



**Ionic Rare Earths Limited**  
**ABN 84 083 646 477**  
**Notice of Annual General Meeting**  
**and Explanatory Memorandum**

**Date of Meeting**

27 November 2020

**Time of Meeting**

10am (WST)

**Place of Meeting**

The Park Business Centre  
45 Ventnor Avenue  
West Perth WA 6005

**A Proxy Form is enclosed**

Please read this Notice of Annual General Meeting and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting, please complete and return the enclosed Proxy Form in accordance with the specified directions.

# Ionic Rare Earths Limited

ABN 84 083 646 477

## Notice of Annual General Meeting

**NOTICE IS GIVEN** that an Annual General Meeting of Shareholders of Ionic Rare Earths Limited ABN 84 083 646 477 (**Company**) will be held at The Park Business Centre, 45 Ventnor Avenue, West Perth WA 6005 on 27 November 2020 at 10am (WST) for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice. Terms used in the Resolutions contained in this Notice have the meaning given to them in the glossary in the Explanatory Memorandum.

### Agenda

#### Financial Reports

To receive and consider the financial report of the Company, together with the Directors' report and the Auditor's Report for the year ended 30 June 2020, as set out in the Annual Report.

#### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding ordinary resolution**:

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2020 be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution 1.

**Voting prohibition statement:** 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 a member. However, a person (the **voter**) described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution 1; or
- (b) the voter is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy 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 a member of the Key Management Personnel.

#### Resolution 2 – Election of Mr Trevor Benson as a Director

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

*"That, for the purpose of clause 13.1(d) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Trevor Benson, a Director who was appointed casually on 31 August 2020, retires, and being eligible, is elected as a Director."*

### Resolution 3 – Ratification of prior issue - Shares

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 143,750,000 Shares on the terms and conditions set out in the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a Resolution by:

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

### Resolution 4 – Ratification of prior issue - Shares

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 312,500,000 Shares on the terms and conditions set out in the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a Resolution by:

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

### Resolution 5 – Ratification of prior issue - Consultant Options

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,000,000 Consultant Options on the terms and conditions set out in the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Sufian Ahmad as trustee for Sixty Two Capital A/C, Sammex Consulting Pty Ltd, Sol Sal Investments Pty Ltd as trustee for Sol Sal Investments A/C or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a Resolution by:

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

## Resolution 6 – Approval of 10% Placement Capacity

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

*"That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of up to that number of Equity Securities equal 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 otherwise on the terms and conditions set out in the Explanatory Memorandum."*

## Resolution 7 – Approval to grant Options to Director – Mr Trevor Benson

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

*"That, subject to and conditional on the passing of Resolution 2, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company grant up to 10,000,000 Options to Mr Trevor Benson or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure C to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Trevor Benson (or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a Resolution by:

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

**Voting Prohibition Statement:** In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

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

Provided that the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

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

## Resolution 8 – Approval to grant Director Options to Director – Mr Anthony Rovira

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company grant up to 10,000,000 Director Options to Mr Anthony Rovira or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure E to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Anthony Rovira (or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a Resolution by:

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

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

**Voting Prohibition Statement:** In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

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

Provided that the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

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

## Resolution 9 – Approval to grant Director Options to Director – Mr Brett Dickson

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company grant up to 10,000,000 Director Options to Mr Brett Dickson or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure E to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Brett Dickson (or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a Resolution by:

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

**Voting Prohibition Statement:** In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 9 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 9 Excluded Party.

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

Provided that the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

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

## Resolution 10 – Approval to grant Director Options to Director - Mr Trevor Benson

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

*"That, subject to and conditional on the passing of Resolution 2, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company grant up to 10,000,000 Director Options to Mr Trevor Benson or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure E to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Trevor Benson (or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a Resolution by:

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

**Voting Prohibition Statement:** In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 10 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 10 Excluded Party.

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

Provided that the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:

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

## Other business

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

## By order of the Board

**Brett Dickson**

Finance Director and Company Secretary

Dated: 26 October 2020

## How to vote

Voting on all proposed Resolutions at the Meeting will be conducted by poll. Under the Constitution, any poll will be conducted as directed by the Chair.

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their Proxy Form online, in person, by post, by email or by facsimile.

## Voting in person or by attorney

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. A certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

## Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to the Company before the Meeting.

## Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder. The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a member of the Key Management Personnel or a Closely Related Party of such a member is appointed as a proxy, the proxy may only vote on Resolutions 1, 7, 8, 9 and 10 if the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
  - If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
  - A Shareholder who returns their Proxy Form with a direction how to vote, but does not nominate the identity of their proxy, will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned with a direction how to vote, but the nominated proxy (who is not Chairman of the Meeting) does not attend the Meeting or does not vote on the relevant Resolution(s), the Chairman of the Meeting will act in place of the nominated proxy and vote on a poll in accordance with any instructions.
  - Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice. However, in exceptional circumstances, the Chairman of the Meeting may change his voting intention, in which case an ASX announcement will be made.
  - Proxies must be received by **10.00am (WST) on 25 November 2020**, being not less than 48 hours prior to the commencement of the Meeting. Proxies received after this time will be invalid. Proxies may be lodged using any of the following methods:
    - **Online:** [www.investorvote.com.au](http://www.investorvote.com.au)
    - **By mail:**  
Computershare Investor Services Pty Ltd GPO  
Box 242  
Melbourne, Victoria 3001  
Australia
    - **By facsimile:**  
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](http://www.intermediaryonline.com) to submit your voting intentions
- For all enquiries call 1300 850 505 (inside Australia) or +61 3 9415 4000 (outside Australia).

## Shareholders who are entitled to vote

In accordance with regulation 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at **4.00pm (WST) on 25 November 2020**.

# Ionic Rare Earths Limited

ABN 84 083 646 477

## Explanatory Memorandum

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

## Financial Reports

The Board is required to lay before the Meeting the consolidated annual financial report of the Company for the financial year ended 30 June 2020, together with the Directors' report (including the Remuneration Report) and the Auditor's Report on the financial report. No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions, and to make comments on the reports and on the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to: the conduct of the audit; the preparation and content of the independent Auditor's Report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

A copy of the Company's Annual Report is available on the ASX website or at <https://ionicre.com.au/annual-reports/>.

## Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2020 Annual Report be adopted.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity-based compensation.

Shareholders are entitled to vote on the question as to whether the Remuneration Report is to be adopted. However, the vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Chairman will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the Meeting.

Under the Corporations Act, if at least 25% of the votes cast are against adoption of the remuneration report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' report was approved, other than any Managing Director, will cease to hold office immediately before the end of the Spill Meeting and will need to stand for re-election at the Spill Meeting if they wish to continue as Directors. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report for the financial year ended 30 June 2019 did not receive a vote of more than 25% against its adoption at the Company's 2019 annual general meeting held on 27 November 2019. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.



## Resolution 2 – Election of Mr Trevor Benson as a Director

Subject to the Corporations Act, the Constitution allows the Directors to appoint at any time a person to be a Director, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.1(d) 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 election by Shareholders.

Mr Trevor Benson, having been appointed by the other Directors on 31 August 2020 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Benson has extensive experience within investment banking, stockbroking, large Australian corporates, and more specifically within the Australian resources industry, including directorships of ASX listed companies. Mr Benson's most recent investment banking focus was within SE Asia and China specialising in merger and acquisitions and equity capital market transactions. He has advised Australian and international companies, including being exclusive adviser to Chinese State-Owned Enterprises and Hong Kong listed resource companies. He has cross border experience on AIM in the UK; Hong Kong; China and has advised and listed numerous ASX companies including resources companies with assets in Africa, Europe and SE Asia, resources and oil and gas service companies, and managed, funded and listed copper operations in Zambia.

Mr Benson is currently Executive Chairman of Walkabout Resources Ltd, an African focused resource company, listed on ASX and Wolf Minerals Limited.

Mr Benson holds a Bachelor of Science degree from the University of Western Australia.

The Board has considered Mr Trevor Benson's independence and considers that he is an independent Director.

The members of the Board (other than Mr Benson) support the election of Mr Benson and recommend that Shareholders vote in favour of Resolution 2. The Board considers that Mr Benson provides an important contribution to the Board, given his professional background and extensive broad commercial experience in the resources sector.

