



GRAPHEX MINING LIMITED
ACN 610 319 769

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Emerald House, 1202 Hay Street, West Perth on Thursday, 14 November 2019 at 11.00am (WST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9200 4960.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

GRAPHEX MINING LIMITED

ACN 610 319 769

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Graphex Mining Limited (**Graphex** or **Company**) will be held at 11:00 am (WST) on Thursday, 14 November 2019 at Emerald House, 1202 Hay Street, West Perth, Western Australia (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 4:00 pm (WST) on Tuesday, 12 November 2019.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Adoption of Remuneration Report

To consider, and if thought fit, to pass as an ordinary resolution the following:

“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 2019 Remuneration Report of the Company.”

Note: The vote on Resolution 1 will be an advisory vote of Shareholders only, and will not bind the Directors or the Company.

Please refer to the Explanatory Memorandum for details.

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of a person described above and either:

- (a) The person does so as a proxy appointed by writing that specifies how the person is to vote on Resolution 1; or
- (b) The person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the Chairman is to vote on Resolution 1; and
 - (ii) expressly authorises the Chairman to exercise the Proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such 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.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on this Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

3. Resolution 2 - Re-Election of Director - Mr Stephen Dennis

To consider, and if thought fit, to pass as an **ordinary resolution** the following:

“That, for the purpose of Listing Rule 14.4, clause 46 of the Constitution and for all other purposes, Mr Stephen Dennis, retires, and being eligible for re-election, is re-elected as a Director.”

4. Resolution 3 - Election of Director - Mr Daniel Saint Don

To consider, and if thought fit, to pass as an **ordinary resolution** the following:

“That, for the purpose of clause 46 of the Constitution and for all other purposes, Daniel Saint Don, a Director who was appointed by the Directors on 1 April 2019, retires, and being eligible, is elected as a Director.”

5. Resolution 4 - Approval of Additional 10% Capital Raising Capacity

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Shareholders approve the Company having the additional capacity to issue Equity Securities in an amount up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum without the need to seek further Shareholder approval."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who may participate in the issue of Additional Equity Securities pursuant to the Additional 10% Capital Raising Limit, and a person (and any associates of such a person) who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 4 is passed.

However, the Company will not disregard a vote if:

- (a) It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) It is cast by the Chairman 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.

At the date of the Notice, the Company has not approached any particular existing Shareholder to participate in the issue of such Equity Securities. No existing Shareholder's votes will therefore be excluded under this voting exclusion.

6. Resolution 5 - Approval of prior issues of securities to refresh the Company's 15% placement capacity

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

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes,

- (a) *Shareholders ratify the issue of 1,645,000 Shares, as consideration for entering into the Loan Note Subscription Agreement pursuant to the financing arrangement announced on 29 October 2018 issued under Listing Rule 7.1;*
- (b) *Shareholders ratify the issue of 5,956,357 Shares at a deemed price of 28.0 cents per Share on 24 January 2019, as consideration for drilling services issued under Listing Rule 7.1; and*
- (c) *Shareholders ratify the issue of 4,480,220 Shares at \$0.20 per Share on 19 July 2019, issued under Listing Rule 7.1.*

on the terms and conditions described in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person (and any associates of such a person) who participated in the issue of Equity Securities under Resolution 5.

However, the Company will not disregard a vote if:

- (d) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (e) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Resolution 6 - Approval of the Graphex Mining Limited Option 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 Listing Rule 7.2 (Exception 9(b)), sections 200B and 200E of the Corporations Act and for all other purposes, approval is given to adopt the Graphex Mining Limited Option Plan tabled at the Meeting (and signed by the Chairman of the Meeting for the purposes of identification) (the "Option Plan"), and the issue of securities (including the issue of Options and the issue of Shares on exercise of Options) and the giving of benefits under the Option Plan in connection with any future retirement from office or position of employment with the Company."

Short Explanation: Approval is sought under Listing Rule 7.2 (Exception 9(b)) to enable the Company to issue securities under the Option Plan, without those securities counting towards the Company's 15% limit for new issues in Listing Rule 7.1. Approval is also sought under the Corporations Act for the Company to give potential benefits under the Option Plan in connection with any future retirement of a member of Key Management Personnel of the Company or any other person who holds a Managerial or Executive Office with the Company. The Option Plan was last approved pursuant to the Company's admission to the official list of the ASX on 9 June 2016. The terms and conditions of the Option Plan were set out in the Replacement Prospectus dated 10 May 2016 in connection with an initial public offering of Shares. Approval is sought to enable the Company to issue securities under the Option Plan without utilising its share issuance capacity under ASX Listing Rule 7.1 or ASX Listing Rule 7.1A (Exception 9(b), ASX Listing Rule 7.2).

A copy of the Option Plan is available in Schedule 2.

Voting Exclusion

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

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

8. Resolution 7 - Approval of issue of long-term incentive options to Mr Phil Hoskins

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

"That, for the purpose of Listing Rule 10.14 and sections 195(4) 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the grant of 755,764 Options (LTI Options), and any benefits under the grant of such Options (including the issue of Shares on the exercise of those Options) that may be given to Mr Hoskins in connection with any future retirement from his office or employment with the Company, on the terms and conditions described in the Explanatory Memorandum to this Notice."

Short Explanation: Approval is sought under Listing Rule 10.14 and sections, 200B and 200E of the Corporations Act to allow the Company to grant the LTI Options to a Director (Mr Hoskins). Approval is also sought under the Corporations Act for the Company to give potential benefits under the Plan to Mr Hoskins (including the issue of Shares on the exercise of those Options) that may be given in connection with any future retirement by Mr Hoskins from his office or employment with the Company."

Voting Exclusion

The Company will disregard any votes cast in favour on this Resolution by or on behalf of any Director who is eligible to participate in the Option Plan, or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) 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:

- (c) The proxy is the Chair;

The appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. Resolution 8 - Approval of issue of short-term incentive options to Mr Phil Hoskins

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

"That, for the purpose of Listing Rule 10.14 and sections 200B and 200E of the Corporations Act and for all other purposes, the grant of 549,647 Options (STI Options), on the terms and conditions described in the Explanatory Memorandum to this Notice, and any benefits under the grant of such Options (including the issue of Shares on the exercise of those Options) that may be given to Mr Hoskins in connection with any future retirement from his office or employment with the Company, are approved."

Short Explanation: Approval is sought under Listing Rule 10.14 and sections 200B and 200E of the Corporations Act to allow the Company to grant the STI Options to a Director (Mr Hoskins). Approval is also sought under the Corporations Act for the Company to give potential benefits under the Plan to Mr Hoskins (including the issue of Shares on the exercise of those Options) that may be given in connection with any future retirement by Mr Hoskins from his office or employment with the Company.

Voting Exclusion

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

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

10. Resolution 9 - Approval of the issue of vested options to Phil Hoskins

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

"That, for the purpose of Listing Rule 10.14 and sections 200B and 200E of the Corporations Act and for all other purposes, the grant of 130,093 Options (Vested Options), on the terms and conditions described in the Explanatory Memorandum to this Notice, and any benefits under the grant of such Options (including the issue of Shares on the exercise of those Options) that may be given to Mr Hoskins in connection with any future retirement from his office or employment with the Company, are approved."

Short Explanation: Approval is sought under Listing Rule 10.14 and sections 200B and 200E of the Corporations Act to allow the Company to grant the Vested Options to a Director (Mr Hoskins). Approval is also sought under the Corporations Act for the Company to give potential benefits under the Plan to Mr Hoskins (including the issue of Shares on the exercise of those Options) that may be given in connection with any future retirement by Mr Hoskins from his office or employment with the Company.

Voting Exclusion

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

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; or
- (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.

BY ORDER OF THE BOARD

Stuart McKenzie
Company Secretary

Dated: 10 October 2019

GRAPHEX MINING LIMITED

ACN 610 319 769

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 11:00 am (WST) on Thursday, 14 November 2019 at Emerald House, 1202 Hay Street, West Perth, Western Australia.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1:	Introduction
Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 - Adoption of Remuneration Report
Section 5:	Resolution 2 - Election of Director - Mr Stephen Dennis
Section 6:	Resolution 3 - Election of Director - Mr Daniel Saint Don
Section 7:	Resolution 4 - Approval of Additional 10% Capital Raising Capacity
Section 8:	Resolution 5 - Approval of prior issues of securities to refresh the Company's 15% placement capacity
Section 9:	Resolution 6 - Approval of Graphex Mining Limited Option Plan
Section 10:	Resolution 7 - Approval of issue of long-term incentive options to Mr Phil Hoskins
Section 11:	Resolution 8 - Approval of issue of short-term incentive options to Mr Phil Hoskins
Section 12:	Resolution 9 - Approval of issue of vested options to Mr Phil Hoskins
Schedule 1:	Definitions
Schedule 2:	Graphex Mining Limited Option Plan

1.1 Time and place of Meeting

Notice is given that the Meeting will be held at 11:00am Thursday, 14 November 2019 at Emerald House, 1202 Hay Street, West Perth, Western Australia.

1.2 Your vote is important

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

1.3 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 Meeting are those who are registered Shareholders at 11:00 am WST on Tuesday, 12 November 2019.

1.4 Defined terms

Capitalised terms in this Notice of Meeting and Explanatory Memorandum are defined either in 0 or where the relevant term is first used.

1.5 Responsibility

This Notice of Meeting and Explanatory Memorandum have been prepared by the Company under the direction and oversight of its Directors.

1.6 ASX

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASX. Neither ASX nor any of its officers take any responsibility for the contents of this document.

1.7 No internet site is part of this document

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site (www.graphexmining.com.au). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

A shareholder that is an individual may attend and vote in person at the meeting. If you wish to attend the meeting, please bring the enclosed proxy form to the meeting to assist in registering your attendance and number of votes. Please arrive 20 minutes prior to the start of the meeting to facilitate this registration process.

2.2 Voting by corporate representative

A shareholder that is a corporation may appoint an individual to act as its representative to vote at the meeting in accordance with section 250D of the *Corporations Act 2001* (Cth). The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed. The appropriate "Appointment of Corporate Representative" form should be

completed and produced prior to admission to the meeting. This form may be obtained from the Company's share registry.

2.3 Appointment of proxies

Each Shareholder entitled to vote at the Meeting may appoint a proxy to attend and vote at the Meeting. To vote by proxy, please complete, sign and return the enclosed Proxy Form in accordance with its instructions. A proxy need not be a Shareholder of the Company and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Share Registry.

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

(a) 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:

- (i) 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);
- (ii) 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;
- (iii) 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
- (iv) 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).

(b) Transfer of non-chair proxy to chair in certain circumstances

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

- (i) 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;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either of the following applies:

- (A) the proxy is not recorded as attending the meeting;
- (B) 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.

The Chair intends to exercise all available proxies in favour of all Resolutions.

2.4 Lodgement of proxy documents

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 11:00 am (WST) on Tuesday, 12 November 2019. Any proxy form received after that time will not be valid for the scheduled meeting. Proxies should be returned as follows:

Online	At www.investorvote.com.au
By mail	Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.5 Voting exclusions

Pursuant to requirements of the Corporations Act and Listing Rules, certain voting exclusions apply to Resolution 1 and Resolutions 4-9. Please refer to discussion of the relevant Resolutions in the Notice and below for details of the applicable voting exclusions.

