
AVZ MINERALS LIMITED

ACN 125 176 703

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:30am

DATE: Friday, 30 November 2018

PLACE: At the offices of BDO Australia, 38 Station Street, Subiaco, Western Australia 6008

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6117 9397.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:30am (WST) on Friday, 30 November 2018 at the offices of BDO Australia:

38 Station Street, Subiaco, Western Australia, 6008

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5:00pm (WST) on Wednesday, 28 November 2018.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

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

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

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

Voting Prohibition Statement

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

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

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

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR HONGLIANG CHEN

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 11.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Hongliang Chen, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR GRAEME JOHNSTON

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 11.12 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Graeme Johnston, a Director who was appointed as an additional Director on 30 July 2018, retires and being eligible, is elected as a Director.”

4. RESOLUTION 4 – ELECTION OF DIRECTOR – MR RHETT BRANS

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 11.12 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Rhett Brans, a Director who was appointed as an additional Director on 5 February 2018, retires and being eligible, is elected as a Director.”

5. RESOLUTION 5 – NON-EXECUTIVE DIRECTOR’S REMUNERATION

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

“That, for the purposes of clause 11.15 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors to \$650,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement.”

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

Voting Prohibition Statement

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

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

However, the above prohibition does not apply if:

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

6. RESOLUTION 6 – ADOPTION OF PERFORMANCE RIGHTS PLAN

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

“That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt the Performance Rights Plan on the terms and conditions summarised in the accompanying Explanatory Statement and to issue Performance Rights from time to time under the Performance Rights Plan.”

7. RESOLUTION 7 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – NIGEL FERGUSON

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

“That, subject to the passing of Resolution 6, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 12,000,000 Performance Rights to Nigel Ferguson, a Director, under the Company’s Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.”

8. RESOLUTION 8 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – GRAEME JOHNSTON

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

“That, subject to the passing of Resolution 6, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 8,000,000 Performance Rights to Graeme Johnston, a Director, under the Company’s Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.”

9. RESOLUTION 9 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – RHETT BRANS

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

“That, subject to the passing of Resolution 6, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 6,000,000 Performance Rights to Rhett Brans, a Director, under the Company’s Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.”

10. RESOLUTION 10 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER AVZ MINERALS LIMITED PERFORMANCE RIGHTS PLAN

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

“That, for the purpose of Sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the giving of benefits under the “AVZ Minerals Limited Performance Rights Plan”, to a person by the Company in connection with that person ceasing to hold a managerial or executive office in the Company (or any of its related bodies corporate), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

11. RESOLUTION 11 – RATIFICATION OF PREVIOUS SECURITIES ISSUE

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 60,000,000 Shares with free attaching 30,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

12. RESOLUTION 12 – RATIFICATION OF AIRGUIDE PERFORMANCE RIGHTS ISSUE

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 7,500,000 Performance Rights to Airguide on the terms and conditions set out in the Explanatory Statement.”

13. RESOLUTION 13 – RATIFICATION OF JNS CAPITAL CORP SECURITIES ISSUE

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 3,000,000 securities to JNS Capital Corp on the terms and conditions set out in the Explanatory Statement.”

14. RESOLUTION 14 – RATIFICATION OF AVZ EMPLOYEES PERFORMANCE RIGHTS ISSUE

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,350,000 Performance Rights to AVZ employees on the terms and conditions set out in the Explanatory Statement.”

15. **RESOLUTION 15 – APPROVAL OF 10% PLACEMENT FACILITY**

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

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

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

Voting Exclusions for Resolutions 5, 6, 7, 8, 9 and 10

Voting Exclusion: The Company will disregard any votes cast in favour on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A 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.

Voting Exclusions for Resolutions 11, 12, 13 and 14

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

DATED: 22 OCTOBER 2018

BY ORDER OF THE BOARD

**LEONARD MATH
COMPANY SECRETARY**

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

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

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.avzminerals.com.au.

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 Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2018.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general 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 financial year ended immediately before the second annual general meeting) 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.

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

2.3 Proxy Restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy:

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

2.4 Definitions

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

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).

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 2018.

3. RESOLUTIONS 2 - 4 – RE-ELECTION AND ELECTION OF DIRECTORS

Clause 11.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

Therefore, Mr Hongliang Chen retires by rotation and seeks re-election.

Clause 11.12 of the Constitution requires that any person appointed as a Director as an addition to the existing Directors shall hold office only until the next Annual General Meeting and is then eligible for re-election.

Mr Graeme Johnston was appointed as a Director on 30 July 2018 and seeks re-election.

Mr Rhett Brans was appointed as a Director on 5 February 2018 and seeks re-election.

Mr Hongliang Chen

Mr Chen is a nominee of the Huayou Cobalt Group. Mr Chen joined the Huayou Cobalt Group in May 2002 and is currently a director and the president of the parent company, Shanghai stock exchange listed Zhejiang Huayou Cobalt Co Ltd. Mr Chen previously worked in management positions at the Agricultural Bank of China, Tongxiang Branch Investment Corporation Tongxiang Securities Department and Shenyin Wanguo Securities Co Ltd.

Mr Graeme Johnston

Mr Johnston is a geologist with over 30 years' experience operating mostly in Australia and also the Middle East, Romania and Malaysia. Graeme was the Principal Geologist with Midwest Corporation in 2005 during its sale to Sinosteel Corporation and was their first local Chief Geologist. In mid 2006, Graeme assisted in founding ASX listed Ferrowest Limited where he was the Technical Director for 9 years until the end of 2016. During this time, he contributed to the successful completion of the Feasibility Study for the Yalgoo Pig Iron Project. Graeme joined the AVZ team in May 2017 as Project Manager in charge of the day to day operations at the Manono Lithium Project.

Mr Rhett Brans

Mr Brans is an experienced director and civil engineer with over 45 years' experience in project developments. Throughout his career, Mr Brans has been involved in the management of feasibility studies and the design and construction of mineral treatment plants across a range of commodities and geographies including for gold in Ghana, copper in the DRC and graphite in Mozambique. He has extensive experience as an owner's representative for several successful mine feasibility studies and project developments.

The Board supports the re-election of each of the Directors.

4. RESOLUTION 5 – NON-EXECUTIVE DIRECTOR’S REMUNERATION

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors’ fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Clause 11.15 of the Constitution also requires that remuneration payable to the non-executive Directors will not exceed the sum initially set by the Constitution and subsequently increase by ordinary resolution of Shareholders in general meeting.

