Australia Limited (ACN 612 531 389) will be held at Suite 9, 330 Churchill Avenue, Subiaco, Western Australia on 16 April 2021 commencing at 9 am (AWST).

Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement attached to this Notice.

AGENDA

Ordinary business

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – CAPITAL RAISING – 7.1 CAPACITY

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 10,537,142 Shares 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) a person who participated in the issue; or
- (b) an associate of that person or those persons.

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

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – CAPITAL RAISING – 7.1A CAPACITY

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 12,320,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an associate of that person or those persons.

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

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

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES ON 2 DECEMBER 2020

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 514,285 Shares 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 a person who participated in the issue or is a counterparty to the agreement to issue the Shares and any of their associates.

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

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

vote on the Resolution as the chair decides; or

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

4. RESOLUTION 4 – ISSUE OF INCENTIVE OPTIONS – MR I PRENTICE

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) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Incentive Options as Director incentive remuneration to Mr I Prentice (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 Mr I Prentice (or his nominee) or an associate of that person (or those persons) (**Resolution 4 Excluded Party**).

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

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

Voting Prohibition Statement:

A 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.

Provided the Chair is not a Resolution 4 Excluded Party, 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.

5. RESOLUTION 5 – ISSUE OF INCENTIVE OPTIONS – MR M FRY

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) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Incentive Options as Director incentive remuneration to Mr M Fry (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 Mr M Fry (or his nominee) or an associate of that person (or those persons) (**Resolution 5 Excluded Party**).

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

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

Voting Prohibition Statement:

A 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.

Provided the Chair is not a Resolution 5 Excluded Party, 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.

6. RESOLUTION 6 – ISSUE OF INCENTIVE OPTIONS – MR S CHEEMA

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) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 500,000 Incentive Options as Director incentive remuneration to Mr S Cheema (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 Mr S Cheema (or his nominee) or an associate of that person (or those persons) (**Resolution 6 Excluded Party**).

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

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

Voting Prohibition Statement:

A 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.

Provided the Chair is not a Resolution 6 Excluded Party, 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.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Voting Entitlements

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 (Sydney time) on 14 April 2021.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company Secretary in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of Corporate Representative form will be provided on request.

By order of the Board

A handwritten signature in black ink, appearing to read 'M Fry', enclosed within a thin black rectangular border.

Michael Fry
Chairman
11 March 2021

EXPLANATORY STATEMENT

7. RESOLUTION 1 AND RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – CAPITAL RAISING

7.1 Background

On 2 December 2020, the Company announced that it had completed a placement capital raising to raise \$8,000,000, via an issue of 22,857,142 Shares at an issue price of \$0.35 per Share to sophisticated investors of the Company (**Capital Raising**).

The Company issued:

- (a) 10,537,142 Shares to raise \$3,688,000 (before costs) out of the Company's capacity under ASX Listing Rule 7.1; and
- (b) 12,320,000 Shares to raise \$4,312,000 (before costs) out of the Company's capacity under ASX Listing Rule 7.1A.

Resolutions 1 and 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares.

7.2 ASX Listing Rule 7.1

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 the issue the subject of Resolution 1 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.

7.3 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable “A” in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable “E”,

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue of the Shares, the base figure (i.e. variable “A”) in which the Company’s 15% and 10% annual placement capacities are calculated will be a higher number, which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Resolution 2 is not passed, the Shares will be counted in variable A in the formula in ASX Listing Rule 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the issue date of the Shares.

7.4 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 Resolutions 1 and 2:

- (a) the Shares were issued to participants in the Capital Raising. These participants were identified by the Directors, in consultation with the Joint Lead Managers, Bridge Street Capital Partners Pty Ltd (ACN 164 702 005) (Bridge Street) and Cumulus Wealth Pty Limited (ACN 634 297 279) (Cumulus). This was a result of undertaking presentations to various investor groups and investors who support the Company’s strategy. None of these participants are related parties of the Company.
- (b) The following Shares were issued;
 - (i) 10,537,142 Shares pursuant to ASX Listing Rule 7.1; and
 - (ii) 12,320,000 Shares pursuant to ASX Listing Rule 7.1A.
- (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 on 2 December 2020.
- (e) The issue price per Share was \$0.35 under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A.
- (f) The Company plans to use the funds from the Capital Raising to fund activities and development at the Company’s rapidly emerging Yarrabubba Iron-Vanadium Project, as well as progress environmental approvals at the Gabanintha Vanadium Project and for working capital purposes.
- (g) A voting exclusion statement is included for Resolutions 1 and 2 in the Notice.

8. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – ADVISOR SHARES

8.1 Background

On 2 December 2020, the Company announced that it had issued 514,285 Shares to an advisor to the Company in relation to the Capital Raising, pursuant to the Company's capacity under ASX Listing Rule 7.1 (the **Advisor Shares**).

8.2 Technical information required by ASX Listing Rule 14.1A

If Resolution 3 is passed, the Advisor Shares will be included in calculating the Company's combined 25% limit under Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Advisor Shares.

If Resolution 3 is not passed, the Advisor Shares will not be included in calculating the Company's combined 25% limit under Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Advisor Shares.

8.3 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 Resolutions 3 and 4:

- (a) The Advisor Shares were issued to Atasa Holdings Pty Ltd (**Atasa**), in consideration for marketing and corporate services provided by Atasa to the Company. The Shares were issued under the Company's capacity under ASX Listing Rule 7.1.
- (b) 514,285 Shares pursuant to ASX Listing Rule 7.1.
- (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 Advisor Shares were issued on 2 December 2020.
- (e) The deemed price per Share for the Advisor Shares was \$0.35.
- (f) No funds were raised from the issue of the Advisor Shares.
- (g) A voting exclusion statement is included for Resolution 3 in the Notice.
- (h) The Advisor Shares were issued to Atasa, which is not a related party of the Company. Atasa is an entity that provides consulting and corporate advisory services to the Company.
- (i) The deemed issue price per Share was \$0.35, however no funds were raised from the issue (therefore for a total deemed value of \$180,000).
- (j) The Advisor Shares were issued as consideration for corporate advisory services provided by Atasa to the Company in relation to the Capital Raising. The consideration was provided for marketing and corporate

consulting services.

- (k) No funds were raised from the issue of the Advisor Shares.
- (l) The key terms of the engagement between the Company and Atasa are as follows:
 - (i) Atasa is engaged by the Company to provide marketing and corporate consulting services. The services are initiated on a needs basis and include investor relations, capital markets engagement, marketing and technical assistance in regard to the Gabanintha Vanadium Project and Yarrabubba Project.
 - (ii) The Company and Atasa negotiated the consideration of 514,285 Shares for services in relation to the Company's capital raising completed in December 2020. The consideration was provided for marketing and corporate consulting services.

9. RESOLUTION 4 TO RESOLUTION 6 – ISSUE OF INCENTIVE OPTIONS TO DIRECTORS

9.1 General

The Board is seeking Shareholder approval to grant:

- (a) Resolution 4: 2,000,000 Class C Incentive Options to Mr I Prentice (or his nominee);
- (b) Resolution 5: 1,000,000 Class C Incentive Options to Mr M Fry (or his nominee);
- (c) Resolution 6: 500,000 Class C Incentive Options to Mr S Cheema (or his nominee);

(together, the **Director Securities**).

9.2 Reasons for grant of Director Securities

The grant of the Director Securities to the Directors is considered to be a cost-effective mechanism to assist in the reward and retention of the Directors of the Company.

The grant of the Director Securities to the Directors forms part of the Company's long-term incentive objectives to encourage the relevant Directors to have a greater involvement in the achievement of the Company's objectives and to provide them with the opportunity to participate in the future growth and prosperity of the Company through share ownership.

The Board considers the number of Director Securities proposed to be granted will ensure that overall Director remuneration remains competitive with market standards.

9.3 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 issue of Incentive Director Securities to the Directors constitutes giving a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

The Directors (other than in respect of each Resolution to which a voting exclusion statement applies to a respective director) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Securities, because the issue of Director Securities constitutes reasonable remuneration payable.

9.4 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered, except in certain limited circumstances.

Relevantly, section 195(4) provides that if there are not enough directors to form a quorum for a directors meeting because of the restriction set out in section 195 of the Corporations Act, one or more of the directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that all of the Directors comprising the Board have a material personal interest in the outcome of Resolutions 4 to 6. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 4 to 6 at Board level.