## Resolutions 3, 4 and 5 – Ratification of prior issues

### Background

Resolutions 3, 4 and 5 relate to the ratification of the following prior issues of securities:

- (a) on 6 March 2020, the Company issued 143,750,000 Shares at an issue price of \$0.008 per Share (**March Placement Shares**) to professional and sophisticated investor clients of Canaccord Genuity (Australia) Limited and Sixty Two Capital Pty Ltd to raise \$1,150,000 (refer to the Company's ASX announcement on 2 March 2020) (**March Placement**);
- (b) on 3 July 2020, the Company issued 312,500,000 Shares at an issue price of \$0.008 per Share (**July Placement Shares**) to professional and sophisticated investor clients of Canaccord Genuity (Australia) Limited and Sixty Two Capital Pty Ltd to raise \$2,500,000 (refer to the Company's ASX announcement on 26 June 2020) (**July Placement**); and
- (c) on 12 August 2020, the Company issued 40,000,000 Options exercisable at \$0.018 each on or before 30 November 2022 (**Consultant Options**) to Mr Sufian Ahmad as trustee for Sixty Two Capital A/C (20,000,000 Consultant Options), Sammex Consulting Pty Ltd (10,000,000 Consultant Options) and Sol Sal Investments Pty Ltd as trustee for Sol Sal Investments A/C (10,000,000 Consultant Options) (**Consultants**) in consideration for capital market consulting advice.

### Listing Rules 7.1, 7.1A and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue, without approval of its shareholders, 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 7.1A provides that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary

securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1.

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

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

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

The Company's ability to use the additional 10% placement capacity for issues of Equity Securities following this Meeting is subject to the passing of Resolution 6.

As the issue of March Placement Shares, July Placement Shares and Consultant Options pursuant to Resolutions 3, 4 and 5 do not fall within any of the specified exceptions to Listing Rule 7.1 and have not yet been approved by Shareholders, they effectively use up part of the Company's 15% placement capacity under Listing Rule 7.1 and 10% placement capacity under Listing Rule 7.1A (as applicable), reducing the Company's capacity to issue further equity securities without Shareholder approval over the 12 month period following the date of issue of those securities.

Under Listing Rule 7.4, if a company's shareholders approve an issue of equity securities after it has been made or agreed to be made, that issue or agreement to issue equity securities is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 (provided that the issue or agreement did not breach Listing Rule 7.1).

By ratifying these previous issues, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and, subject to the passing of Resolution 6, its 10% placement capacity under Listing Rule 7.1A (as applicable), without the requirement to obtain prior Shareholder approval.

Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the March Placement Shares, July Placement Shares and Consultant Options the subject of Resolutions 3, 4 and 5.

### **Technical information required by Listing Rule 14.1A**

If Resolutions 3 to 5 are not passed, the March Placement Shares, July Placement Shares and Consultant Options will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1 and its 10% placement capacity under Listing Rule 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of those securities.

If Resolutions 3 to 5 are passed, the base figure (i.e. variable "A") in which the Company's 15% placement capacity under Listing Rule 7.1 and, if Resolution 6 is passed, its 10% placement capacity under Listing Rule 7.1A is calculated will be a higher number which in turn will allow a proportionately higher number of equity securities to be issued by the Company without prior Shareholder approval.

### **Resolution 3 – Technical information required by Listing Rule 7.4 – March Placement Shares**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) the March Placement Shares were issued to professional and sophisticated investors. The recipients were identified through a bookbuild process, which involved Canaccord Genuity (Australia) Limited and Sixty Two Capital Pty Ltd seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company; and
- (b) 143,750,000 March Placement Shares were issued pursuant to Listing Rule 7.1A;
- (c) the March Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the March Placement Shares were issued on 6 March 2020;
- (e) the issue price was \$0.008 per March Placement Share;

- (f) the purpose of the March Placement was to raise \$1,150,000 which were used to fund the Company's expenditure commitments at the Makuutu Rare Earths Elements project, for working capital and to pay costs of the capital raising;
- (g) the March Placement Shares were not issued under an agreement; and
- (h) a voting exclusion statement is included in Resolution 3 of this Notice.