Resolution 5 seeks Shareholder approval to increase the amount payable to non-executive Directors from \$250,000 to \$650,000.

This amount includes superannuation contributions made by the Company for the benefit of non-executive Directors and any fees which a non-executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine “special exertion” fees paid in accordance with the Constitution, or securities issued to a non-executive Director under ASX Listing Rule 10.11 or 10.14 with approval of Shareholders.

In the past 3 years, the Company issued Mr Patrick Flint, a non-executive director 10,000,000 Performance Rights which subsequently vested into 10,000,000 fully paid ordinary shares. The securities issued to non-executive director were with Shareholder approval under ASX Listing Rules 10.11 and 10.14:

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. RESOLUTION 6 – ADOPTION OF PERFORMANCE RIGHTS PLAN

5.2 General

Resolution 6 seeks Shareholders approval for the adoption of the employee incentive scheme titled “AVZ Performance Rights Plan” (**Performance Rights Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

5.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

Shareholder approval is sought to adopt the Plan in accordance with Exception 9 of ASX Listing Rule 7.2 and to enable the Company to subsequently grant performance rights under the Performance Rights Plan, without having to obtain Shareholder approval each time the Company wishes to issue securities which exceed the 15% limit contained in Listing Rule 7.1 and do not otherwise fall within one of the nominated Listing Rule exemptions.

The maximum number of performance rights that can be issued under the plan is not to be in excess of 5% of the total number of Shares on issue.

The effect of Resolution 6 will be to allow the Directors to grant Performance Rights to executives, employees and contractors of the Company pursuant to the Plan during the period of 3 years after the Meeting (or a longer period, if allowed by ASX), and to issue Shares to those executives and employees if they achieve the performance and vesting conditions of the Performance Rights, without using the Company's 15% annual placement capacity.

Shareholders should note that no performance rights have previously been issued under the Performance Rights Plan. However, pursuant to Resolutions 7 to 9, the Company is seeking Shareholder approval to issue Performance Rights to related parties of the Company.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

The directors, executives, employees and contractors of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the Plan is an essential part of retaining senior executives, to encourage alignment of personal and shareholder interest and:

- (a) Foster a long term perspective within the directors, executives, employees and contractors necessary to increase shareholder return;
- (b) Drive sustainable, long term performance of the Company;
- (c) Provide an opportunity for directors, executives, employees and contractors to benefit from the Company's share price performance in a manner that is directly linked to shareholder returns; and
- (d) Ensure that the Company has a remuneration model that makes it an attractive employment option for talented personnel.

The Plan will be used as part of the remuneration planning for directors, executives, employees and contractors. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company's circumstances and goals.

Any future issues of performance rights under the Performance Rights Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Performance Rights Plan is set out in Schedule 1. In addition, a copy of the Performance Rights Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the AVZ Performance Rights Plan can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

The Directors recommend that Shareholders vote in favour of Resolution 6.

6. RESOLUTION 7, 8 AND 9 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS

6.1 Background

Resolutions 7, 8 to 9 seek shareholder approval for the issue of Performance Rights to Managing Director, Mr Nigel Ferguson (12 million), Technical Director, Mr Graeme Johnston (8 million) and Non-Executive Director, Mr Rhett Brans (6 million).

As announced on the ASX on 30 July 2018, subject to shareholders approval, the Board has agreed to grant the performance rights to directors, employees and contractors based on the satisfaction of key performance criteria.

The performance rights are to be issued for the purpose of aligning the interests of the Board with the Company and to secure ongoing commitment of them to the growth of the Company.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- i) the giving of the financial benefit falls within one of the exceptions to the provision; or
- ii) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes directors of a company. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

Nigel Ferguson, Graeme Johnston and Rhett Brans are Directors, and therefore related parties of the Company, and the issue of the securities to them or their nominees constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

6.3 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not issue securities under an employee incentive scheme to a director of the company without Shareholder approval. Shareholder approval is therefore being sought pursuant to Chapter 2E of the Corporations Act and Listing Rule 10.14. If Shareholder approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

The Performance Rights will be issued under the Company's Performance Rights Plan. Refer to Schedule 1 for the summary of the Plan Rules. The issue of the Performance Rights under Resolutions 7, 8 and 9 are also subject to Resolution 6 (Adoption of Performance Rights Plan) being approved by shareholders.

Resolutions 7, 8 and 9 seek shareholder approval to issue the performance rights to Nigel Ferguson, Mr Graeme Johnston and Mr Rhett Brans based on the satisfaction of key performance criteria as outlined below:

Vesting Conditions	Nigel Ferguson	Graeme Johnston	Rhett Brans
Tranche 1 will vest upon definition of a 150Mt Measured and Indicated Mineral Resource in accordance with JORC Guidelines (as that term is defined for the purposes of JORC Guidelines for lithium) of lithium oxide (Li ₂ O) that meets the agreed minimum specification of greater than 1% lithium oxide (Li ₂ O) being delineated within the Manono Project Area (being the licence area of PR13359) within 12 months of the date of issue of the Employee Performance Rights.	3,000,000	2,000,000	1,500,000
Tranche 2 shall vest upon the completion of Feasibility Study on the Manono Project.	3,000,000	2,000,000	1,500,000
Tranche 3 shall vest upon executing an offtake agreement for at least 25% of the product from the Manono Project.	3,000,000	2,000,000	1,500,000
Tranche 4 shall vest upon the completion of the Manono Project financing.	3,000,000	2,000,000	1,500,000
TOTAL	12,000,000	8,000,000	6,000,000

6.4 Information required by the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

- (a) The related parties to whom Resolutions 7, 8 and 9 would permit the benefit to be given:

Nigel Ferguson, a Managing Director
Graeme Johnston, a Technical Director
Rhett Brans, a Non-Executive Director

- (b) The nature of the financial benefit:

The proposed financial benefits to be given are the issue of the issue of Performance Rights to Managing Director, Mr Nigel Ferguson (12 million), Technical Director, Mr Graeme Johnston (8 million) and Non-Executive Director, Mr Rhett Brans (6 million) on the terms of which are set out in this Explanatory Memorandum.

- (c) Reasons for giving the benefit

The Board independent of Mr Ferguson have determined that the issue of 12 million Performance Rights to Mr Ferguson recognises the skills and value that Mr Ferguson will bring to the Company based on his past and current experience.