3. Annual Report

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the opportunity to:

- (a) Discuss the Annual Report (which is available online at www.graphexmining.com.au);
- (b) Ask questions or make comments on the management of the Company; and
- (c) Ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) The preparation and the content of the Auditor's Report;
- (b) The conduct of the audit;
- (c) Accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) The independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five Business Days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Adoption of 2019 Remuneration Report

4.1 Background

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the 2019 Remuneration Report to the vote of Shareholders. The Company's Remuneration Report is set out in pages 10 to 22 of the Annual Report. The Remuneration Report (among other things) provides Shareholders with information relating to the Group's remuneration policies and details of the remuneration for the Key Management Personnel (which includes the Directors (both executive and non-executive) and other specified senior managers of the Company).

Subject to the rules set out in Division 9 of Part 2G.2 of the Corporations Act described below under the heading "Consequence of voting against Resolution 1", Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors or the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the 2019 Remuneration Report. However, the Board will take the outcome of the vote very seriously when considering the Company's future remuneration policy.

Accordingly, your Directors would like to reiterate that:

- (a) The remuneration policy of the Company and its subsidiaries (Group) has been designed to align Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short and long-term incentives based on key performance areas affecting the Group's financial and operating results. Your Board believes the Company's remuneration policy is appropriate.
- (b) The structure of the Executive remuneration package remains a key focus of the Board to ensure alignment with the nature of Graphex's business as it optimises its activities and minimises costs.

These matters are part of the Company's strategy to ensure the remuneration of Directors, Executives and all other employees is in line with best practice for a company its size and in keeping with the wishes of Shareholders.

4.2 Consequence of voting against Resolution 1

The 2018 Remuneration Report was approved at the Company's 2018 annual general meeting, with less than 25% of votes cast against that resolution. If at least 25% of the votes cast on Resolution 1 are against the adoption of the 2019 Remuneration Report, and at least 25% of the votes cast at the next annual general meeting of the Company (**2020 AGM**) on a resolution that the 2020 Remuneration Report be adopted is against the adoption of that report, then the Company will be required under section 250V of

the Corporations Act to put to the vote at the 2020 AGM a spill resolution (**Spill Resolution**) to decide whether or not to convene another general meeting within 90 days of the 2020 AGM (**Spill Meeting**) where:

- (a) All the Directors of the Company who were directors at the time of the 2020 AGM (other than the Managing Director) and in office on the date on which the 2020 Remuneration Report is approved, will cease to hold office immediately before the end of the Spill Meeting; and
- (b) A resolution to fill the position of each of the Directors referred to in (a) by re-election or otherwise will be put to the vote at the Spill Meeting.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the 2019 Remuneration Report.

4.3 Directors' recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as described in the 2019 Remuneration Report), the Board unanimously recommends that the Shareholders adopt the 2019 Remuneration Report and vote in favour of Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorization for the Chairman to vote your proxy in accordance with the Chairman's intention even though Resolution 1 is connected directly or indirectly to the remuneration of Key Management Personnel.

5. Resolution 2 - Re-election of Director - Mr Stephen Dennis

5.1 General

Clause 46.1 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 three, then the number nearest one-third (but not more than one third), shall retire from office, provided always that no Director (except a managing director) shall hold office for a period in excess of three 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 46.1 of the Constitution is eligible for re-election.

In calculating the number of Directors, of which one third must retire and if eligible, be re-elected, the following people are not included in the calculation:

- (a) The Managing Director, pursuant to clause 63.6 of the Constitution; and
- (b) Any Director who was appointed during the year by the Directors, pursuant to clause 45.2 of the Constitution.

Mr Dennis, who was elected on 17 November 2016 accordingly will retire, and being eligible, seeks re-election. Details of Mr Dennis's background and experience are as follows:

Mr Stephen Dennis, LLB GDipAppFin (FINSIA)

Independent, Non-Executive Director - Age 61

Experience and expertise

Mr Dennis has been actively involved in the mining industry for over 30 years. He has held senior management positions at MIM Holdings Limited, Minara Resources Limited and Brambles Australia Limited. Mr Dennis was previously the Chief Executive Officer and Managing Director of CBH Resources Limited, the Australian subsidiary of Toho Zinc Co., Ltd of Japan.

Special responsibilities

N/A

Other current directorships

Heron Resources Limited (Non-Executive Chairman)

Rox Resources Limited (Non-Executive Chairman)

EHR Resources Limited (Non-Executive Chairman)

LeadFx Inc. (Non-Executive Chairman)

Interests in Graphex securities

773,799 Shares

5.2 Directors' recommendation

The Board (excluding Mr Stephen Dennis) recommends that Shareholders vote **in favour** of Resolution 2. The Chairman of the Meeting intends to vote undirected proxies **in favour** of Resolution 2.

6. Resolution 3 - Election of Director - Daniel Saint Don

Clause 45.1 of the Company's Constitution allows the Board to appoint a person as a Director to fill a casual vacancy. Pursuant to Clause 45.1 of the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Daniel Saint Don was appointed on 1 April 2019 and accordingly will retire, and being eligible, seeks re-election. Details of Mr Saint Don's background and experience are as follows:

Mr Daniel Saint Don, BSc, MBA, P. Eng

Non-Executive Director - Age 56

Experience and expertise

Daniel is based in Denver and has over 30 years of operational and technical experience in North America and internationally. This includes responsibilities in mine operations, engineering, contracting services, due diligence review, and project development. Daniel has demonstrated success in managing and directing projects encompassing all phases of the mining cycle and offers strong technical and practical skills. He is currently a non-executive director of North River Resources and has held senior roles

with Golder Associates, Atna Resources Ltd, DMC Mining Services, Boart Longyear Company, Stillwater Mining Company, Inmet Mining, and Mosaic (formerly IMC). Daniel is the appointed representative of funds managed by global private investment firm Castlake, L.P.

Special responsibilities

N/A

Other current directorships

North River Resources Limited (Executive Director)

Interests in Graphex securities

N/A

6.1 Directors' recommendation

The Board (excluding Mr Daniel Saint Don) recommends that Shareholders vote in favour of Resolution 3. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 3.

7. Resolution 4 - Approval of Additional 10% Capital Raising Capacity

7.1 General

Under Listing Rule 7.1, the Company is permitted, without Shareholder approval, to issue Equity Securities in an amount up to 15% of the number of shares that it had on issue 12 months earlier (**15% Capital Raising Capacity**).

Listing Rule 7.1A enables eligible entities to seek Shareholder pre-approval for the capacity to issue additional Equity Securities, up to a further 10% of the Company's issued capital, in the 12 month period following the Meeting. This 10% capacity under Listing Rule 7.1A is separate to and in addition to the existing 15% Capital Raising Capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P ASX 300 Index and has a market capitalization of \$300 million or less. The Company is an eligible entity.

Resolution 4 seeks Shareholder approval (as a special resolution) for the Company to be able to issue additional Equity Securities up to 10% of the Company's issued share capital (**Additional Equity Securities**) over the 12 month period following the Meeting, each at an issue price of not less than 75% of the VWAP for the relevant Equity Securities being issued, calculated over the 15 trading days on which trades in those Equity Securities recorded immediately before either (1) the day on which the price at which those Equity Securities are to be issued is agreed; or (2) if the Equity Securities are not issued within 5 trading days of the date in paragraph (1), the date on which the Equity Securities are issued (**Additional 10% Capital Raising Capacity**).

The Additional Equity Securities that the Company is permitted to issue under the Additional 10% Capital Raising Capacity must be in an existing class of the Company's quoted securities, which includes Shares.

One of ASX's aims in introducing Listing Rule 7.1A was to help improve access to capital and funding for small to mid-cap companies and to provide greater flexibility for eligible entities by providing the ability to raise capital (up to the 10% limit), without

incurring the administrative and cost burden associated with holding a meeting of shareholders.

As Graphex does not have a cash flow producing asset, the passing of Resolution 4 is especially important to provide the Board with the flexibility that may be required in the coming 12 months. The Board will always have regard to dilution of existing Shareholders and will take this into account when structuring future capital raisings, should the need arise.

Maximum number of Equity Securities that may be issued

The formula for calculating the number of Additional Equity Securities that the Company can issue is set out in Listing Rule 7.1A.2. In summary, it would apply to the Company as follows:

If the Company has obtained the approval of Shareholders at the Meeting (ie. if Resolution 4 is passed), the Company may issue or agree to issue, during the approval period (ie. the 12 month period after the date of the Meeting or, in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), the date of such approval, whichever occurs first), a number of Equity Securities calculated in accordance with the formula:

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

Where:

A = The number of Shares on issue 12 months before the date of issue or agreement,

- plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2 (which contains numerous exceptions to Listing Rule 7.1 and Listing Rule 7.1A, including in relation to issues of Shares pursuant to pro rata issues, upon the conversion of convertible securities such as Options; under off-market bids, mergers by scheme of arrangement or approved employee incentive schemes, or certain issues of preference shares, etc - refer to Listing Rule 7.2 for full details),
- plus the number of partly paid Shares that became fully paid in the 12 months,
- plus the number of Shares issued with Shareholder approval under Listing Rule 7.1 (i.e the 15% Capital Raising Capacity rule) or Listing Rule 7.4 (which relates to subsequent approvals by Shareholders of an issue of Equity Securities),
- less the number of Shares cancelled in the previous 12 months.

D = 10%

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

As at the date of this Notice, the Company has 100,645,208 Shares on issue, which would enable the Company (if Resolution 4 is passed) to issue up to an additional 10,064,520 Equity Securities. The actual number of Additional Equity Securities that the Company

would be able to issue under the Additional 10% Capital Raising Capacity will be calculated at the time of issue in accordance with Listing Rule 7.1A.2.

Resolution 4 is a special resolution and as such requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote at the Meeting (by proxy, attorney or otherwise).

The Directors believe that Resolution 4 is in the best interests of the Company and its Shareholders as it provides the Company with additional capital raising capacity and flexibility and unanimously recommend that Shareholders vote **in favour** of Resolution 4. The Chairman of the meeting intends to vote undirected proxies **in favour** of Resolution 4.

Capitalised terms used in this section 7 of the Explanatory Memorandum have the same meaning as in the Listing Rules unless otherwise defined in Schedule 1.

7.2 Specific information in relation to Equity Securities to be Issued Under Additional 10% Capital Raising Capacity

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the Additional 10% Capital Raising Capacity as follows:

- (a) During the 12 months preceding the date of the meeting, a total of 25,550,319 Equity Securities were issued, representing 25.65% of the total number of Equity Securities on issue at commencement of that 12 month period.
- (b) Details of all Equity Securities issued during the 12 months preceding the date of the meeting are set out in the table below.