#### **Resolution 4 – Technical information required by Listing Rule 7.4 – July Placement Shares**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the July Placement Shares were issued to professional and sophisticated investors. The recipients were identified through a bookbuild process, which involved Canaccord Genuity (Australia) Limited and Sixty Two Capital Pty Ltd seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company;
- (b) 312,500,000 July Placement Shares were issued as follows:
  - (i) 254,493,000 July Placement Shares issued pursuant to Listing Rule 7.1; and
  - (ii) 58,007,000 July Placement Shares issued pursuant to Listing Rule 7.1A;
- (c) the July Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the July Placement Shares were issued on 3 July 2020;
- (e) the issue price was \$0.008 per July Placement Share;
- (f) the purpose of the July Placement was to raise \$2,500,000 which are being used to fund the Company's expenditure commitments at the Makuutu Rare Earths Elements project, for working capital and to pay costs of the capital raising;
- (g) the July Placement Shares were not issued under an agreement; and
- (h) a voting exclusion statement is included in Resolution 4 of this Notice.

#### **Resolution 5 – Technical information required by Listing Rule 7.4 – Consultant Options**

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

- (a) the Consultant Options were issued as follows:
  - (i) 20,000,000 Consultant Options to Mr Sufian Ahmad as trustee for Sixty Two Capital A/C;
  - (ii) 10,000,000 Consultant Options to Sammex Consulting Pty Ltd; and
  - (iii) 10,000,000 Consultant Options to Sol Sal Investments Pty Ltd as trustee for Sol Sal Investments A/C.

None of these persons are a related party of the Company;
- (b) 40,000,000 Consultant Options were issued pursuant to Listing Rule 7.1;
- (c) the Consultant Options were issued on the terms and conditions set out in Annexure A;
- (d) the Consultant Options were issued on 12 August 2020;
- (e) the Consultant Options were issued for nil cash consideration in satisfaction of capital market consulting advice provided by the Consultants;
- (f) the purpose of the issue of the Consultant Options was in consideration for capital markets consulting advice provided by the Consultants. Accordingly, no funds were raised from the issue;

- (g) the Consultant Options were not issued under an agreement; and
- (h) a voting exclusion statement is included in Resolution 5 of this Notice.

## **Resolution 6 – Approval of 10% Placement Capacity**

### **Background**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limited the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an Eligible Entity (as defined below) can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this limit by an extra 10% to 25%.

An Eligible Entity means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an Eligible Entity for these purposes.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: IXR).

Resolution 6 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval (**10% Placement Capacity**).

### **Technical information required by Listing Rule 14.1A**

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### **Specific information required by Listing Rule 7.3A**

The following information is provided to Shareholders in relation to Resolution 6 for the purposes of Listing Rule 7.3A:

#### **(a) Timing of potential issues**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking).

#### **(b) Minimum price**

Any Equity Securities issued under the 10% Placement Capacity must be in an existing quoted class of Equity Securities and be issued at a minimum issue price of 75% of the volume weighted average price for the Company's Equity Securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(c) **Use of funds**

The Company intends to use the funds raised from the issue of Equity Securities under the 10% Placement Capacity towards feasibility studies at the Makuutu Rare Earths project, administration costs and general working capital.

(d) **Risk of economic and voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 16 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the 10% Placement Capacity and dilution effect	Dilution		
		Issue Price at half the current market price \$0.008	Issue Price at current market price \$0.016	Issue Price at double the current market price \$0.032
Current Variable 'A' 2,696,128,086 Shares	Shares issued	269,612,808	269,612,808	269,612,808
	Funds raised	\$2,156,902	\$4,313,805	\$8,627,610
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 4,044,192,129 Shares	Shares issued	404,419,212	404,419,212	404,419,212
	Funds raised	\$3,235,354	\$6,470,707	\$12,941,415
	Dilution	10%	10%	10%
100% increase in current variable 'A' 5,392,526,172 Shares	Shares issued	539,252,617	539,252,617	539,252,617
	Funds raised	\$4,313,805	\$8,627,610	\$17,255,220
	Dilution	10%	10%	10%

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

**Note:** The table above assumes:

- There are 2,696,128,086 Shares on issue.
- The issue price set out above is the closing price of Shares on the ASX on 16 October 2020.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It assumes that no Options are exercised or Performance Rights are converted into Shares before the date of issue of the Equity Securities.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

- (g) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (h) 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%.
- (i) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy**

The identity of the persons to whom Equity Securities will be issued under the 10% Placement Capacity have not yet been determined as at the date of this Notice, but could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The persons to whom Equity Securities will be issued under the 10% Placement Capacity will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of matters including, but not limited to:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

(f) **Previous approvals under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 27 November 2019 (**Previous Approval**).