The Board independent of Mr Johnston have determined that the issue of 8 million Performance Rights to Mr Johnston recognises the skills and value that Mr Johnston will bring to the Company based on his past and current experience.

The Board independent of Mr Brans have determined that the issue of 6 million Performance Rights to Mr Brans recognises the skills and value that Mr Brans will bring to the Company based on his past and current experience.

(d) Related parties' existing relevant interest

Directors	Shares	Performance Rights
Nigel Ferguson	36,083,333	-
Graeme Johnston	1,455,000	4,100,000
Rhett Brans	-	-

(e) Total cash remuneration package per annum

Directors	Financial Year 2019*	Financial Year 2018*
Nigel Ferguson	\$300,000	\$257,000
Graeme Johnston	\$213,000	\$213,000
Rhett Brans	\$60,000	\$24,539

*Cash based remuneration only

(f) Dilution

The Company's issued share capital will not change as a result of the issue of Performance Rights to Mr Nigel Ferguson (12 million), Mr Graeme Johnston (8 million) and Mr Rhett Brans (6 million). However should all of the Performance Rights vest, a total of 26 million shares will be issued which represents 1.38% of current total shares on issued (1,888,461,449).

(g) Valuation of the financial benefit to be given

The valuation of the performance has been calculated based on time of the preparation of this Notice of AGM (Closing share price of 9.6 cents on 4 October 2018).

Directors	Performance Rights	Value of Performance Rights
Nigel Ferguson	12,000,000	\$1,140,000
Graeme Johnston	8,000,000	\$768,000
Rhett Brans	6,000,000	\$576,000

(h) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

6.5 Information required by the ASX Listing Rules

In compliance with the information requirements of ASX Listing Rule 10.15, Shareholders are advised of the following information:

(a) Nature of relationship between allottee and the Company

The Performance Rights are proposed to be issued to Messrs Nigel Ferguson, Graeme Johnston and Rhett Brans. Messrs Ferguson, Johnston and Brans are Directors of the Company and, as such, is a related party of the Company.

(b) Details of the maximum number of securities that may be issued
The maximum number of securities that may be acquired by Mr Ferguson under Resolution 7 is 12 million. A further 8 million securities may be acquired by Mr Johnston under Resolution 8 and 6 million securities may be acquired by Mr Brans under Resolution 9.

(c) Issue price
The issue of the 26 million Performance Rights under Resolutions 7, 8 and 9 will be issued for nil cash consideration.

(d) Previous issues under the Plan
At the date of this Notice of Meeting no Performance Rights have been granted to Messrs Ferguson, Johnston and Bran or any other Eligible Persons under the Company's Performance Rights Plan.

(e) Eligible participants under the Plan
Persons eligible to participate in the Plan are full time or part-time employees or executive or non-executive directors and consultants of the Company or a Related Body Corporate of the Company, being Messrs Ferguson, Johnston and Brans.

(f) Voting exclusion statement
A voting exclusion statement for Resolutions 7, 8 and 9 is included in the Notice of General Meeting preceding this Explanatory Statement.

(g) Terms of any loan
The Company will not be providing a loan in connection with Messrs Ferguson, Johnston and Brans's acquisition of Performance Rights under the Plan.

(h) Expiry
The Performance Rights will expire 3 years from the date of issue.

(i) Issue date
The Company will issue the Performance Rights under Resolutions 7, 8 and 9 on a date no later than 12 months after the date of this Annual General Meeting.

(j) Valuation of the Performance Rights
The valuation of the performance has been calculated based on time of the preparation of this Notice of AGM ((Closing share price of 9.6 cents on 4 October 2018).

Directors	Performance Rights	Value of Performance Rights
Nigel Ferguson	12,000,000	\$1,140,000
Graeme Johnston	8,000,000	\$768,000
Rhett Brans	6,000,000	\$576,000

6.6 Directors' recommendation

The Board of Directors, with Mr Ferguson abstaining, recommend that Shareholders vote in favour of Resolution 7 as the Company will receive the benefits outlined above and the grant of Performance Rights will allow the Company to preserve cash to advance the Manono Lithium Project.

Mr Ferguson declines to make a recommendation to Shareholders in relation to Resolution 7 as he has a material personal interest in the outcome of Resolution 7.

The Board of Directors, with Mr Johnston abstaining, recommend that Shareholders vote in favour of Resolution 8 as the Company will receive the benefits outlined above and the

grant of Performance Rights will allow the Company to preserve cash to advance the Manono Lithium Project.

Mr Johnston declines to make a recommendation to Shareholders in relation to Resolution 8 as he has a material personal interest in the outcome of Resolution 8.

The Board of Directors, with Mr Brans abstaining, recommend that Shareholders vote in favour of Resolution 9 as the Company will receive the benefits outlined above and the grant of Performance Rights will allow the Company to preserve cash to advance the Manono Lithium Project.

Mr Brans declines to make a recommendation to Shareholders in relation to Resolution 9 as he has a material personal interest in the outcome of Resolution 9.

7. RESOLUTION 10 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER AVZ MINERALS LIMITED PERFORMANCE RIGHTS PLAN

7.1 Background

The terms and conditions of the Performance Rights Plan are repeated in detail in Schedule 1 of this Explanatory Statement.

The purpose of Resolution 10 is for Shareholders to approve the potential provision of termination benefits to participants under the Plan (see section 5 of this Explanatory Statement).

7.2 Regulatory Requirements

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate. Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office, if the benefit is approved by shareholders or an exemption applies.

Amendments to the Corporations Act in 2009 significantly expanded the scope of these provisions and narrowed the range of termination benefits that do not require shareholder approval. The term "benefit" now has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the Plan.

If Shareholder approval is given under this Resolution 10, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a limit on the value of termination benefits that can be paid to officers of the Company.

7.3 Details of the proposed Termination Benefits

As described in above, if Resolution 10 is passed in accordance with its stated terms, then upon the retirement, death or total and permanent disablement of a Participant, the Board will have the discretion to determine, as soon as reasonably practical after such occurrence, how many (if any) of that Participant's unvested Performance Rights will vest.

This permission to vest may constitute a "benefit" for the purposes of Section 200B of the Corporations Act (Vesting Benefit).

The Company is therefore seeking Shareholder approval to exclude any Vesting Benefit from being included in any current or future Participant's termination benefits, in respect of a Participant who holds:

- (a) a managerial or executive office in the Company (or any of its related body corporate) at the time of their leaving that office or at any time in the three years prior to their leaving that office; and
- (b) Performance Rights under the Plan at the time of their leaving that office.