Date	Quantity	Class	Recipients	Issue Price and Discount to market Price (if applicable)	Form of consideration
23 November 2018	1,645,000	Shares	Castlake L.P.	N/A	Consideration for entering into Loan Note Subscription Agreement. Current Value: \$296,100
13 December 2018	142,000	Shares	Non-executive Director (Stephen Dennis) and Managing Director (Phil Hoskins), as approved by shareholders on 26 November 2018	\$0.28 8.2% discount to last traded price on 15 March 2018	Amount raised: \$39,760 Funds have been used to meet costs associated with development of the Chilalo Graphite Project, including a definitive feasibility study, tenement holding costs, securing relationships with graphite end users and general working capital.
13 December 2018	721,606	Options	Managing Director (Phil Hoskins), as approved by shareholders on 26 November 2018, and Employees	Nil exercise price, expiring 1 July 2021, vesting on 1 July 2019, subject to achievement of key milestones	Issued as short-term incentives under the Option Plan Current value: \$36,080 (180,402 options vested, at a share price of \$0.20)

Date	Quantity	Class	Recipients	Issue Price and Discount to market Price (if applicable)	Form of consideration
13 December 2018	1,384,122	Options	Managing Director (Phil Hoskins), as approved by shareholders on 26 November 2018, and Employees	Nil exercise price, expiring 1 July 2023, vesting on 1 July 2021, subject to achievement of key milestones	Issued as long-term incentives under the Option Plan Current value: \$138,412 (based on AASB2 Share Based Payments)
13 December 2018	80,675	Options	Employees	Nil exercise price, exercisable to 1 July 2020	Issued as short-term incentives under the Option Plan Current value: \$14,925
20 December 2018	178,572	Shares	Non-executive Director (Grant Davey) (as approved by shareholders on 26 November 2018)	\$0.28 8.2% discount to last traded price on 15 March 2018	Amount raised \$50,000 Funds have been used to meet costs associated with development of the Chilalo Graphite Project, including a definitive feasibility study, tenement holding costs, securing relationships with graphite end users and general working capital.
24 January 2019	5,956,357	Shares	Capital Drilling Limited	\$0.28 (price at which the number of Shares was determined) 3.7% premium to the closing price on 12 June 2018, the date of the drilling agreement	Consideration for performance of drilling services Current value: \$1,101,926
26 February 2019	683,399	Shares	Directors and Employees	N/A	N/A: cashless exercise of Unquoted Options Current value: \$126,429
3 May 2019 – 10 June 2019	138,748	Shares	Holders of Loyalty Options	\$0.25 Shares issued on exercise of Loyalty Options are issued under Replacement Prospectus	Amount raised: \$34,687 Funds have been used to meet costs associated with development of the Chilalo Graphite Project, including a definitive feasibility study, tenement holding costs, securing relationships with graphite end users and general working capital.
31 May 2019	686,338	Shares	Employees	N/A	N/A: exercise of zero-price Options Current value: \$126,972

Date	Quantity	Class	Recipients	Issue Price and Discount to market Price (if applicable)	Form of consideration
19 July 2019	12,500,000	Shares	Professional and sophisticated investors	\$0.20 22% discount to the 15 day VWAP on the date on which the placement was agreed	Amount raised: \$2,500,000 Funds are being used to meet costs associated with development of the Chilalo Graphite Project, including a definitive feasibility study, tenement holding costs, securing relationships with graphite end users and general working capital.
24 July 2019	453,370	Options	Employees	Nil exercise price, expiring 1 July 2022, vesting on 1 July 2020 subject to achievement of key milestones	N/A: Issue of short-term incentives Current value: \$58,938 (based on AASB2 Share Based Payments)
24 July 2019	980,132	Options	Employees	Nil exercise price, expiring 1 July 2024, vesting on 1 July 2022 subject to achievement of key milestones	N/A: Issue of long-term incentives Current value: \$127,417 (based on AASB2 Share Based Payments)

- (c) If the Company chooses to utilise the Additional 10% Capital Raising Capacity, the Additional Equity Securities cannot be issued at an issue price less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in the class of Equity Securities proposed to be issued were recorded, immediately before:
- (i) the date on which the price at which the Additional Equity Securities were to be issued is agreed; or
 - (ii) if the Additional Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Additional Equity Securities were issued.
- (d) If Resolution 4 is approved by Shareholders and the Company issues Additional Equity Securities under the Additional 10% Capital Raising Capacity, the voting power and economic interest in the Company of existing Shareholders' who do not receive Additional Equity Securities would 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 any issue of the Additional Equity Securities than on the date of the Meeting; and
 - (ii) the Additional 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 or the Additional Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Additional Equity Securities.

(e) The below table shows the dilution of existing Shareholders on the basis of an assumed issue price of Shares being \$0.20 and the current number of Shares on issue calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

(f) The table also shows:

(i) two examples where the number of shares on issue has changed, by an increase of 50% and an increase of 100%. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements 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

two examples of where the issue price of Shares has decreased by 50% and increased by 50% as against the assumed issue price.

Number of Shares on issue		Dilution		
		0.10	0.20	0.30
		50% decrease in Issue Price	Issue Price	50% increase in Issue Price
Shares currently on issue	10% Voting Dilution	10,064,521	10,064,521	10,064,521
		Shares	Shares	Shares
100,645,208	Funds raised (\$)	1,006,452	2,012,904	3,019,356
50% increase in number of shares on issue	10% Voting Dilution	15,096,781	15,096,781	15,096,781
		Shares	Shares	Shares
150,967,812	Funds raised (\$)	1,509,678	3,019,356	4,529,034
100% increase in number of shares on issue	10% Voting Dilution	20,129,042	20,129,042	20,129,042
		Shares	Shares	Shares
201,290,416	Funds raised (\$)	2,012,904	4,025,808	6,038,712

(g) The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Additional Equity Securities available under the Additional 10% Capital Raising Capacity;
- (ii) No Options (both listed and unlisted) (including any listed Options issued under the Additional 10% Capital Raising Capacity) are exercised into Shares before the date of the issue of the Additional Equity Securities;
- (iii) 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%;
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Capital Raising Capacity, 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;

- (v) The table shows only the effect of issues of Additional Equity Securities under Listing Rule 7.1A, not under the 15% Capital Raising Capacity under Listing Rule 7.1;
 - (vi) The issue of Additional Equity Securities under the Additional 10% Capital Raising Capacity consists only of Shares. If the issue of Additional Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders; and
 - (vii) The issue price is assumed to be \$0.20.
- (h) If the Company chooses to utilise the Additional 10% Capital Raising Capacity, the Company would only issue and allot the Additional Equity Securities during the 12 month period following the Meeting. The approval under Resolution 4 for the issue of the Additional 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 the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (i) The Company may seek to issue the Additional Equity Securities for the following purposes:
- (i) Cash consideration to meet costs associated with securing finance arrangements for the Chilalo Graphite Project, the development of the Chilalo Graphite Project and for general working capital; or
 - (ii) Non-cash consideration for the compensation of service providers carrying out work in connection with the development of the Chilalo Project, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (j) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Capital Raising Capacity. The identity of the allottees of Additional Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;
 - (ii) the alternative methods of raising funds that are available to the Company including, but not limited to, rights issues or other issues in which existing Shareholders can participate;
 - (iii) the effect of the issue of the Additional Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (k) The allottees under the Additional 10% Capital Raising Capacity 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, and unrelated service providers.

- (l) Further, if the Company does acquire new resources assets or investments, the allottees under the Additional 10% Capital Raising Capacity may be the vendors of such new resources assets or investments. The Company is not currently intending to issue Additional Equity Securities for the purpose of acquiring new resources assets or investments.

7.3 Details of approvals under Listing Rule 7.1A previously obtained by the Company

The Company last obtained Shareholder approval under Listing Rule 7.1A at the annual general meeting held on 26 November 2018.

7.4 Directors' recommendation

The Directors considers it prudent for the Company to have the opportunity to take advantage of the flexibility to be able to issue additional securities provided under Listing Rule 7.1A. No decision has been made by the Board to undertake any issue of securities if Shareholders approve Resolution 4. The Directors believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

8. Resolution 5 - Approval of prior issues of securities to refresh the Company's 15% placement capacity

Resolutions 5(a), 5(b) and 5(c) seek Shareholder ratification pursuant to Listing Rule 7.4 for:

- (a) *The issue of 1,645,000 Shares, as consideration for entering into the Loan Note Subscription Agreement pursuant to the financing arrangement announced on 29 October 2018 issued under Listing Rule 7.1;*
- (b) *The issue of 5,956,357 Shares on 24 January 2019, as consideration for drilling services issued under Listing Rule 7.1; and*
- (c) *The issue of 4,480,220 Shares at \$0.20 per Share on 19 July 2019, issued under Listing Rule 7.1.*

The Chairman will cast all available proxies in favour of each of the resolutions which form part of Resolution 5.

8.2 Listing Rules 7.1 and 7.1A

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any Equity Securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the company's issued capital at the commencement of that 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 26 November 2018.

8.3 Listing Rule 7.4

In accordance with Listing Rule 7.1, the 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.

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

The effect of Shareholders passing each of the resolutions which form part of Resolution 5 will be to allow the Company to issue securities in the future up to its 15% annual placement capacity as set out in Listing Rule 7.1 and its additional 10% placement capacity as set out in Listing Rule 7.1A (provided also that Resolution 5 is passed), without obtaining prior Shareholder approval.

8.4 Specific information required by Listing Rule 7.5

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

- (a) The Company issued 1,645,000 Shares under its Listing Rule 7.1, 15% placement capacity;
- (b) These Shares were issued at an assumed price of 28.0 cents per Share;
- (c) These Shares were issued to funds managed by Castl lake L.P. (**Castlake**), pursuant to the terms of a Loan Note Subscription Agreement between the Company and Castlake;
- (d) No funds were raised from the issue of the Shares as the Shares were issued as consideration for entering into the Loan Note Subscription Agreement announced on 29 October 2018;
- (e) A voting exclusion notice is included in the Notice for this Resolution; and
- (f) These Shares rank equally with all other existing Shares.

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

- (a) The Company issued 5,956,357 Shares under its Listing Rule 7.1, 15% placement capacity;
- (b) The number of Shares was determined by applying a share price of 28.0 cents per Share;
- (c) These Shares were issued to Capital Drilling Limited;
- (d) No funds were raised from the issue of the Shares as the Shares were issued as consideration for the performance of drilling services at the Company's Chilalo Graphite Project;
- (e) A voting exclusion notice is included in the Notice for this Resolution; and
- (f) These Shares rank equally with all other existing Shares.

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

- (a) The Company issued 4,480,220 Shares at \$0.20 per Share on 19 July 2019, issued under its Listing Rule 7.1, 15% capacity;
- (b) The Shares were issued at a share price of 20.0 cents per Share;
- (c) The Shares were issued to sophisticated and professional investors;
- (d) Proceeds from the issue of these Shares have been, and continue to be used to complete work required to satisfy conditions associated with existing finance arrangements as described in ASX announcement dated 29 October 2018;
- (e) A voting exclusion notice is included in the Notice for this Resolution; and
- (f) These Shares rank equally with all other existing Shares.