The Company has issued 201,757,000 Shares pursuant to the Previous Approval which represents approximately 10.0% of the number of Shares on issue in the Company on 29 November 2019, which was 2,002,578,050.

Further details of the issues of Equity Securities under the Previous Approval by the Company during the 12 month period preceding the date of the Meeting are set out in Annexure B.

(g) **Voting exclusion statement**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in respect of this Resolution 6.

## **Resolution 7 – Approval to grant Options to Director – Mr Trevor Benson**

### **Background**

As announced on 31 August 2020, the Company has agreed, subject to obtaining Shareholder approval, to grant a total of up to 10,000,000 Options to Mr Trevor Benson, a Director, or his nominee(s) as part consideration for Mr Benson agreeing to join the Board. The Options are proposed to be granted to Mr Benson on the same terms and conditions as the Options that were granted to the other Directors at the Company's 2019 annual general meeting.

Each Option will have an exercise price of \$0.018 and an expiry date of 30 November 2022. The Options will otherwise be issued to Mr Benson or his nominee(s) on the terms and conditions set out in Annexure C.

Under the Company's current circumstances, the Directors consider that the grant of Options to Mr Benson, a non-executive Director, represents a cost effective way for the Company to remunerate Mr Benson, as opposed to cash remuneration and it is designed to attract and retain suitably qualified non-executive directors, and to align their interests with the interests of other security holders. The Options do not have any performance hurdles attached to them.

The number and exercise price of Options to be granted to Mr Benson, subject to Shareholder approval, has been determined based upon a consideration of:

- (a) the cash remuneration of Mr Benson;
- (b) the extensive experience and reputation of Mr Benson within the resources industry;
- (c) the price of Shares as at 31 August 2020, being the date on which Mr Benson was appointed as a Director;
- (d) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Options to be granted and will ensure that the Directors' overall remuneration is in line with market practice. Further the proposed grant of Options are commensurate with the number and terms of the Options granted to the other Directors of the Company at the Company's 2019 annual general meeting;
- (e) attracting and retaining suitably qualified non-executive directors; and
- (f) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Board considers the exercise price to be a suitable premium to meet the objectives of the proposed grant of Options as outlined above.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed.

Resolution 7 seeks Shareholder approval for the grant of the Options to Mr Trevor Benson (or his nominee(s)). Resolution 7 is subject to the passing of Resolution 2.

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

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

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

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

The grant of the Options constitutes giving a financial benefit and Mr Benson is a related party of the Company by virtue of being a Director.

The Directors have formed the view that the exceptions under Chapter 2E of the Corporations Act may not apply in the current circumstances. Accordingly, Shareholder approval pursuant Chapter 2E of the Corporations Act is required for the grant of the Options to Mr Benson (or his nominee).

## **Listing Rule 10.11**

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.1.1 a related party;

- 10.1.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.1.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.1.4 an associate of a person referred to in (a), (b) or (c); or
- 10.1.5 a person whose relationship with the company or a person referred to in (a), (b), (c) or (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the prior approval of its shareholders.

As the issue of the Options to Mr Benson (or his nominee(s)) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12, Shareholder approval pursuant to Listing Rule 10.11 is required.

Resolution 7 seek the required Shareholder approval for the grant of the Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

#### **Technical information required by Listing Rule 14.1A**

If Resolution 7 is passed, the Company will be able to proceed with the grant of the Options to Mr Benson (or his nominee(s)) within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the grant of the Options (because approval is being obtained under Listing Rule 10.11), the grant of the Options will not use up any of the Company's 10% or 15% annual placement capacities.

If Resolution 7 is not passed, the Company will not be able to proceed with the grant of the Options to Mr Trevor Benson.