If Shareholder approval is given to Resolution 10, the value of the Vesting Benefits may be disregarded when applying Section 200F(2)(b) or Section 200G(1)(c) of the Corporations Act (i.e. the approved Vesting Benefit will not count towards the statutory limitation under that legislation).

The Board's current intention is to only exercise their discretion to determine the vesting of Performance Rights:

- (a) where a Participant leaves employment of an AVZ Group member without fault on that Participant's part; and
- (b) so as only to preserve that number of unvested Performance Rights as are prorated to the date of leaving.

7.4 Value of the Termination Benefits

The value of the termination benefits that a Participant may receive or the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value between the date of their issue and the date of their vesting.

In particular, the value of a particular Vesting Benefit will depend on several factors including the Company's Share price at the time of vesting and the number of Performance Rights that vest.

The following additional factors may also affect the value of a Vesting Benefit:

- (a) the Participant's term of employment;
- (b) the term of the Performance Period at the time the Participant ceases employment;
- (c) the status of the Performance Conditions attaching to the Performance Rights at the time when the Participant's employment ceases; and
- (d) the number of unvested Performance Rights that the Participant holds at the time when the Participant's employment ceases.

7.5 No Board Recommendation

The requirements of Listing Rule 14, insofar as they relate to voting exclusion statements relevant to any resolution made pursuant Listing Rule 10.14, prohibit any Director, who by definition is eligible to participate in the Plan, from voting in respect of Resolution 10.

On the assumption that by the time Shareholders are asked to vote upon Resolution 10, Resolution 6 will have been approved and be effective, no Director - whether executive or non-executive, is permitted to:

- (i) vote in respect of Resolution 10;
- (ii) or make any recommendation as to how any Shareholder should vote in respect of Resolution 10.

8. RESOLUTION 11 – RATIFICATION OF PREVIOUS SECURITIES ISSUE

8.1 Background

On 28 February 2018, the Company announced the completion of a capital raising of \$15,000,000 through the issue of 60,000,000 Shares at an issue price of \$0.25 per Share together with 1 free attaching Option for every 2 Shares subscribed for and issued to institutional investors (**Capital Raising**).

The Company issued 60,000,000 Shares and 30,000,000 Options exercisable at 30.5 cents each expiring 28 February 2020 without prior Shareholder approval, utilising its 15% annual placement capacity under Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 60,000,000 Shares and 30,000,000 Options referred to above.

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

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 the First Ratification:

- (a) 60,000,000 Shares and 30,000,000 Options exercisable at 30.5 cents each expiring 28 February 2020 were issued;
- (b) the issue price per Share was \$0.25 and the issue price of the Options was nil as they were issued as free attaching with the Shares on a 1:2 basis;
- (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 Options were issued on the terms and conditions set out in Schedule 2;
- (e) the Shares and Options were issued to institutional investors. The subscribers are not a related party of the Company. The Capital Raising was managed by Cantor Fitzgerald Canada Corporation ("Cantor"); and
- (f) the funds will primarily be used for the planned 20,000m Phase 2 drilling and pre-feasibility programs at the Manono project in the south of Democratic Republic of Congo, as well as ongoing corporate and administration costs.

The Chairman intends to exercise all available proxies in favour of Resolution 11.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 11.

9. RESOLUTION 12 – RATIFICATION OF AIRGUIDE PERFORMANCE RIGHTS ISSUE

9.1 Background

On 2 June 2017, the Company announced that Airguide International Pte Ltd (“Airguide”) had been engaged as its strategic advisor.

On 17 May 2018, the Company re-engaged Airguide as its strategic advisor for a further 12 months. The Company will pay a retainer fee and issue Airguide 7.5 million performance rights, which will vest based on achievement of share price targets and are similar in structure to recent management incentives. The performance rights shall vest in three equal tranches upon the following milestones being achieved:

- 1) Tranche 1 shall vest if the 10-day volume weighted average share price (“VWAP”) for the shares on the ASX is A\$0.34 or higher during the vesting period;
- 2) Tranche 2 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.40 or higher during the vesting period; and
- 3) Tranche 3 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.44 or higher during the vesting period.

The vesting period for the performance rights is from 1 December 2018 to expiry on 30 November 2021.

On 22 May 2018, the Company issued the 7,500,000 performance rights to Airguide, using the Company’s 15% annual placement capacity.

Resolution 12 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 7,500,000 Airguide Performance Rights to Airguide International Pte Ltd at no cost and at an exercise price of nil, which shall vest upon satisfaction of the Vesting Conditions set out in above and in Schedule 3 of this Notice of Meeting.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 8.1 above.

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

9.2 Technical information required by ASX Listing Rule 7.4

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

- a) 7,500,000 Airguide Performance Rights were issued;
- b) the issue price was nil per Airguide Performance Rights;
- c) the Airguide Performance Rights were issued on the terms and conditions set out in Schedule 3;
- d) the Airguide Performance Rights were issued to Airguide, which is not a related party of the Company; and

- e) no funds were raised from the issue of the Airguide Performance Rights as they were issued for nil cash consideration to incentivise Airguide to facilitate and advise the Company on key relationships and a broader work program aimed at securing value-adding commercial agreements with relevant counterparties in China. It is the Boards view that these milestones are very much aligned with shareholders' interests and notes the milestone prices are significantly above the current share price of the Company.

The Chairman intends to exercise all available proxies in favour of Resolution 12.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 12.

10. RESOLUTION 13 – RATIFICATION OF JNS CAPITAL CORP SECURITIES ISSUE

10.1 Background

On 22 December 2017, the Company has entered into an agreement with JNS Capital Corp ("JNS") for the provision of marketing and promotional services in North America. Part of the consideration for the services will be in the form of 3,000,000 Performance Rights. The Performance Rights shall vest if the 10-day volume weighted average share price for the Shares on the ASX is A\$0.30 or higher from the date of issue. The Performance Rights shall lapse (if not vested) on 31 March 2018.

On 2 February 2018, the vesting condition has been met and the Company issued the 3,000,000 Shares to JNS.

The 3,000,000 performance rights and the subsequent issue of the 3,000,000 Shares from the vesting of Performance Rights to JNS, were issued using the Company's 15% annual placement capacity.

Resolution 13 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 3,000,000 Performance Rights that were subsequently converted to 3,000,000 Shares to JNS at no cost and at an exercise price of nil. The terms and conditions of the JNS Performance Rights are disclosed in Schedule 4.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 8.1 above.