8.5 Directors' recommendation

The Directors consider it prudent for the Company to have the opportunity to take advantage of the flexibility to be able to issue securities provided under Listing Rule 7.1. As at the date of the Notice, no decision has been made by the Board to undertake any issue of securities if Shareholders approve Resolutions 5(a), 5(b) and 5(c). The Directors believe that Resolutions 5(a), 5(b) and 5(c) are in the best interests of the Company and unanimously recommend that Shareholders vote in favour of those Resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 5(a), 5(b) and 5(c).

9. Resolution 6 - Approval of Graphex Mining Limited Option Plan

9.1 Background

The Directors consider that it is desirable to maintain as an employee incentive scheme, an option plan (**Option Plan**) under which employees of the Company may be invited to participate and be granted Options over Shares, in order to ensure that appropriate incentives are available to them and to strengthen the link between Shareholders' returns and employees of the Company.

To enable the Company to attract, motivate and retain people who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to personnel commensurate with market rates and practices. The Option Plan is designed to achieve this objective by providing these incentives to employees and to recognise employees' contribution to the Company's success. The Option Plan also encourages continued improvement in performance over time and encourages personnel to acquire and retain shareholdings in the Company. In addition, it is a means of providing non-cash incentive to the Company's key employees, which is consistent with Graphex's objective of maximising its cash position.

The Company, for the purposes of satisfying its obligations to issue or transfer Shares on exercise of Options under the Option Plan, shall settle these by a new issue of Shares.

Accordingly, approval is sought for the issue of Options as well as any Shares on exercise of the Options so as to preserve the Company's flexibility to do so.

Resolution 6 seeks Shareholder approval, for the purposes of Listing Rule 7.2 (Exception 9(b)), sections 200B and 200E of the Corporations Act and for all other purposes, of the Option Plan and the issue of Options (and any Shares issued on exercise of Options) under the Option Plan to employees and Directors of the Company.

9.2 Listing Rule 7.1

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months without Shareholder approval, exceed 15% of the number of Shares on issue at the commencement of that 12 month period. Listing Rule 7.2 (Exception 9(b)) sets out an exception to the 15% threshold imposed by Listing Rule 7.1 by providing that an issue of equity securities under an employee incentive scheme made without Shareholder approval is effectively treated as having been made with Shareholder approval if, within three years before the issue, Shareholders had approved the issue of equity securities under the relevant scheme as an exception to Listing Rule 7.1.

If Resolution 6 is passed, all securities issued by the Company under the Option Plan will be excluded from the 15% limit imposed by Listing Rule 7.1 for a period of three years from the date of the approval. In the absence of such Shareholder approval, the issue of securities can still occur, but these securities are counted as part of the 15% limit which would otherwise apply during the 12 month period.

It should be noted that, notwithstanding an approval by Shareholders of Resolution 6, any future grant of Options to a Director will remain subject to further Shareholder approval under Listing Rule 10.14.

9.3 Operation of the Option Plan

The Company has applied the Option Plan as a means of providing short-term incentive options (**STI Plan Options**) and long-term incentive options (**LTI Plan Options**).

STI Plan Options and LTI Plan Options operate to link performance and reward with measurable financial and non-financial performance indicators to provide employees with clear and understandable targets that are aligned with achievement of the Company's objectives.

(a) STI Plan Options

Executives are granted a number of STI Plan Options based on a percentage of Base Salary, with the vesting of such options subject to performance against Board approved performance objectives. For the Managing Director, the percentage of Base Salary applied to determine the number of STI Plan Options is 40%. For Executives, the applicable percentage of Base Salary is 20%.

The Board sets the objectives of the Managing Director and these are then cascaded down through the organisation to ensure alignment of objectives. Performance objectives with respect to STI Plan Options are communicated to Executives and employees at the beginning of the 12 month performance period, with performance

evaluations conducted following the end of the 12 month performance period to determine the number of STI Plan Options that vest.

Since inception of the Option Plan, 65% of STI Plan Options granted to Executives and employees that have been subject to performance evaluation have lapsed unvested and unexercised.

No exercise price is payable and STI Plan Options do not entitle the holder to notice of, or to vote or attend at, Shareholders' meetings, or to receive any dividends declared by the Company. Upon vesting, each STI Plan Option may be exercised and converted into one Ordinary Share in the Company. Shares acquired on exercise of STI Plan Options are subject to a disposal restriction in that they cannot be sold without the approval of the Board.

(b) LTI Plan Options

Executives are granted a number of LTI Plan Options based on a percentage of Base Salary, with the vesting of such options subject to performance against Board approved performance objectives. For the Managing Director and Executives, the percentage of Base Salary applied to determine the number of LTI Plan Options is 55%.

Similar to STI Options, the Board sets the objectives of the Managing Director and these are then cascaded down through the organisation to ensure alignment of objectives. Performance objectives with respect to LTI Plan Options are communicated to Executives and employees at the beginning of the three year performance period, with performance evaluations conducted following the end of the three year performance period in order to determine the number of LTI Plan Options that vest.

Since inception of the Option Plan, all LTI Plan Options granted to Executives and employees that have been subject to performance evaluation have lapsed unvested and unexercised.

No exercise price is payable and LTI Plan Options do not entitle the holder to notice of, or to vote or attend at, Shareholders' meetings, or to receive any dividends declared by the Company. Upon vesting, each LTI Plan Option may be exercised and converted into one Ordinary Share in the Company. Shares acquired on exercise of LTI Plan Options are subject to a disposal restriction in that they cannot be sold without the approval of the Board.

9.4 Information required by the Listing Rules

In accordance with Listing Rule 7.2 (Exception 9(b)), the following information is provided with respect to the Option Plan:

- (a) A copy of the Option Plan Rules is set out in Schedule 2.
- (b) The Option Plan was last approved pursuant to the Company's admission to the official list of the ASX on 9 June 2016. The terms and conditions of the Option Plan were set out in the Replacement Prospectus dated 10 May 2016 in connection with an initial public offering of Shares.
- (c) A voting prohibition and exclusion statement for Resolution 6 is included in the Notice.

9.5 Information required for Sections 200B and 200E of the Corporations Act

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company

or its related bodies corporate if it is approved by Shareholders or an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year's average base salary). This restriction will apply to all Key Management Personnel.

The term "benefit" is open to a wide interpretation. Accordingly, Shareholder approval of Resolution 6 will allow the Board, where appropriate, to exercise its discretion under the Option Plan to determine that some or all of the unvested STI Plan Options and LTI Plan Options held by a person retiring from a Managerial or Executive Office are deemed to have vested or that (unvested or vested, but not yet exercised) Options are not automatically forfeited on retirement.

If Resolution 6 is not approved, eligible participants who hold a managerial or executive position may not be able to receive the benefit described above, which is otherwise available to all other eligible participants.

The value of the benefit that might be given by the exercise of the Board's discretion under the Option Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) The number of STI Plan Options and LTI Plan Options held by the relevant person prior to their retirement from office or cessation of their employment;
- (b) Reasons for the retirement from office or cessation of employment and the person's length of service;
- (c) The term of the STI Plan Options and LTI Plan Options remaining;
- (d) The extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) The exercise of the Board's discretion at the relevant time.

9.6 Directors' recommendation

The Directors consider that the Plan is an appropriate mechanism to assist in the recruitment, reward, retention and motivation of employees of the Company. The value of incentives being granted is in line with companies in similar circumstances and the vesting criteria ensures that value only crystallises if shareholder value is created. The Directors believe that the adoption of the Plan is in the best interests of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 6.

10. Resolution 7 - Approval of issue of long-term incentive options to Mr Phil Hoskins

10.1 Background

Resolution 7 seeks Shareholder approval in accordance with Listing Rule 10.14, Sections 200B and 200E of the Corporations Act and for all other purposes, to issue 755,764 Options (LTI Options) to Mr Hoskins under the Option Plan.

The LTI Options have a zero-exercise price, expiry date of 1 July 2024 and vest on 1 July 2022. The number of LTI Options calculated by reference to a share price of \$0.255, which represented an 18.6% premium to the share price on 23 July 2019, the date on which the issue was approved by Directors.

The issue of 755,764 LTI Options to Mr Hoskins represents the annual grant of long-term incentives for 2019. These LTI Options vest on 1 July 2022, subject to achievement of key corporate objectives including, completion of project construction on time and on budget; achieving commercial graphite production within the three-year vesting period; and share price performance as follows:

Share price performance vesting criteria for LTI Options

Graphex Share price at 30 June 2022	Portion of Options that vest
Less than \$0.45	Nil
Between \$0.45-55	50%
Between \$0.55-65	75%
Above \$0.70	100%

The Board recognises the importance of retaining all key personnel and providing the appropriate incentives in order to deliver the Company's objectives. The Board believes Mr Hoskins' role as Managing Director is critical to delivering these objectives.

The Company's remuneration arrangements provide that, subject to the Board's discretion, the Managing Director may be issued annually, unquoted options as a long-term incentive, the value of which is equal to 55% of the Managing Director's base salary. Options issued as long-term incentives are for a five-year term, have a vesting date that is three years from the date of issue and are subject to vesting criteria related to the achievement of key project milestones and share price performance.

If Resolution 7 is approved by Shareholders (by an ordinary resolution), the LTI Options will be issued to Mr Hoskins immediately following the conclusion of the Meeting.

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of a director, or a person whose relationship with the entity, a director or an associate of a director is, in ASX's opinion, such that approval should be obtained. Shareholder approval is required under Listing Rule 10.14 to issue the LTI Options because Mr Hoskins is a Director. Furthermore, if Shareholders approve Resolution 7, Listing Rule 7.2 (Exception 14) provides that an issue of Shares upon conversion of those Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval under this Resolution 7 is not required for the purposes of Listing Rule 7.1.

10.2 Information required by Listing Rule 10.15A

The following information is provided as required by Listing Rule 10.15A:

- (a) The maximum number of LTI Options that may be issued to Mr Hoskins is 755,764, granted as long-term incentives, expiring 1 July 2024, to vest on 1 July 2022 subject to performance against key milestones linked to the development of the Chilalo Graphite Project and share price performance as noted in section 10.1.
- (b) The exercise price of the LTI Options is zero.