#### **Technical information required by Listing Rule 10.13 and section 219 of the Corporations Act**

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolution 7:

- (a) the Options are proposed to be issued to Mr Trevor Benson (or its nominee(s));
- (b) Mr Benson falls within the category set out in Listing Rule 10.1.1 by virtue of being a Director;
- (c) a maximum of up to 10,000,000 Options (being the nature of the financial benefit being provided) are proposed to be granted;
- (d) the Options will be granted on the terms and conditions set out in Annexure C;
- (e) the Options will be issued within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (f) the issue price of the Options will be nil, accordingly no funds will be raised from the issue. However, any funds raised upon the exercise of the Options will be used for general exploration expenses and for working capital. The Company will not receive any other consideration in respect of the issue of the Options;
- (g) the purpose of the issue of the Options is to provide a performance linked incentive component in the remuneration package for Mr Trevor Benson to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Benson, enabling the Company to spend a greater proportion of its cash reserves on its operations that it would if alternative cash forms of remuneration were given to Mr Benson;
- (h) the Options are not being granted to Mr Benson under an agreement;
- (i) a voting exclusion statement is included in Resolution 7 of this Notice;
- (j) the value of the Options and the pricing methodology is set out in Annexure D;



- (k) the relevant interests of Mr Benson in the securities of the Company (as at the date of this Notice) is set out on page 12;
- (l) the total remuneration and emoluments from the Company to Mr Benson for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out on page 13 below;
- (m) if Shareholder approval is obtained for Resolution 7, the issue of the Options will not have any immediate dilutionary effect to existing Shareholders' interests. If all Options granted are exercised, a total of 10,000,000 Shares would be issued. This will increase the number of Shares currently on issue from 2,696,128,086 (being the total number of Shares on issue as at the date of this Notice) to 2,706,128,086 (assuming that no other Shares are issued and no convertible securities vest or are exercised), with the effect that the shareholding of existing Shareholders would be diluted by 0.37%.

The market price for Shares during the term of the Options would normally determine whether the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company;

- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out on page 13 below;
- (o) Mr Benson declines to make a recommendation to Shareholders in relation to Resolution 7 due to a material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Options should Resolution 7 be passed. Each of Mr Anthony Rovira and Mr Brett Dickson recommends that Shareholders vote in favour of the Resolutions for the reasons set out in paragraph (g);
- (p) in forming their recommendations and determining the number and exercise price of Options to be granted to each of the Directors, Mr Anthony Rovira and Mr Brett Dickson considered:
  - (i) the cash remuneration of Mr Benson;
  - (ii) the extensive experience and reputation of Mr Benson within the resources industry;
  - (iii) the current market price of Shares;
  - (iv) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. Mr Rovira and Mr Dickson have considered the proposed number of Options to be granted and will ensure that Mr Benson's overall remuneration is in line with market practice;
  - (v) attracting and retaining suitably qualified non-executive directors; and
  - (vi) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves; and
- (q) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

## Resolutions 8 to 10 – Approval to grant Director Options

### Background

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of up to 30,000,000 Options (**Director Options**) to Directors of the Company as follows:

- (a) up to 10,000,000 Director Options to Mr Anthony Rovira (or his nominee(s)) (Resolution 8);
- (b) up to 10,000,000 Director Options to Mr Brett Dickson (or his nominee(s)) (Resolution 9); and
- (c) up to 10,000,000 Director Options to Mr Trevor Benson (or his nominee(s)) (Resolution 10).

Each Director Option will have an exercise price equal to a 50% premium to the volume weighted average price of Shares on ASX on the 30 Trading Days before the date of this Meeting and will have an expiry date of 30 November 2023. The Director Options will otherwise be issued to Messrs Rovira, Dickson and Benson (or their respective nominees) (**Related Parties**) on the terms and conditions set out in Annexure E.

The number and exercise price of Director Options to be granted to each of the Related Parties, subject to Shareholder approval, has been determined based upon a consideration of:

- (a) the cash remuneration of the Directors;
- (b) the current price of Shares;
- (c) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Director Options to be granted and will ensure that the Directors' overall remuneration is in line with market practice; and
- (d) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Board considers the exercise price to be a suitable premium to meet the objectives of the proposed grant of Director Options as outlined above. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed.

Resolutions 8 to 10 seek Shareholder approval for the grant of the Director Options to the Related Parties. Resolution 10 is subject to the passing of Resolution 2.

### **Section 195(4) of the Corporations Act**

Section 195 of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that each of the Directors have a material personal interest in the outcome of Resolutions 8 to 10 as a grant of Director Options is proposed for each Director. If each Director does have such an interest, then in accordance with section 195(4) a quorum could not be formed to consider the matters contemplated by Resolutions 8 to 10 at Board level. Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for the purposes of section 195(4) of the Corporations Act for the grant of Director Options to each Related Party pursuant to Resolutions 8 to 10.