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

9.2 Technical information required by ASX Listing Rule 7.4

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

- a) 3,000,000 JNS Performance Rights that were subsequently converted to 3,000,000 Shares were issued;
- b) the issue and the conversion price was nil;
- c) the JNS Performance Rights were issued on the terms and conditions set out in Schedule 4;
- d) the Shares issued from the vesting of the Performance Rights 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;

- e) the JNS Performance Rights and Shares were issued to JNS, which is not a related party of the Company; and
- f) no funds were raised from the issue of the JNS Performance Rights and the conversion to Shares as they were issued for nil cash consideration and for the provision of marketing and promotional services in North America.

The Chairman intends to exercise all available proxies in favour of Resolution 13.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 13.

11. RESOLUTION 14 – RATIFICATION OF AVZ EMPLOYEE PERFORMANCE RIGHTS ISSUE

11.1 Background

On 5 February 2018, the Company issued 4,350,000 Performance Rights to employees of AVZ Minerals Limited (“**AVZ Employee Performance Rights**”).

The performance rights shall vest in three equal tranches upon the following milestones being achieved:

- 4) Tranche 1 shall vest if the 10-day volume weighted average share price (“VWAP”) for the shares on the ASX is A\$0.34 or higher during the vesting period;
- 5) Tranche 2 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.40 or higher during the vesting period; and
- 6) Tranche 3 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.44 or higher during the vesting period.

The AVZ Employee Performance Rights will expire on 5 February 2021 and were not issued under any employee share scheme.

The 4,350,000 AVZ Employee Performance Rights were issued to various employees of AVZ, using the Company’s 15% annual placement capacity.

Resolution 14 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 4,350,000 AVZ Employee Performance Rights at no cost and at an exercise price of nil, which shall vest upon satisfaction of the Vesting Conditions set out in above and in Schedule 5 of this Notice of Meeting.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 8.1 above.

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

9.2 Technical information required by ASX Listing Rule 7.4

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

- a) 4,350,000 AVZ Employee Performance Rights were issued;
- b) the issue price was nil per AVZ Employee Performance Right;
- c) the AVZ Employee Performance Rights were issued on the terms and conditions set out in Schedule 5;

- d) the AVZ Employee Performance Rights were issued to various of employees of the Company, which at the time of issue is not a related party of the Company; and
- e) no funds were raised from the issue of the AVZ Employee Performance Rights as they were issued for nil cash consideration to motivate and reward the performance of the employees and be aligned with shareholders' interests.

The Chairman intends to exercise all available proxies in favour of Resolution 14.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 14.

12. RESOLUTION 15 – APPROVAL OF 10% PLACEMENT FACILITY

12.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of their issued share capital through placements over a 12-month period after approval at an annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

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 \$169.96 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 9 October 2018).

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. Further information on the formula is set out in Section 4.2(c) below.

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 15 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

12.2 Explanation of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that an eligible entity which has obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of fully paid shares on issue 12 months before the date of issue or date of agreement to issue:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issue under Listing Rule 7.1A.2 in the 12 months before the date of the issue or date of agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(d) **Minimum Issue Price**

The issue price of Equity Securities under Listing Rule 7.1A must be no lower than 75% of the volume weighted average price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades 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 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(e) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to that nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

12.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades 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 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 15 is approved by Shareholders and the Company issued Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at 13 October 2017.

The table also shows:

- (i) two examples where "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.045 50% decrease in Issue Price	\$0.09 Issue Price	\$0.135 100% increase in Issue Price
Current Variable A 1,888,461,449 Shares	10% Voting Dilution	188,846,144 Shares	188,846,144 Shares	188,846,144 Shares
	Funds raised	\$8,498,076	\$16,996,153	\$25,494,229
50% increase in current Variable A 2,832,692,173 Shares	10% Voting Dilution	283,269,217 Shares	283,269,217 Shares	283,269,217 Shares
	Funds raised	\$12,747,114	\$25,494,229	\$38,241,344
100% increase in current Variable A 3,776,922,898 Shares	10% Voting Dilution	377,692,289 Shares	377,692,289 Shares	377,692,289 Shares
	Funds raised	\$16,996,153	\$33,992,306	\$50,988,459

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) 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%.
 - (iii) This table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
 - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vi) The issue price is \$0.09, being the closing price of Shares on ASX on 9 October 2018.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 15 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to that nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new resource assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such an acquisition), continued exploration and development expenditure on the Company's current assets and/or general working capital.

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) The Company's allocation policy will be dependent on the purpose of the proposed issue and the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities, where the issue is made for cash consideration, will be determined on a case-by-case basis having regard to, but not limited to, the following factors:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company did not seek for Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 29 November 2017. However, the Company did obtain Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 24 November 2016. During the 12-month period after the annual general meeting on 24 November 2016, the Company issued a total of 1,529,155,761 Equity Securities (consisting of 954,869,047 Shares, 300,001,000 Listed Options, 214,285,714 Unlisted Options and 60,000,000 Performance Rights), representing approximately 212% of the total diluted number of Equity Securities on issue at the commencement of that 12-month period (from 24 November 2016). During the recent 12-month period from 29 November 2017, the Company issued a total of 145,722,436 Equity Securities (consisting of 100,872,436 Shares, 30,000,000 Unlisted Options and 14,850,000 Performance Rights), representing approximately 6.08% of the total diluted number of Equity Securities on issue at the commencement of that 12-month period (from 29 November 2017)

The details of issues of all Equity Securities (quoted and unquoted) made in the 12 months preceding the date of the Meeting are shown at Schedule 6.

A voting exclusion statement is included in this Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or identifiable class of existing security holder to participate in the issue of the Equity Securities under Listing Rule 7.1A. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 12.

10% Placement Period has the meaning given in Section 12.

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

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

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.

Company means AVZ Minerals Limited (ACN 125 176 703).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

DRC Democratic Republic of Congo.

Equity Securities has the same meaning as in the ASX Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Option means an option to acquire a Share.

Plan means AVZ Minerals Limited Performance Rights Plan.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN

The following is a summary of the key terms and conditions of the Performance Rights Plan:

(a) **Eligibility:** Participants in the Performance Rights Plan may be:

- (i) a Director (whether executive or non-executive) of the Company or any associate Group Company;
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company; 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 Performance Rights under the Performance Rights Plan (**Eligible Participants**).