- (c) The persons referred to in Listing Rule 10.14, being Mr Phil Hoskins, Mr Stephen Dennis and Mr Daniel Saint Don, each a Director. Mr Hoskins has been issued the following securities under the Option Plan since it was implemented:
- (i) 350,000 Options exercisable at \$0.20 each and expiring 9 June 2019 (a cashless exercise of these Options was completed on 26 February 2019, under which Mr Hoskins received 79,730 Shares);
 - (ii) 520,000 Options with a nil exercise price, expiring 9 June 2019 (260,000 lapsed due to failure to meet vesting criteria, 260,000 exercised);
 - (iii) 715,000 Options with a nil exercise price, expiring 9 June 2021 (715,000 Options lapsed due to failure to meet vesting criteria);
 - (iv) 596,261 Options with a nil exercise price, expiring 1 July 2022;
 - (v) 433,644 Options with a nil exercise price, expiring 1 July 2020 (433,644 Options lapsed due to failure to meet vesting criteria);
 - (vi) 421,818 Options with a nil exercise price, expiring 1 July 2021 (316,363 Options lapsed due to failure to meet vesting criteria); and
 - (vii) 580,000 Options with a nil exercise price, expiring 1 July 2023, vesting 1 July 2021.
- (d) Details of the Option Plan were included in the Replacement Prospectus of 10 May 2016 in connection with the Company's initial public offering. A description of the Option Plan is set out in Section 6 of the Replacement Prospectus and a copy of the Option Plan is available at Schedule 2.
- (e) A voting exclusion statement is included with Resolution 7 in the Notice.
- (f) The persons referred to in Listing Rule 10.14 entitled to participate in the Plan are Mr Hoskins, Mr Dennis and Mr Saint Don.
- (g) No loan is made in relation to the issue of the LTI Options.
- (h) Details of any securities issued under the Option Plan will be published in each annual report relating to a period in which securities have been issued under the Plan, with a statement that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (i) Any additional persons (to whom Listing Rule 10.14 applies) who become entitled to participate in the Option Plan after approval of Resolution 7 and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (j) The Company will issue the LTI Options as soon as reasonably practicable after the Meeting, and in any event within three years after the Meeting.

10.3 Information required for Sections 200B and 200E of the Corporations Act

Under Sections 200B and 200E of the Corporations Act, the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a

number of exceptions apply. Accelerated vesting or automatic vesting of share-based payments may in some cases be a benefit of this kind.

As a participant in the Option Plan, Mr Hoskins may become entitled to accelerated vesting or automatic vesting of Options if there is a change in control of the Company or if the Board exercises a discretion upon cessation of employment. Approval is sought for Mr Hoskins to be given any such benefit in connection with his retirement from office or employment with the Company.

The value of the benefit that might be given to Mr Hoskins by the exercise of the Board's discretion under the Option Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) The number of Options held by Mr Hoskins prior to the cessation of his employment;
- (b) Reasons for the cessation of employment and Mr Hoskins' length of service;
- (c) The term of the Options remaining;
- (d) The extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) The exercise of the Board's discretion at the relevant time.

10.4 Directors' recommendation

The Directors (excluding Mr Hoskins) consider that the Option Plan is an appropriate mechanism to assist in the recruitment, reward, retention and motivation of employees of the Company. The value of incentives being granted is in line with companies in similar circumstances and the vesting criteria ensures that value only crystallises if shareholder value is created. The Directors (excluding Mr Hoskins) believe that the issue of the LTI Options to Mr Hoskins and the issue of Shares to settle the LTI Options is in the best interests of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 7.

Mr Hoskins does not make a recommendation in relation to Resolution 7 as he has an interest in the outcome of the resolution.

11. Resolution 8 - Approval of issue of short-term incentive options to Mr Phil Hoskins

11.1 Background

Resolution 8 seeks Shareholder approval in accordance with Listing Rule 10.14 and Sections 200B and 200E of the Corporations Act to issue 549,647 Options (**STI Options**) to Mr Hoskins under the Option Plan

The STI Options have a zero-exercise price, expiry date of 1 July 2022 and vest on 1 July 2020. The number of STI Options was calculated by reference to a share price of \$0.255, which represented an 18.6% premium to the share price on 23 July 2019, the date on which the issue was approved by Directors.

The issue of 549,647 STI Options to Mr Hoskins represents the annual grant of short-term incentives for 2019. The STI Options vest on 1 July 2020, subject to achievement of key corporate objectives including, drawdown of construction financing (weighted at 80%) and a final investment decision and commencement of construction (weighted at 20%).

The Board recognises the importance of retaining all key personnel and providing the appropriate incentives in order to deliver the Company's objectives. The Board believes Mr Hoskins' role as Managing Director is critical to delivering these objectives.

The Company's remuneration arrangements provide that, subject to the Board's discretion, the Managing Director is issued annually, unquoted options as a short-term incentive, the value of which is equal to 40% of the Managing Director's base salary. Options issued as short-term incentives are for a three-year term, have a vesting date that is one year from the date of issue and are subject to Board approved vesting criteria.

If Resolution 8 is approved by Shareholders (by an ordinary resolution), the STI Options will be issued to Mr Hoskins immediately following the conclusion of the Meeting.

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of a director, or a person whose relationship with the entity, a director or an associate of a director is, in ASX's opinion, such that approval should be obtained. Shareholder approval is required under Listing Rule 10.14 to issue the STI Options because Mr Hoskins is a Director. Furthermore, if Shareholders approve Resolution 8, Listing Rule 7.2 (Exception 14) provides that an issue of Shares upon conversion of those Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval under this Resolution 8 is not required for the purposes of Listing Rule 7.1.

11.2 Information required by Listing Rule 10.15A

The following information is provided as required by Listing Rule 10.15A:

- (a) The maximum number of STI Options that may be issued to Mr Hoskins is 549,647, granted as short-term incentives, expiring 1 July 2022, to vest on 1 July 2020 subject to performance against key milestones linked to the development of the Chilalo Graphite Project as noted in section 11.1.
- (b) The exercise price of the STI Options is zero.
- (c) The persons referred to in Listing Rule 10.14, being Mr Phil Hoskins, Mr Stephen Dennis and Mr Daniel Saint Don, each a Director. Please refer to section 10.2 (c) for details of the securities that Mr Hoskins has been issued under the Option Plan since it was implemented.
- (d) Details of the Option Plan were included in the Replacement Prospectus of 10 May 2016 in connection with the Company's initial public offering. A description of the Option Plan is set out in Section 6 of the Replacement Prospectus and a copy of the Option Plan is available at Schedule 2.
- (e) A voting exclusion statement is included with Resolution 8 in the Notice.
- (f) The persons referred to in Listing Rule 10.14 entitled to participate in the Plan are Mr Phil Hoskins, Mr Stephen Dennis and Mr Daniel Saint Don.
- (g) No loan is made in relation to the issue of the STI Options.

- (h) Details of any securities issued under the Option Plan will be published in each annual report relating to a period in which securities have been issued under the Plan, with a statement that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (i) Any additional persons (to whom Listing Rule 10.14 applies) who become entitled to participate in the Option Plan after approval of Resolution 8 and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (j) The Company will issue the STI Options as soon as reasonably practicable after the Meeting, and in any event within three years after the Meeting.

11.3 Information required for Sections 200B and 200E of the Corporations Act

Under Sections 200B and 200E of the Corporations Act, the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a number of exceptions apply. Accelerated vesting or automatic vesting of share-based payments may in some cases be a benefit of this kind.

As a participant in the Option Plan, Mr Hoskins may become entitled to accelerated vesting or automatic vesting of Options if there is a change in control of the Company or if the Board exercises a discretion upon cessation of employment. Approval is sought for Mr Hoskins to be given any such benefit in connection with his retirement from office or employment with the Company.

The value of the benefit that might be given to Mr Hoskins by the exercise of the Board's discretion under the Option Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) The number of Options held by Mr Hoskins prior to the cessation of his employment;
- (b) Reasons for the cessation of employment and Mr Hoskins' length of service;
- (c) The term of the Options remaining;
- (d) The extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) The exercise of the Board's discretion at the relevant time.

11.4 Directors' recommendation

The Directors (excluding Mr Hoskins) consider that the Option Plan is an appropriate mechanism to assist in the recruitment, reward, retention and motivation of employees of the Company. The value of incentives being granted is in line with companies in similar circumstances and the vesting criteria ensures that value only crystallises if shareholder value is created. The Directors (excluding Mr Hoskins) believe that the issue of the STI Options to Mr Hoskins and the issue of Shares to settle the STI Options is in the best interests of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 8.

Mr Hoskins does not make a recommendation in relation to Resolution 8 as he has an interest in the outcome of the resolution.

12. Resolution 9 - Approval of issue of vested options to Mr Phil Hoskins

12.1 Background

Resolution 9 seeks Shareholder approval in accordance with Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes to issue up to 130,093 Options to Mr Hoskins under the Option Plan (**Vested Options**). The Vested Options have a zero-exercise price and an expiry date of 1 July 2020.

In addition, under the terms of the Vested Options

- (a) The rights of the Vested Options holder (Mr Hoskins) may be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and
- (b) The Vested Options holder (Mr Hoskins) may not participate in new issues without exercising the Vested Options.

The issue of 130,093 Vested Options to Mr Hoskins is in recognition of the financing arrangements agreed with Castllake in October 2018. In 2017, as approved by Shareholders, Mr Hoskins was granted 433,644 STI Options (**2017 STI Options**). The 2017 STI Options vested on 1 July 2018, subject to achieving a satisfactory resolution of legal and regulatory issues in Tanzania and securing funding agreements to allow for the development of the Chilalo Graphite Project. In July 2018, the Board resolved that the 2017 STI Options lapsed unvested and unexercised.

In October 2018, Graphex entered into a Loan Note Subscription Agreement to raise US\$5 million from the issue of secured Interim Loan Notes, with funds under the Interim Loan Notes available to the Company in November 2018. The Company also signed a term sheet setting out the proposed terms on which, subject to the satisfaction of agreed conditions, Castllake would provide up to US\$40 million in equity and up to US\$40 million from the issue of senior secured loan notes. See ASX announcement 29 October 2018 for further detail on the funding agreements with Castllake (**Chilalo Funding Agreements**).

The Board considered that the Chilalo Funding Agreements entered into in October 2018 represented a significant achievement in the overall objective of securing funding for the development of the Chilalo Graphite Project. Accordingly, the Board, excluding Mr Hoskins, agreed that it was appropriate to award Mr Hoskins the Vested Options in recognition of completing the Chilalo Funding Agreements.

Based on the Share price on 13 December 2018 of 0.185, the date on which the Board approved the issue of the Vested Options to Mr Hoskins, the Vested Options have a value of \$24,067.

If Resolution 9 is approved by Shareholders (by an ordinary resolution), the Vested Options will be issued to Mr Hoskins immediately following the conclusion of the Meeting.

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of a director, or a person whose relationship with the entity, a director or an associate of a director is, in ASX's opinion, such that approval should be obtained. Shareholder approval is required under Listing Rule 10.14 to issue the Vested Options because Mr Hoskins is a Director. Furthermore, if Shareholders approve

Resolution 9, Listing Rule 7.2 (Exception 14) provides that an issue of Shares upon conversion of those Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval under this Resolution 9 is not required for the purposes of Listing Rule 7.1.

12.2 Information required by Listing Rule 10.15A

The following information is provided as required by Listing Rule 10.15A:

- (a) The maximum number of Vested Options that may be issued to Mr Hoskins is 130,093, expiring 1 July 2020.
- (b) The exercise price of the LTI Options is zero.
- (c) The persons referred to in Listing Rule 10.14, being Mr Phil Hoskins, Mr Stephen Dennis and Mr Daniel Saint Don, each a Director. Please refer to section 10.2 (c) for details of the securities that Mr Hoskins has been issued under the Option Plan since it was implemented.
- (d) Details of the Option Plan were included in the Replacement Prospectus of 10 May 2016 in connection with the Company's initial public offering. A description of the Option Plan is set out in Section 12.4 of the Replacement Prospectus and a copy of the Option Plan is available at Schedule 2.
- (e) A voting exclusion statement is included with Resolution 9 in the Notice.
- (f) The persons referred to in Listing Rule 10.14 entitled to participate in the Plan are Mr Hoskins, Mr Dennis and Mr Saint Don.
- (g) No loan is made in relation to the issue of the Vested Options.
- (h) Details of any securities issued under the Option Plan will be published in each annual report relating to a period in which securities have been issued under the Plan, with a statement that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (i) Any additional persons (to whom Listing Rule 10.14 applies) who become entitled to participate in the Option Plan after approval of Resolution 9 and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (j) The Company will issue the Vested Options as soon as reasonably practicable after the Meeting, and in any event within six months after the Meeting.