Accordingly, for the avoidance of any doubt, for the purpose of transparency and for best practice corporate governance, the Company seeks Shareholder approval for Resolutions 4 to 6 in accordance with section 195(4) of the Corporations Act in respect of the reliance on the reasonable remuneration exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

9.5 Technical information required by ASX Listing Rule 14.1A

If Resolutions 4 to 6 are passed, the Company will be able to proceed with the issue of the Related Party Incentive Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule

7.1 is not required for the issue of the Related Party Incentive Options (because approval is being obtained under Listing Rule 10.14), the issue of the Related Party Incentive Options will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

The issue of the Related Party Incentive Options allows the Company to preserve its existing cash reserves, which can otherwise be focused on operations, instead of allocating funds to Directors' fees and salaries. If Resolutions 4 to 6 are not passed, the Company will not be able to proceed with the issue of the Related Incentive Options. In this instance, the Company would not use its existing cash reserves in order to satisfy any incentive based cash remuneration.

9.6 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Director Securities falls within ASX Listing Rule 10.14.1 and therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.14.

Resolutions 4 to 6 seek the required Shareholder approval to the issue of the Director Securities under and for the purposes of ASX Listing Rule 10.14.

If Resolutions 4 to 6 are passed, the Company will be able to proceed with the issue of the Director Securities to the Directors under the Plan.

If Resolutions 4 to 6 are not passed, the Company will not be able to proceed with the issue of the Director Securities to the Directors under the Plan.

9.7 Technical information required by ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to Resolutions 4 to 6:

- (a) the Director Securities will be issued to the Directors (being Ian Prentice, Michael Fry and Sonu Cheema) (or their nominees) under ASX Listing Rule 10.14.1, by virtue of them being Directors;
- (b) the maximum number of Director Securities to be issued to the Directors is:
 - (i) Resolution 4: 2,000,000 Class C Incentive Options to Mr I Prentice (or his nominee);
 - (ii) Resolution 5: 1,000,000 Class C Incentive Options to Mr M Fry (or his

nominee);

(iii) Resolution 6: 500,000 Class C Incentive Options to Mr S Cheema (or his nominee);

- (c) a summary of the terms and conditions of the Plan is set out in Schedule 1 and a summary of the material terms and conditions of the Incentive Options is set out in Schedule 2;
- (d) Mr I Prentice's total remuneration package is \$218,000, consisting of Director fees plus applicable GST or superannuation contributions;
- (e) Mr M Fry's total remuneration package is \$60,000, consisting of salary, Director fees and superannuation contributions;
- (f) Mr S Cheema's total remuneration package is \$40,000, consisting of salary, Director fees and superannuation contributions;
- (g) The following securities have previously been issued under the Plan:
 - (i) 4,000,000 Incentive Options, comprising 2,000,000 Class A Incentive Options which have vested and 2,000,000 Class B Incentive Options to Mr I Prentice (or his nominee);
 - (ii) 2,000,000 Incentive Options, comprising 1,000,000 Class A Incentive Options which have vested and 1,000,000 Class B Incentive Options to Mr M Fry (or his nominee); and
 - (iii) 500,000 Incentive Options, comprising of 250,000 Class A Incentive Options which have vested and 250,000 Class B Incentive Options to Mr S Cheema (or his nominee);

as approved at the general meeting held on 4 May 2020. In the event the Class B Incentive Options satisfy the vesting condition, the Class C Incentive Options stated in resolution 4, 5 and 6 of this Notice would not vest and henceforth would lapse. In the event the Class C Incentive Options stated in resolution 4, 5 and 6 of this Notice satisfy the vesting condition, the Class B Incentive Options would not vest and henceforth would lapse. For the avoidance of doubt, only one of these options series can vest or neither if the appropriate vesting condition is not satisfied.

- (h) the Company proposes granting the Director Securities to the Directors to align the interests of the Directors with those of Shareholders by creating a stronger link between performance resulting in increased Shareholder value and reward to the Directors;
- (i) the Company values the Director Securities for:
 - (i) Mr I Prentice at \$142,040 (being \$0.142 per Incentive Option);
 - (ii) Mr M Fry at \$71,020 (being \$0.142 per Incentive Option); and
 - (iii) Mr S Cheema at \$35,510 (being \$0.142 per Incentive Option); andbased on the Black-Scholes methodology;

- (j) the Director Securities will be issued to the Directors (or their nominees) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Securities will be issued on one date;
- (k) the issue price of the Director Securities will be nil, as such nominal funds will be raised from the issue of the Director Securities;
- (l) no loan is being made to the Directors in connection with the acquisition of the Director Securities by the Directors (or their nominees);
- (m) details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14;
- (n) any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolutions 4 to 6 are approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14; and
- (o) a voting exclusion statement is included in Resolutions 4 to 6 of the Notice.

1. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

2. Glossary

\$ means Australian dollars.

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

Board means the board of Directors of the Company.

Chairperson means the person appointed to chair 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 dependant of the member or the member's spouse;
- (d) anyone else who is on 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 this definition.

Company means Technology Metals Australia Limited (ACN 612 531 389).

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

Deferred Share Award means a deferred share award pursuant to the Plan.

Director means a director of the Company.

Director Securities has the meaning given to that term in Section 9.1.

Explanatory Statement means the explanatory statement attached to the Notice.

Incentive Option means Class C options, issued pursuant to the Plan, and otherwise on the terms set out at Schedule 2.

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.

Listing Rules means the ASX Listing Rules.

Meeting means the general meeting the subject of this Notice.

Non-executive Director means a non-executive Director of the Company.

Notice means this notice of meeting.

Option means an option pursuant to the Plan.

Plan means the Company's employee incentive plan, approved by Shareholders at the general meeting held on 4 May 2020, a summary of which is set out at Schedule 1.

Resolution means a resolution contained in the Notice.

Section means a section contained in this Explanatory Statement.

Schedule means a schedule to this Explanatory Statement.

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

Shareholder means a shareholder of the Company.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Summary of Employee Incentive Plan

The key terms of the Performance Rights and Option Plan (Plan) are as follows:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Options or Performance Rights (**Awards**) under the Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Performance Rights granted under the Plan will be issued for nil cash consideration. Unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards (**Vesting Conditions**).
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:
- (i) special circumstances arising in relation to a Relevant Person in respect of those Awards, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person;
or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;

- (C) any other circumstance stated to constitute “special circumstances” in the terms of the relevant offer made to and accepted by the Participant; or
- (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,

(Special Circumstances), or

- (ii) a change of control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Award:** An Award will lapse upon the earlier to occur of:
- (i) an unauthorised dealing, or hedging of, the Award occurring;
 - (ii) a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Awards only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Awards only, a Relevant Person ceases to be an Eligible Participant and the Award granted in respect of that Relevant Person is not exercised within a one (1) month period (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award; and
 - (vii) the expiry date of the Award.
- (h) **Cashless exercise facility**

If an Eligible Participant wishes to exercise some or all of their vested Options, they may, subject to Board approval, elect to pay the Option Exercise Price by using a cashless exercise facility, which entitles an Eligible Participant to set-off the Option exercise price against the number of Shares which the Participant is entitled to receive upon exercise of the Options as follows:

- (i) the aggregate total Option exercise price otherwise payable in respect of all vested Options exercised, less the aggregate total market value of Shares as at the date the vested Option is exercised that would otherwise be issued or transferred on exercise of the vested Options; and

- (ii) divided by the market value of a Share as at the date the vested Option is exercised.
- (i) **Not transferrable:** Subject to the ASX Listing Rules, Awards are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (j) **Shares:** Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.
- (k) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Awards (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (l) **Quotation of Shares:** If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.
- (m) **No Participation Rights:** There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.
- (n) **Change in exercise price of number of underlying securities:** An Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.
- (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganized (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Award granted under the Plan including giving any amendment retrospective effect.

Schedule 2 – Summary of Incentive Options

(a) **Entitlement**

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

(b) **Exercise Price**

The amount payable upon exercise of each Option will be \$0.50 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 4:00 pm (WST) on 1 January 2024 (**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 subject to satisfaction of the following performance milestones:

Class C Incentive Options: Class C Incentive Options vest, subject to the terms of the employee incentive scheme and subject to the Company making a final investment decision (FID) for the Yarrabubba Project prior to 30 October 2023 (**Class C Milestone**).

(**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 10 Business Days after the Exercise Date, the Company will:

- (i) allot and 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) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon exercise of the Options.

(j) **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.

(k) **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.

(l) **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.

(m) **Transferability**

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



Technology Metals Australia Limited | ACN 612 531 389

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.00am (WST) on Wednesday 14 April 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