(b) **Offers:** The Board may, from time to time, at its absolute discretion, make an offer to grant Performance Rights to an Eligible Participant under the Performance Rights Plan and on such additional terms and conditions as the Board determines (**Offer**).

(c) **Plan limit:** Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on conversion of Performance Rights 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) **Consideration:** Performance Rights granted under the Plan will be issued for nil cash consideration.

(e) **Performance Rights:** Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

(f) **Not transferrable:** Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(g) **Vesting Conditions:** The Board will determine the vesting conditions (if any) that must be satisfied before a Performance Right vests, and the date by which a vesting condition must be satisfied (**Vesting Condition**).

(h) **Vesting:** A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

- (i) the participant ceasing to be an Eligible Participant due to certain special circumstances (eg due to death, severe financial hardship, total and permanent disability, retirement or redundancy) as set out in the Plan; or
- (ii) the Company undergoing a change of control; or
- (i) the Company being wound up.

(i) **Shares:** Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank on equal terms with all other Shares on issue.

(j) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights (**Restriction Period**).

(k) **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.

(l) **Lapse of a Performance Right:** Subject to the terms of an Offer otherwise providing, a Performance Right will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Performance Right;
- (ii) a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;
- (iii) in respect of an unvested Performance Right, a participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) (**Relevant Person**) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception;
- (iv) in respect of a vested Performance Right, a Relevant Person ceases to be an Eligible Participant and the Performance Right granted in respect of that Relevant Person is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (vi) the Company undergoes a change in control or winding up, and the Performance Right has not otherwise vested in accordance with paragraph (h); and
- (vii) the expiry date of the Performance Right.

(m) **No Participation Rights:** There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(n) **No Change:** A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

(o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) **Inconsistency with Offer:** Notwithstanding any other provision in the Plan, to the extent that any covenant or provision contained in an Offer document is inconsistent with any covenant or provision under the Plan, the deemed covenant or provision under the Offer document shall prevail.

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

- (a) **Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
Subject to paragraph (i), the amount payable upon exercise of each Option will be 30.5 cents each (**Exercise Price**).
- (c) **Expiry Date**
Each Option will expire at 5:00 pm (WST) on 28 February 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**
Within 2 Business Days after the Exercise Date, the Company will:
(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **Shares issued on exercise**
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Reconstruction of capital**
If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (j) Participation in new issues**
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) Change in exercise price**
An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (l) Transferability**
The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – TERMS AND CONDITIONS OF AIRGUIDE PERFORMANCE RIGHTS

A summary of the terms and conditions of the Airguide Performance Rights is set out below:

- a) **(Vesting Condition):** The Airguide Performance Rights shall vest in three equal tranches upon the following milestones being achieved:
- 1) Tranche 1 shall vest if the 10-day volume weighted average share price (“VWAP”) for the shares on the ASX is A\$0.34 or higher during the vesting period;
 - 2) Tranche 2 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.40 or higher during the vesting period; and
 - 3) Tranche 3 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.44 or higher during the vesting period.

The vesting period for the performance rights is from 1 December 2018 to expiry on 30 November 2021.

- b) **(Vesting):** Upon the Vesting Condition being satisfied, the Company shall notify the holder in writing that the relevant Airguide Performance Rights have vested.
- c) **(Consideration):** The Airguide Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Airguide Performance Rights.
- d) **(Automatic Vesting):** Upon satisfaction of the Vesting Condition, each Airguide Performance Right will automatically vest into one Share.
- e) **(Lapse of Airguide Performance Rights):** Airguide Performance Rights will lapse upon the earlier to occur of:
- (i) the Airguide Performance Right expiring on 30 November 2021;
 - (ii) the Airguide Performance Right lapsing in accordance with rule (f); or
 - (iii) the Airguide Performance Right lapsing in accordance with a provision of rule (g).
- f) **(Fraudulent or dishonest action):** If a holder ceases to be strategic advisor to the Company in circumstances where the cessation or termination is specifically referenced to the holder having been found to have acted fraudulently or dishonestly in the performance of their duties, then:
- i) the Board must deem any Airguide Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - ii) any Airguide Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.
- g) **(Ceasing to be an Eligible Person):** If a holder ceases to be strategic advisor to the Company in circumstances where the cessation or termination arises because:
- i) the holder terminates the appointment;
 - ii) the holder wilfully breaches the terms of the appointment of the holder;
 - iii) the holder or its directors are convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or
 - iv) the holder or its directors are found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute,
- then:
- v) the Board must deem any Airguide Performance Rights of the holder to have immediately lapsed and be forfeited; and

- vi) any Airguide Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.
- h) **(Takeover, Scheme of Arrangement or Change of Control):** the Airguide Performance Rights will automatically vest where:
 - i) A court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the Shareholders of the Company approve the proposed compromise or arrangement at such meeting;
 - ii) A takeover bid:
 - a) is announced;
 - b) has become unconditional; and
 - c) the person making the takeover bid has a Relevant Interest (as that term is defined in the Corporations Act) in 50% or more of the Shares; or
 - iii) any person acquires a Relevant Interest (as that term is defined in the Corporations Act) in 50.1% or more of the Shares by any other means.
- i) **(Share ranking):** All Shares issued upon the vesting of Airguide Performance Rights will upon issue rank pari passu in all respects with other Shares.
- j) **(Listing of Shares on ASX):** The Company will not apply for quotation of the Airguide Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Airguide Performance Rights on ASX within the period required by ASX.
- k) **(Transfer of Airguide Performance Rights):** Airguide Performance Rights are not transferable.
- l) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Airguide Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Airguide Performance Rights.
- m) **(Adjustment for bonus issue):** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Airguide Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Airguide Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- n) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Airguide Performance Right (including the Vesting Condition) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- o) **(Dividend and Voting Rights):** An Airguide Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

SCHEDULE 4 – TERMS AND CONDITIONS OF JNS PERFORMANCE RIGHTS

A summary of the terms and conditions of the JNS Performance Rights is set out below:

- a) **(Vesting Condition):** The Performance Rights shall vest if the 10-day volume weighted average share price for the Shares on the ASX is A\$0.30 or higher from the date of issue. The Performance Rights shall lapse (if not vested) on 31 March 2018.
- b) **(Vesting):** Upon the Vesting Condition being satisfied, the Company shall notify the holder in writing that the relevant JNS Performance Rights have vested.
- c) **(Consideration):** The JNS Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the JNS Performance Rights.
- d) **(Automatic Vesting):** Upon satisfaction of the Vesting Condition, each JNS Performance Right will automatically vest into one Share.
- e) **(Lapse of JNS Performance Rights):** JNS Performance Rights will lapse upon the earlier to occur of:
 - (i) the JNS Performance Right expiring on 31 March 2018;
 - (ii) the JNS Performance Right lapsing in accordance with rule (f); or
 - (iii) the JNS Performance Right lapsing in accordance with a provision of rule (g).
- f) **(Fraudulent or dishonest action):** If a holder ceases to be strategic advisor to the Company in circumstances where the cessation or termination is specifically referenced to the holder having been found to have acted fraudulently or dishonestly in the performance of their duties, then:
 - i) the Board must deem any JNS Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - ii) any JNS Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.
- g) **(Ceasing to be an Eligible Person):** If a holder ceases to be strategic advisor to the Company in circumstances where the cessation or termination arises because:
 - i) the holder terminates the appointment;
 - ii) the holder wilfully breaches the terms of the appointment of the holder;
 - iii) the holder or its directors are convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or
 - iv) the holder or its directors are found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute,then:
 - v) the Board must deem any JNS Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - vi) any JNS Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.
- h) **(Takeover, Scheme of Arrangement or Change of Control):** the JNS Performance Rights will automatically vest where:
 - i) A court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the Shareholders of the Company approve the proposed compromise or arrangement at such meeting;

- ii) A takeover bid:
 - a) is announced;
 - b) has become unconditional; and
 - c) the person making the takeover bid has a Relevant Interest (as that term is defined in the Corporations Act) in 50% or more of the Shares; or
 - iii) any person acquires a Relevant Interest (as that term is defined in the Corporations Act) in 50.1% or more of the Shares by any other means.
- i) **(Share ranking)**: All Shares issued upon the vesting of JNS Performance Rights will upon issue rank pari passu in all respects with other Shares.
 - p) **(Listing of Shares on ASX)**: The Company will not apply for quotation of the JNS Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of JNS Performance Rights on ASX within the period required by ASX.
 - q) **(Transfer of JNS Performance Rights)**: JNS Performance Rights are not transferable.
 - r) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the JNS Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the JNS Performance Rights.
 - s) **(Adjustment for bonus issue)**: If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of JNS Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the JNS Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
 - t) **(Adjustment for reconstruction)**: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an JNS Performance Right (including the Vesting Condition) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
 - u) **(Dividend and Voting Rights)**: An JNS Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

SCHEDULE 5 – TERMS AND CONDITIONS OF EMPLOYEE PERFORMANCE RIGHTS

A summary of the terms and conditions of the AVZ Employee Performance Rights is set out below:

- (a) **(Vesting Condition):** The AVZ Employee Performance Rights shall vest in three equal tranches upon the following milestones being achieved:
- i) Tranche 1 shall vest if the 10-day volume weighted average share price (“VWAP”) for the shares on the ASX is A\$0.34 or higher during the vesting period;
 - ii) Tranche 2 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.40 or higher during the vesting period; and
 - iii) Tranche 3 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.44 or higher during the vesting period.
- The performance rights will expiry on 5 February 2021.
- (b) **(Vesting):** Upon the Vesting Condition being satisfied, the Company shall notify the holder in writing that the relevant Employee Performance Rights have vested (**Vested Employee Performance Rights**).
- (c) **(Consideration):** The Employee Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Employee Performance Rights.
- (d) **(Automatic Vesting):** Upon satisfaction of the Vesting Condition, each Employee Performance Right will automatically vest into one Share.
- (e) **(Lapse of an Employee Performance Right):** An Employee Performance Right will lapse upon the earlier to occur of:
- (i) expiration date of the performance rights; or
 - (ii) the Employee Performance Right lapsing in accordance with rule (f).
- (f) **(Ceasing to be an Eligible Employee):** If a holder ceases to be a consultant, contractor or employee of the Company, or a subsidiary of the Company, then:
- (i) the Board must deem any Employee Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - (ii) any Employee Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.
- (g) **(Other circumstances):** The Employee Performance Rights will not lapse and be forfeited where the holder ceases to be a consultant, contractor or employee of the Company for one of the following reasons:
- (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable to work in his or her own or any occupation for which they are suited by training, education, or experience for a period beyond one year); or
 - (ii) any other reason that the Board determines is reasonable to permit the holder to retain his Employee Performance Rights,
 - (iii) and in those circumstances the Employee Performance Rights will continue to be subject to the Vesting Condition.
- (h) **(Takeover, Scheme of Arrangement or Change of Control):** the Employee Performance Rights will automatically vest where:
- (i) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the Shareholders of the Company approve the proposed compromise or arrangement at such meeting;
 - (ii) a takeover bid:
 - (A) is announced;
 - (B) has become unconditional; and
 - (C) the person making the takeover bid has a Relevant Interest (as that term is defined in the Corporations Act) in 50% or more of the Shares; or
 - (D) any person acquires a Relevant Interest (as that term is defined in the Corporations Act) in 50.1% or more of the Shares by any other means.

- (i) **(Share ranking)**: All Shares issued upon the vesting of Employee Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (j) **(Listing of Shares on ASX)**: The Company will not apply for quotation of the Employee Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Employee Performance Rights on ASX within the period required by ASX.
- (k) **(Transfer of Employee Performance Rights)**: An Employee Performance Right is only transferable:
 - (i) with the consent of the Board; or
 - (ii) by force of law upon death to the Related Party's legal personal representative or upon bankruptcy to the Related Party's trustee in bankruptcy.
- (l) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Employee Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Performance Rights.
- (m) **(Adjustment for bonus issue)**: If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Employee Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Employee Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (n) **(Adjustment for reconstruction)**: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Employee Performance Right (including the Vesting Condition) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **(Dividend and Voting Rights)**: An Employee Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