12.3 Information required for Sections 200B and 200E of the Corporations Act

Under Sections 200B and 200E of the Corporations Act, the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a number of exceptions apply. Accelerated vesting or automatic vesting of share-based payments may in some cases be a benefit of this kind.

As a participant in the Option Plan, Mr Hoskins may become entitled to accelerated vesting or automatic vesting of Options if there is a change in control of the Company or if the Board exercises a discretion upon cessation of employment. Approval is sought for Mr Hoskins to be given any such benefit in connection with his retirement from office or employment with the Company.

The value of the benefit that might be given to Mr Hoskins by the exercise of the Board's discretion under the Option Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) The number of Options held by Mr Hoskins prior to the cessation of his employment;
- (b) Reasons for the cessation of employment and Mr Hoskins' length of service;
- (c) The term of the Options remaining;
- (d) The extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) The exercise of the Board's discretion at the relevant time.

12.4 Directors' recommendation

The Directors (excluding Mr Hoskins) consider that the Option Plan is an appropriate mechanism to assist in the recruitment, reward, retention and motivation of employees of the Company. The value of the Vested Options being granted is in line with companies in similar circumstances and is appropriate reward for negotiating the Chilalo Funding Agreements. The Directors (excluding Mr Hoskins) believe that the issue of the Vested Options to Mr Hoskins and the issue of Shares to settle the Vested Options is in the best interests of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 9.

Mr Hoskins does not make a recommendation in relation to Resolution 9, as he has an interest in the outcome of the resolution.

13. Enquiries

Shareholders are requested to contact Graphex's company secretary, Mr Stuart McKenzie on +61 8 9200 4960 if they have any queries in respect of the matters set out in this Notice.

Schedule 1 - Definitions

\$ means Australian dollars.

AASB means the Australian Accounting Standards Board.

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

Annual Report means the report to shareholders for the year ended 30 June 2019 that was lodged with ASX on 26 September 2019.

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.

Chilalo Graphite Project means the Company's flake graphite project located in south-east Tanzania.

Company or **Graphex** means Graphex Mining Limited (ACN 610 319 769).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Security has the meaning given in the Listing Rules.

Executive means the Managing Director, Chief Financial Officer and the Commercial Manager / Company Secretary.

Explanatory Memorandum means the explanatory statement accompanying the Notice.

Key Management Personnel or **KMP** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the rules of the ASX that apply with respect to the Company's Equity Securities and the Company's conduct.

LTI means long-term incentive.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Record Date means the record date set by Directors in accordance with Section 1.3 of the Explanatory Memorandum.

Related Parties means a party related to Key Management Personnel as:

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

Replacement Prospectus means the prospectus document of 10 May 2016 for an offer of up to 35,000,000 Shares at an issue price of \$0.20 per Share, with one free loyalty option attaching for every 3 Shares issued.

Resolutions means the resolutions set out in the Notice.

Securities mean all Equity Securities of the Company.

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

Shareholder means a registered holder of a Share.

STI means short-term incentive.

VWAP means volume weighted average price.

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

Schedule 2 - Graphex Mining Limited Option Plan



Graphex Mining Limited Option Plan

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace PERTH WA 6000
GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999 , www.pwc.com.au/legal

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Graphex Mining Limited Option Plan

1. Definitions and interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires, the following terms and expressions will have the following meanings:

Ancillary Documentation means all documentation which the Board specifies in an Invitation that an Eligible Participant must enter into and/or provide in connection with an Application for an Option.

Applicable Law means any one or more or all, as the context requires of:

- (a) the Corporations Act;
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth);
- (e) any relevant practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), or (d) above;
- (f) any other legal requirement (including, without limitation, the rules of the general law, including common law and equity, and any judgment, order, decree, declaration or ruling of a court of competent jurisdiction or government agency binding on a person or the assets of that person) that applies to the Plan; and
- (g) in respect of acquisition or disposals of any Shares, any formal policy relating to dealings in Shares adopted by the Board from time to time, including the Share Trading Policy.

Application means, in respect of an Option, an application for that Option made by an Eligible Participant in response to an Invitation.

Application Form means an application form attached to, or enclosed with, an Invitation.

ASIC means the Australian Securities and Investments Commission.

ASIC Class Order 14/1000 means ASIC Class Order [CO 14/1000] which provides relief for employee incentive scheme offers from disclosure, licensing, advertising, hawking and on-sale in relation to listed bodies.

Associate has the same meaning as in section 12 of the Corporations Act.

Associated Body Corporate has the meaning given to that term in ASIC Class Order 14/1000.

ASX means the ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange or the securities exchange operated by that entity, as appropriate.

ASX Holding Lock has the same meaning as “Holding Lock” in Chapter 19 of the Listing Rules.

Board means the board of directors of the Company, a committee appointed by the board of directors of the Company as constituted from time to time, or, in respect of a particular matter, any person who is provided with delegated authority by the board of directors of the Company in respect of that particular matter from time to time.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Australia.

Certificate means a certificate evidencing the grant of an Option.

Change of Control Event means:

- (a) a change in Control of the Company;
- (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of Issued Capital;
- (c) where a person becomes the legal or the beneficial owner of, or has a Relevant Interest in, more than fifty per cent (50%) of Issued Capital;
- (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of Issued Capital; and
- (e) where a Takeover Bid is made to acquire more than fifty per cent (50%) of Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of Issued Capital) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of Issued Capital,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.

Company means Graphex Mining Limited (ABN 77 610 319 769).

Constitution means the constitution of the Company.

Control has the same meaning as in section 50AA of the Corporations Act.

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

Eligible Participant means a person that:

- (a) is an “eligible participant” (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate; and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

Engagement Arrangement means in respect of:

- (a) an employee of a member of the Group, the terms under which the relevant member of the Group has employed that person;
- (b) a director of a member of the Group that is not also an employee, the terms under which the relevant member of the Group has appointed that director to their office; or
- (c) a contractor or consultant to a member of the Group, the terms under which the relevant member of the Group has engaged that contractor or consultant.

Expiry Date means, in relation to an Option, the 'expiry date' which is specified in the Invitation or Vesting Notice (if any).

Grant Date means, in relation to an Option, the date on which that Option is granted to a Participant, as set out on the relevant Certificate.

Group means the Company and each of its Associated Bodies Corporate from time to time.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it has had a controller appointed or is in liquidation, in provisional liquidation, under administration, wound up or has had a receiver appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Company);
- (d) an application or order has been made (and in the case of the application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is likely to result in any of (a), (b) or (c) above);
- (e) it is taken (under s.459F(1) of the Corporations Act) to have failed to comply with a statutory demand);
- (f) it is subject to an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Invitation means an invitation to an Eligible Participant to apply for the grant of one or more Options made in accordance with clause 3.2 of these Rules.

Issued Capital means issued Shares from time to time.

Leaver means a Participant who ceases to be an Eligible Participant.

Listing Rules means the listing rules, market rules and operating rules of a financial market in respect of which the Company's shares are quoted or are the subject of an application for quotation, including but not limited to, the official listing rules of the ASX.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date, unless otherwise specified in an Invitation.

Nominated Party means, in respect of an Eligible Participant:

- (a) that person's spouse;
- (b) that person's biological or legally adopted child of at least 18 years of age;
- (c) a trustee or trustees of a trust set up wholly for the benefit of that Eligible Participant and/or a person mentioned in sub-clauses (a) or (b) above (but not including any trust established by the Company under clause 17); or
- (d) a company in which all of the issued shares are beneficially held by, and all of the voting rights are beneficially held by:
 - (i) the Eligible Participant; and/or
 - (ii) a person or persons mentioned in sub-clauses (a), (b) or (c) above.

Notice of Exercise means a notice given by or on behalf of the Participant (in the form set out in Annexure determined by the Board from time to time) to exercise an Option in accordance with clause 7.1.

Option means an option granted under these Rules to acquire one or more Shares by transfer or allotment, as set out in the relevant Invitation.

Option Exercise Price means, in respect of an Option, the price to be paid by the Participant when exercising that Option as specified in the relevant Invitation. For the avoidance of doubt, the Option Exercise Price for an Option may be nil.

Participant means an Eligible Participant who has been granted an Option under this Plan.

Plan means the Graphex Mining Limited Option Plan.

Plan Shares means all Shares issued or transferred to a Participant upon the valid exercise of an Option.

Rules means the rules of the Plan which are set out in this document.

Security Interest means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

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

Shareholder means a holder of a Share.

Share Trading Policy means any share trading policy of the Company, as amended from time to time.

Takeover Bid has the meaning given to that term in the Corporations Act.

Trustee means the trustee, from time to time, of any employee share trust used by the Company to deliver any Plan Shares arising from the exercise of an Option under these Rules.

Vesting Condition means, in relation to an Option, any conditions to vesting of that Option that are set out in the Invitation for that Option.

Vesting Notice means, in relation to an Option, the notice given by or on behalf of the Company to a Participant informing him or her that the Option may be exercised in accordance with the terms of these Rules.

1.2 Interpretation

In these Rules, unless otherwise stated or the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes all genders;
- (c) a reference to a document, agreement, plan or rules includes that document, agreement, plan or rules as novated, amended, varied, supplemented or replaced from time to time;
- (d) headings are for convenience only and do not affect the interpretation of these Rules;
- (e) a reference to any thing (including any amount) includes any part of that thing and a reference to a group of things or persons includes each thing or person in that group;
- (f) a reference to any legislation includes any modification or replacement of it and all regulations and statutory instruments issued under it and a reference to any provision of any legislation includes any modification or substitution of it;
- (g) a reference to these Rules includes all recitals, annexures, addendums and schedules to these Rules;
- (h) a reference to a person includes a reference to the person's executors, legal personal representatives, administrators and successors or a body corporate including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (i) the expression "person" includes an individual, the estate of an individual, the legal personal representative of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (j) in these Rules any reference to include means to include without limitation;
- (k) a reference to "including" (or any similar term) is not to be construed as implying any limitation;
- (l) a monetary amount is a reference to Australian Dollars;

- (m) where any word is given a defined meaning, any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning; and
- (n) any capitalised terms in these Rules that are not defined in clause 1.1 have the meaning given to them in the Corporations Act.

1.3 **Inconsistencies**

Notwithstanding anything to the contrary in any Engagement Arrangement with a Participant, but subject at all times to these Rules, if there is any inconsistency between these Rules and an Engagement Arrangement, these Rules prevail.

1.4 **Income Tax Assessment Act**

This Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act).