SCHEDULE 6 – ISSUES OF EQUITY SECURITIES SINCE 29 NOVEMBER 2017

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 11 December 2017 Appendix 3B – 11 December 2017	1,333,333	Shares ²	Listed option holders	\$0.03 (discount of 85%)	Amount raised = \$40,000 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 22 December 2017 Appendix 3B – 22 December 2017	3,000,000	Performance Rights ⁴	JNS Capital Corp	No issue price Closing share price on date of issue = \$0.22	Consideration: As part of a service agreement to provide marketing and promotional services in North America. Current value ⁸ = \$660,000
Issue – 19 January 2018 Appendix 3B – 19 January 2018	3,779,951	Shares ²	Listed option holders	\$0.03 (discount of 90%)	Amount raised = \$113,398 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 2 February 2018 Appendix 3B – 2 February 2018	2,000,000	Shares ²	Listed option holders	\$0.03 (discount of 90%)	Amount raised = \$60,000 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 2 February 2018 Appendix 3B – 2 February 2018	3,000,000	Shares ²	JNS Capital Corp	No issue price Closing share price on date of issue = \$0.31	Consideration: Vesting of Performance Rights following vesting conditions being met. Current value ⁸ = \$930,000
Issue – 5 February 2018 Appendix 3B – 5 February 2018	4,350,000	Performance Rights ⁵	Current employees of the Company	No issue price Closing share price on date of issue = \$0.25	Consideration: An incentive component of the remuneration package of each recipient. Current value ⁸ = \$1,261,500
Issue – 9 February 2018 Appendix 3B – 9 February 2018	400,000	Shares ²	Listed option holders	\$0.03 (discount of 88%)	Amount raised = \$12,000 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 26 February 2018 Appendix 3B – 26 February 2018	1,040,753	Shares ²	Listed option holders	\$0.03 (discount of 89%)	Amount raised = \$31,222 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.

Issue – 28 February 2018 Appendix 3B – 28 February 2018	60,000,000	Shares ²	Sophisticated Investors	\$0.25 (Nil discount)	Amount raised = \$15,000,000 Amount spent = Nil Proposed use of funds: Funds to be used for planned Phase 2 drilling and pre- feasibility programs at the Manono project as well as ongoing corporate and administration costs
Issue – 28 February 2018 Appendix 3B – 28 February 2018	30,000,000	Unlisted Options ⁶	Sophisticated Investors	No issue price Closing share price on date of issue = \$0.25	Consideration: Free-attaching to the Shares issued on 28 February 2018 on a 1:2 basis Current value ⁸ = \$6,219,000 (using the Black Scholes model)
Issue – 16 March 2018 Appendix 3B – 16 March 2018	2,833,332	Shares ²	Listed option holders	\$0.03 (discount of 90%)	Amount raised = \$85,000 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 23 March 2018 Appendix 3B – 23 March 2018	3,377,984	Shares ²	Listed option holders	\$0.03 (discount of 88%)	Amount raised = \$101,339 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 6 April 2018 Appendix 3B – 6 April 2018	760,417	Shares ²	Listed option holders	\$0.03 (discount of 86%)	Amount raised = \$22,812 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 13 April 2018 Appendix 3B – 13 April 2018	1,500,000	Shares ²	Listed option holders	\$0.03 (discount of 86%)	Amount raised = \$45,000 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 26 April 2018 Appendix 3B – 26 April 2018	806,666	Shares ²	Listed option holders	\$0.03 (discount of 86%)	Amount raised = \$24,200 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 15 May 2018 Appendix 3B – 15 May 2018	10,000	Shares ²	Listed option holders	\$0.03 (discount of 81%)	Amount raised = \$300 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 22 May 2018	7,500,000	Performance Rights ⁷	Airguide International Pte Ltd	No issue price	Consideration: Issued to incentivise the recipient to facilitate and

Appendix 3B – 22 May 2018				Closing share price on date of issue = \$0.16	advise the Company on key relationships and a broader work program aimed at securing value-adding commercial agreements with relevant counterparties in China Current value ⁸ = \$1,200,000
Issue – 5 June 2018 Appendix 3B – 5 June 2018	30,000	Shares ²	Listed option holders	\$0.03 (discount of 75%)	Amount raised = \$900 Amount spent = Nil Use of funds: Conversion of listed options. Funds will be used for the drilling program at the Manono Lithium Project and general working capital.
Issue – 19 July 2018 Appendix 3B – 19 July 2018	20,000,000	Shares ²	Nigel Ferguson	No issue price Closing share price on date of issue = \$0.10	Consideration: Vesting of Performance Rights following vesting conditions being met. Current value ⁸ = \$2,000,000

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: AVZ (terms are set out in the Constitution).
3. Listed Options, exercisable at \$0.03 each, on or before 24 May 2020, ASX Code: AVZO.
4. Performance Rights, issued for nil cash consideration at an exercise price of nil, which shall vest upon satisfaction of the vesting conditions. The full terms and conditions are disclosed in Schedule 4 of this notice of meeting.
5. Performance Rights, issued for nil cash consideration at an exercise price of nil, which shall vest upon satisfaction of the vesting conditions. The full terms and conditions are disclosed in Schedule 5 of this notice of meeting.
6. Unlisted Options, exercisable at \$0.305 each, on or before 28 February 2020. The full terms and conditions are disclosed in Schedule 2 of this notice of meeting.
7. Performance Rights, issued for nil cash consideration at an exercise price of nil, which shall vest upon satisfaction of the vesting condition. The full terms and conditions are disclosed in Schedule 3 of this notice of meeting.
8. In respect of quoted Equity Securities the value is based on the closing price of the Shares as the context requires on the ASX. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. In respect of Performance Rights, the value is measured using the closing price of the underlying Shares on the ASX.

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AVZ MINERALS LIMITED

ACN: 125 176 703

REGISTERED OFFICE:
LEVEL 2 SUITE 9
389 OXFORD STREET
MT HAWTHORN WA 6016

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«EFT_REFERENCE_NUMBER»



«Post_zone»

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

AVZ

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:30am WST on Friday 30 November 2018 at the offices of BDO Australia, 38 Station Street, Subiaco, Western Australia, 6008 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*	For	Against	Abstain*
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Issue of Performance Rights to Rhett Brans	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Hongliang Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approval of Termination Benefits	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Graeme Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Ratification of Previous Securities Issue (Placement)	<input type="checkbox"/>	<input type="checkbox"/>
4. Election of Rhett Brans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Ratification of Airguide Performance Rights Issue	<input type="checkbox"/>	<input type="checkbox"/>
5. Non-Executive Director's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Ratification of JNS Capital Corp Securities Issue	<input type="checkbox"/>	<input type="checkbox"/>
6. Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Ratification of AVZ Employee Performance Rights Issue	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Performance Rights to Nigel Ferguson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Performance Rights to Graeme Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:30am WST on Wednesday 28 November 2018.

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My/Our contact details in case of enquiries are:

Name:

Number:

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Email:

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. 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 of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