1.5 **Construed against a party**

No provision or expression in these Rules is to be construed against a party on the basis that the party (or its advisers) was responsible for the drafting of these Rules.

1.6 **Applicable Law**

These Rules, the offering and granting of any Option or Plan Shares and the rights attaching to or interests in any Option or Plan Shares will at all times be subject to Applicable Law.

1.7 **Rounding**

Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of an Option or Plan Share, the fraction will be eliminated by rounding to the nearest whole number.

1.8 **Constitution**

The entitlements of Eligible Participants under these Rules are subject to the Constitution. In the event of any inconsistency between these Rules and the Constitution, the terms of the Constitution will prevail.

2. Introduction

2.1 **Purpose**

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Options.

2.2 Commencement

The Plan will commence on a date determined by the Board.

2.3 Rules are binding

The Company and each Participant are bound by these Rules.

3. Eligibility, Invitation and Application

3.1 Eligibility

The Board may from time to time determine that an Eligible Participant may participate in the Plan.

3.2 Invitation

- (a) Following determination that an Eligible Participant may participate in the Plan, the Board may at any time and from time to time make an Invitation to that Eligible Participant.
- (b) An Invitation to an Eligible Participant to apply for Options may be made on such terms and conditions as the Board decides from time to time, including as to:
 - (i) the number of Options for which that Eligible Participant may apply;
 - (ii) the Grant Date;
 - (iii) the amount payable (if any) for the grant of each Option or how such amount is calculated;
 - (iv) the Option Exercise Price;
 - (v) the Vesting Conditions (if any);
 - (vi) disposal restrictions attaching to the Plan Shares (if any);
 - (vii) whether cashless exercise of the Options is permitted under clause 7.2;
 - (viii) the method by which Shares will be delivered to the Participant under clause 8 after the valid exercise of the Options; and
 - (ix) any other supplementary terms and conditions.

3.3 Form of Application

An Invitation to an Eligible Participant must be accompanied by an Application Form and the Ancillary Documentation (if any).

3.4 Eligible Participant agrees to be bound

Each Eligible Participant is, by submitting a completed Application Form, deemed to have agreed to be bound by:

- (a) the terms of the Invitation and the Application Form;
- (b) the Ancillary Documentation (if any);
- (c) these Rules; and
- (d) the Constitution.

3.5 Who may apply

On receipt of an Invitation, an Eligible Participant may apply for the Options the subject of the Invitation by sending the completed Application Form to the Company (or its designated officer as set out in the Application Form) by the time and date specified in the Invitation, unless otherwise determined by the Board.

3.6 Acceptance of Application

- (a) The Board may accept an Application from an Eligible Participant in whole or in part.
- (b) The Company may not grant an Option to an Eligible Participant unless it has received a duly signed and completed Application Form together with all applicable Ancillary Documentation from that Eligible Participant. The Application Form and, where applicable, the Ancillary Documentation must be in the form included with the Invitation, and may not be made on the basis that it is subject to any terms and conditions other than those specified in the Invitation.

3.7 When an Application will not be accepted

Unless otherwise determined by the Board, an Application will not be accepted if at the time the Company received the duly signed and completed Application Form together with all Ancillary Documentation:

- (a) the applicant is not an Eligible Participant;
- (b) notice of termination of the applicant's Engagement Arrangement has been given (whether by the applicant or by one or more members of the Group); or
- (c) the Board has determined that the applicant is no longer eligible to participate in the Plan.

3.8 Right to nominate

- (a) Unless otherwise expressly permitted in the Invitation, an Eligible Participant may only submit an Application in the Eligible Participant's name and not on behalf of any other person.
- (b) If an Eligible Participant is permitted in the Invitation, the Eligible Participant may, by notice in writing to the Board, nominate a Nominated Party in whose favour the Eligible Participant wishes to renounce the Invitation in order for the Nominated Party to be granted the Options the subject of the Invitation.
- (c) The Board may in its discretion resolve not to allow a renunciation of an Invitation in favour of a Nominated Party without giving any reason for that decision. For the avoidance of doubt, the Board will not facilitate the renunciation of the Invitation as set out in clause 3.8(b) in favour of the Nominated Party where to do so would be inconsistent with:

- (i) ASIC Class Order 14/1000; or
 - (ii) any covenant or other provision set out in an exemption or modification granted from time to time by ASIC in respect of the Plan or which applies to the Plan pursuant to ASIC's power to exempt or modify the Corporations Act.
- (d) If the Board resolves to allow a renunciation of an Invitation in favour of a Nominated Party:
- (i) the Board may impose any such conditions that it thinks fit in respect of that renunciation; and
 - (ii) the Eligible Participant must procure that the permitted Nominated Party accepts the Invitation made to the Eligible Participant and that both the Eligible Participant and the Nominated Party agree to be bound by the Rules and execute any documents required by the Company in order to receive the grant and to give effect to these Rules.
- (e) If Options and/or Plan Shares (as the case may be) are granted to a Nominated Party nominated by an Eligible Participant, then to the extent necessary to give effect to the intent of these Rules, the Eligible Participant will continue to be treated as the Participant.

3.9 Multiple Invitations

The Board may invite an Eligible Participant to apply for any number of Options, notwithstanding that the Eligible Participant has previously been invited to apply for Options.

4. Grant of Options

4.1 Company to grant Options

Following receipt of a duly completed and signed Application Form together with all applicable Ancillary Documentation, the Company will, to the extent that it has accepted such Application, grant the Participant the relevant number of Options, subject to the terms and conditions set out in the Invitation, these Rules and the Ancillary Documentation.

4.2 Certificate of Option

Following the grant of an Option, the Company will issue to the Participant a Certificate.

5. Terms of Options

5.1 Participant's rights

Prior to an Option being exercised in accordance with clause 7:

- (a) a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Option other than those expressly set out in these Rules; and
- (b) a Participant is not entitled to:
 - (i) notice of, or to vote or attend at, a meeting of the shareholders of the Company; and

- (ii) receive any dividends declared by the Company,
by virtue of holding the Option.

5.2 **Restriction of dealing**

Unless the relevant dealing is effected by force of law on death or legal incapacity to the Participant's legal personal representative, a Participant may not sell, assign, transfer, grant a Security Interest over or otherwise deal with an Option that has been granted to them. The Option is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a Security Interest other than in accordance with these Rules.

5.3 **Prohibition on hedging**

A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to an Option that has been granted to them.

5.4 **Register of Options**

Each Option granted under these Rules will be registered in the appropriate register of the Company.

5.5 **Listing**

Unless determined otherwise by the Board in its absolute discretion, an Option granted under the Plan will not be quoted on the ASX or any other recognised exchange.

6. *Vesting*

6.1 **Vesting**

An Option will vest when a Vesting Notice in respect of that Option is given to the Participant.

6.2 **Waiver of Vesting Condition**

A Vesting Condition for an Option may, subject to Applicable Laws, be waived by the Board by written notice to the relevant Participant and on such terms and conditions as determined by the Board and set out in that notice.

7. *Exercise*

7.1 **Exercise of Options**

- (a) An Option may not be exercised unless and until that Option has vested in accordance with clause 6, or such earlier date on which the Participant is entitled to exercise that Option in accordance with these Rules.
- (b) To exercise an Option, the Participant must:
 - (i) deliver a signed Notice of Exercise; and

- (ii) subject to clause 7.2, pay the Option Exercise Price (if any) to or as directed by the Company,

at any time prior to the earlier of:

- (iii) any date specified in the Vesting Notice; and
- (iv) the Expiry Date.

For the avoidance of doubt and subject to clause 7.2, the total Option Exercise Price payable by the Participant on exercise of their Options is the Option Exercise Price multiplied by the number of Options being exercised by that Participant, rounded up to the nearest cent.

- (c) If the Participant does not deliver a signed Notice of Exercise and (subject to clause 7.2) pay the Option Exercise Price to or as directed by the Company in relation to an Option by the requisite date, that Option will automatically be forfeited.

7.2 Cashless exercise of Options

An Invitation may specify that at the time of exercise of the Options subject of the Invitation, the Participant may elect not to be required to provide payment of the Option Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the Participant that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Option Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

8. Delivery of Shares on exercise of Options

As soon as practicable after the valid exercise of an Option by a Participant in accordance with clause 7, the Company will:

- (a) issue, allocate or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under these Rules; and
- (b) issue a substitute Certificate for any remaining unexercised Options held by that Participant.

9. Forfeiture of Options

9.1 Leaver

Where a Participant who holds Options becomes a Leaver, all unvested Options will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Options to vest.

[Note: Examples of the circumstances when the Board may decide to exercise its discretion to permit some or all of the Options to vest include where a Participant becomes a Leaver due to death, redundancy, permanent disability, mental incapacity or retirement. These examples are not exhaustive.]

9.2 **Fraudulent or dishonest actions**

Where the Board determines that a Participant has:

- (a) acted fraudulently or dishonestly; or
- (b) wilfully breached his or her duties to the Group,

the Board may in its discretion deem all unvested Options held by that Participant to have been forfeited.

9.3 **Failure to satisfy Vesting Conditions**

Unless otherwise stated in the Invitation or determined by the Board, an Option which has not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable Vesting Conditions have not been met or cannot be met by the relevant date.

9.4 **Insolvency**

Unless otherwise stated in the Invitation or determined by the Board, an Option held by a Participant in accordance with these Rules will be forfeited immediately on the date that the Participant becomes Insolvent.

9.5 **Other forfeiture events**

Unless the Board otherwise determines, or as otherwise set out in these Rules, any Options which have not yet vested will be automatically forfeited on the Expiry Date.

9.6 **Discretion to determine that the Options are not forfeited**

Notwithstanding clauses 9.1 to 9.5 (inclusive), the Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Options will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

9.7 **Voluntary forfeiture**

A Participant may by written notice to the Company voluntarily forfeit their Options for no consideration.

9.8 **Application of Part 2D.2 Division 2 of the Corporations Act**

- (a) This clause 9.8 applies to all termination payments to which Part 2D.2 Division 2 of the Corporations Act applies.
- (b) Notwithstanding any other provision of these Rules, in the absence of shareholder approval, the Company is not required to provide, or procure the provision, of any benefit under these Rules which is not permitted by Part 2D.2 Division 2 of the Corporations Act.
- (c) Any benefits required to be provided to a Participant in accordance with these Rules will, by operation of this clause, be reduced to ensure compliance with Part 2D.2 of the Corporations Act and the provision of such reduced benefit shall constitute full satisfaction of the obligations of

each member of the Group. In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with Part 2D.2 of the Corporations Act.

- (d) Where clause 9.8 (b) applies, the Company may seek or not seek shareholder approval in its discretion.

10. Effect of Forfeiture of Options

Where an Option has been forfeited in accordance with these Rules:

- (a) the Option will automatically lapse;
- (b) the Participant or the Participant's agent or attorney must sign any transfer documents required by the Company to effect the forfeiture of that Option; and
- (c) the Company will not be liable for any damages or other amounts to the Participant in respect of that Option.

11. Change of Control

Notwithstanding any other provisions of the Rules, if a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Options will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

12. Rights attaching to Plan Shares

12.1 Plan Shares to rank equally

All Plan Shares will rank pari passu in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares.

12.2 Listing

If Plan Shares are in the same class as Shares which are listed on the ASX, the Company will apply for quotation of the Plan Shares issued (or any unquoted Plan Shares transferred) within the time required by the Listing Rules after the date of allotment.

12.3 Dividends

A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares which, at the closing date for determining entitlement to such dividends, are standing to the account of the Participant (or a Trustee for and on behalf of the Participant).

12.4 Dividend reinvestment plan

A Participant may participate in any dividend reinvestment plan operated by the Company in respect

of Plan Shares held by the Participant (or a Trustee for and on behalf of the Participant). Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Plan Shares held by the Participant (or a Trustee for and on behalf of the Participant) unless the Board determines otherwise.

12.5 **Voting rights**

A Participant may exercise any voting rights attaching to Plan Shares held by the Participant (or a Trustee for and on behalf of the Participant).

13. Disposal Restrictions on Plan Shares

13.1 **Disposal restriction**

If the Invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction, including but not limited to imposing an ASX Holding Lock (where applicable) on the Plan Shares or using an employee share trust to hold the Plan Shares during the relevant restriction period.

13.2 **Participant's undertaking**

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

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

13.3 **Expiry of restriction**

Subject at all times to the Share Trading Policy, upon the expiry of any disposal restrictions over a Plan Share, the Company will take all action necessary to ensure that the Participant can deal with that Plan Share.

13.4 **Share entitlements**

For the avoidance of doubt, the imposition of a disposal restriction on a Plan Share held by a Participant will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company, and to receive any dividends declared by the Company during the relevant disposal restriction period on that Plan Share. If an employee share trust arrangement is implemented in respect of this Plan, the Board may implement such procedures it deems appropriate to give effect to the intent of this clause 13.4.

14. Irrevocable Power of Attorney

In order to ensure compliance with these Rules, each Participant must grant an irrevocable power of attorney (in the form set out in the Invitation or such other form determined by the Board) to any person nominated from time to time by the Board.

15. Adjustment of Options

15.1 Reorganisation

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

15.2 Bonus Issue

- (a) If Shares are issued by the Company 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 holder of Options is entitled, upon exercise of the Options, to receive, in addition to the Shares in respect of which the Options are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Options are exercised.
- (b) Additional Shares to which the holder of Options becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Options are exercised for the purposes of subsequent applications of clause 15.2(a), and any adjustments which, after the time just mentioned, are made under clause 15.1 to the number of Shares will also be made to the additional Shares.

15.3 Rights Issue

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

15.4 No other participation

Subject to clauses 15.1 to 15.3 (inclusive), during the currency of any Options and prior to their exercise, the holders of Options are not entitled to participate in any new issue of Shares of the Company as a result of their holding of Options.

15.5 Rounding

Until an Option is exercised, all calculations adjusting the number of Shares must be carried out to include all fractions, but when an Option is exercised and is settled in Shares the number of Shares to be issued or transferred to the Participant is rounded down to the next lowest whole number.

15.6 Application of adjustment

- (a) In the application of this clause 15, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company, subject to the Listing Rules and other Applicable Laws.
- (b) Unless otherwise provided in these Rules, a Participant has no right to:

- (i) change the Option Exercise Price; or
- (ii) change the number of Shares over which the Option can be exercised.

16. Administration of the Plan

16.1 Board administration

The Plan will be administered by the Board. For the avoidance of doubt, the Board may make further provisions for the operation of the Plan which are consistent with these Rules.

16.2 Board powers and discretions

Any power or discretion which is conferred on the Board by these Rules may be exercised in its sole and absolute discretion. The Board does not, in exercising any power or discretion under these Rules, owe any fiduciary or other obligations to any Eligible Participant or Participant.

16.3 Delegation of Board powers and discretions

Any power or discretion which is conferred on the Board by these Rules (including, without limitation, the power to invite Eligible Participants to participate in the Plan and to determine the terms and conditions of the Options) may be delegated by the Board to:

- (a) a committee consisting of such directors, other officers or employees of the Group, or any combination of such persons as the Board thinks fit;
- (b) a member of the Group; or
- (c) a third party,

for such periods and on such conditions as the Board thinks fit.

16.4 Documents

The Company may from time to time require an Eligible Participant invited to participate in the Plan or a Participant or a person nominated by an Eligible Participant under clause 3.8 to complete and return such other documents as may be required by law to be completed by that person or entity, or such other documents which the Company considers should, for legal, taxation and/or administrative reasons, be completed by that Eligible Participant, Participant or person in order to give effect to the intent of the Plan.

16.5 Decisions final

Every exercise of a discretion by the Board (or its delegates) and any decision by the Board (or its delegates) regarding the interpretation, effect or application of these Rules and all calculations and determination made by the Board under these Rules are final, conclusive and binding in the absence of manifest error.

17. Trust

The Board may, in its discretion, use an employee share trust or other mechanism for the purposes of

holding Shares and Plan Shares before or after the exercise of an Option or delivering any Plan Shares arising from exercise of an Option under these Rules on such terms and conditions as determined by the Board. For the avoidance of doubt, the Board may do all things necessary for the establishment, administration, operation and funding of an employee share trust.

18. Restrictions on and amendments to the Plan

18.1 Compliance with Applicable Laws

Notwithstanding these Rules or any terms of an Option, no Option may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any Applicable Laws.

18.2 Amendment of Plan

- (a) Subject to clause 18.2(b), the Board may:
- (i) at any time amend any provisions of these Rules, including (without limitation) the terms and conditions upon which any Options have been granted under the Plan; and
 - (ii) determine that any amendments to these Rules be given retrospective effect, immediate effect or future effect.
- (b) No amendment to any provision of these Rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment:
- (i) introduced primarily:
 - (A) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (B) to correct any manifest error or mistake;
 - (C) to allow the implementation of an employee share trust arrangement pursuant to clause 17;
 - (D) to enable the Plan or any member of the Group to comply with its constituent documents, and any other Applicable Laws; and/or
 - (E) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
 - (ii) agreed to in writing by all Participant(s).
- (c) As soon as reasonably practicable after making any amendment to any provision of these Rules, the Board will give notice of the amendment to each Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

19. Duration

19.1 Termination

The Plan continues in operation until the Board decides to end it.

19.2 Suspension

The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension.

19.3 Effect of termination / suspension

If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

19.4 Cancellation of Options

Notwithstanding any other provisions of these Rules, but subject at all times to any Applicable Laws and regulations, if a Participant and the Company (acting by the Board) agree in writing that some or all of the Options granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Options may be cancelled in the manner agreed between the Company and the Participant.

20. Miscellaneous

20.1 Rights of Participants

Nothing in these Rules:

- (a) confers on any person any right or expectation to become a Participant, or the right to be invited to apply for, or be offered or to receive any Options;
- (b) confers on any person the right to continue as an employee or officer of any member of the Group (as the case may be);
- (c) affects the rights of any member of the Group to terminate the Engagement Arrangement of an Eligible Participant;
- (d) forms part of any contract of service between an Eligible Participant and any member of the Group;
- (e) may be used to increase rights of compensation or damages in any action brought against a member of the Group in respect of an Engagement Arrangement;
- (f) confers any legal or equitable right on an Eligible Participant whatsoever to take action against any member of the Group in respect of their Engagement Arrangement; or
- (g) confers on an Eligible Participant any rights to compensation or damages in consequence of the termination of their Engagement Arrangement by any member of the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination.

20.2 Non-exclusivity

- (a) This Plan is not the sole means by which all members of the Group intend to provide incentives to Eligible Participants. Nothing in this Plan is intended to restrict any member of the Group from remunerating or otherwise rewarding employees or directors of any member of the Group outside the Plan.
- (b) Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other scheme operated by any member of the Group unless the terms of that other scheme provide otherwise.

20.3 Notice

- (a) Any notice or other communication under or concerning the Plan is validly given:
 - (i) to a Participant, if delivered personally to the addressee or sent by prepaid post to the Participant's last known residential address, or sent to the Participant by facsimile or email at the Participant's place of work; and
 - (ii) to the Company, if delivered or sent by prepaid post addressed to the company secretary at the Company's registered office (or any other address the Board specifies), or as otherwise notified by the Company from time to time.

- (b) Delivery of notices

Subject to clause 20.3(a), a notice or other communication will be deemed to have been served:

- (i) if delivered by hand, at the time of delivery;
- (ii) if sent by facsimile or electronic mail, on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery; or
- (iii) if posted, and provided it is properly addressed and stamped, 48 hours after mailing in Australia and 7 days after mailing outside Australia.

20.4 Further assurances

All parties that have agreed to be bound by these Rules must do all things reasonably necessary to give full effect to this Plan and the transactions contemplated by this Plan.

20.5 Costs and charges

- (a) The Company will be responsible for any brokerage, commission, stamp duty or other costs payable in relation to the issue or transfer of Plan Shares to or on behalf of a Participant.
- (b) Each Participant will be responsible for all costs associated with the disposal of a Plan Share by that Participant.

20.6 No representation or warranty

- (a) The Company makes no representation or warranty as to the value of Option or any Plan Shares or with respect to any tax matters affecting any Eligible Participant or Participant in connection with the Plan.
- (b) Neither the Company, nor any of its directors, officers or employees are liable for anything done or omitted to be done by such person or any other person with respect to price, time, quantity or other conditions and circumstances of the issue or acquisition of Shares hereunder, with respect of any fluctuations in the market price of Shares, or in any other manner related to the Plan.

20.7 Data protection

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant for the purposes of the Plan. These purposes include, but are not limited to:

- (a) administering and maintaining records held in respect to a Participant;
- (b) providing information to members of the Group, registrars, brokers or third party administrators of the Plan (if any) or advisers of the Board; and
- (c) providing information to corporate advisers or potential future third party purchasers in connection with a sale of shares in a member of the Group, or the business and assets of a member of the Group.

20.8 Governing law

- (a) This Plan is governed by the laws of Western Australia, Australia.
- (b) Each Participant submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought in connection with these Rules.

20.9 Waiver of rights

- (a) A waiver of any right, power, authority, discretion or remedy arising upon a breach of or default under these Rules must be in writing and signed by the party granting the waiver, and may be subject to such terms and conditions as determined by the party granting the waiver.
- (b) A failure or delay in the exercise, or partial exercise, of a right, power, authority, discretion or remedy arising from a breach of or default under these Rules, does not prevent the exercise of or result in a waiver of that right, power, authority, discretion or remedy.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of these Rules or default under these Rules as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.


-
- (e) A waiver is only effective in the specific instance and for the specific purpose for which it is given and subject to any specific terms and conditions as specified in the waiver.
 - (f) This clause may not itself be waived except in writing.


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GPX
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (WST)** Tuesday, 12 November 2019

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Graphex Mining Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Graphex Mining Limited to be held at Emerald House, 1202 Hay Street, West Perth, Western Australia on Thursday, 14 November 2019 at 11:00am (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 6 - 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 6 - 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 6 - 9 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5a	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5b	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5c	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