### **Chapter 2E of the Corporations Act and Listing Rule 10.11**

A summary of Chapter 2E of the Corporations Act is set out on page 8 above.

The grant of the Director Options constitutes giving a financial benefit and Messrs Rovira, Dickson and Benson are related parties of the Company by virtue of being a Directors.

A summary of Listing Rule 10.11 is set out in page 8 is set out on page 8 above.

As it is proposed that Director Options be issued to all Directors, the Directors have been unable to form quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act or Listing Rule 10.12 applies to these issues. Accordingly, Shareholder approval is sought for the grant of Director Options to the Related Parties under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

### **Technical information required by Listing Rule 14.1A**

If Resolutions 8 to 10 are passed, the Company will be able to proceed with the grant of the Director Options to the Related Parties within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the grant of the Director Options (because approval is being obtained under Listing Rule 10.11), the grant of the Director Options will not use up any of the Company's 10% or 15% annual placement capacities.

If Resolutions 8 to 10 are not passed, the Company will not be able to proceed with the grant of the Director Options to the Related Parties.

## Technical information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 8 to 10:

- (a) the Director Options are proposed to be issued to:
- (i) Mr Anthony Rovira (Resolution 8);
  - (ii) Mr Brett Dickson (Resolution 9); and
  - (iii) Mr Trevor Benson (Resolution 10),
- or their respective nominees;
- (b) each Related Party falls within the category set out in Listing Rule 10.1.1 by virtue of being a Director;
- (c) the maximum number of Director Options (being the nature of the financial benefit being provided) proposed to be granted to the Related Parties is up to 30,000,000, comprising:
- (i) up to 10,000,000 Director Options to Mr Anthony Rovira;
  - (ii) up to 10,000,000 Director Options to Mr Brett Dickson; and
  - (iii) up to 10,000,000 Director Options to Mr Trevor Benson;
- (d) the Director Options will be issued on the terms and conditions set out in Annexure E;
- (e) the Director Options will be issued within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (f) the issue price of the Directors Options will be nil, accordingly no funds will be raised from the issue. However, any funds raised upon the exercise of the Director Options will be used for general exploration expenses and for working capital. The Company will not receive any other consideration in respect of the issue of the Director Options;
- (g) the purpose of the issue of the Director Options under Resolutions 8 to 10 is to provide a performance linked incentive component in the remuneration package for each Related Party to motivate and reward their performance as a Director and to provide cost effective remuneration to the Related Parties, enabling the Company to spend a greater proportion of its cash reserves on its operations that it would if alternative cash forms of remuneration were given to the Related Parties;
- (h) the Director Options are not being granted to the Related Parties under an agreement;
- (i) a voting exclusion statements are included in Resolutions 8 to 10 of this Notice;
- (j) the value of the Director Options and the pricing methodology is set out in Annexure F;
- (k) the relevant interests of the Related Parties in the securities of the Company (as at the date of this Notice) is set out below:

Director	Shares <sup>1</sup>	Options
Mr Anthony Rovira	51,602,016 <sup>2</sup>	30,000,000 <sup>3</sup>
Mr Brett Dickson	23,420,330 <sup>4</sup>	24,000,000 <sup>5</sup>
Mr Trevor Benson	Nil	Nil

### Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: IXR).
2. Of which 51,592,016 Shares are held directly and 10,000 are held indirectly by Rovira Geoservices Pty Ltd, of which Mr Rovira is a director and shareholder.

3. Comprising 10,000,000 Options exercisable at \$0.0075 each on or before 31 July 2021, 10,000,000 Options exercisable at \$0.013 each on or before 30 November 2020 and 10,000,000 Options exercisable at \$0.018 each on or before 30 November 2022, which are held directly.
4. Of which 1,045,330 Shares are held directly and 22,375,000 are held indirectly by Mr Brett Dickson & Mrs Georgina Dickson as trustees for The Dickson Superannuation Fund, of which Mr Dickson is a trustee and beneficiary.
5. Comprising 4,000,000 Options exercisable at \$0.0075 each on or before 31 July 2021, 10,000,000 Options exercisable at \$0.013 each on or before 30 November 2020 and 10,000,000 Options exercisable at \$0.018 each on or before 30 November 2022, which are held directly.

- (l) the total remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Financial Year Ended 30 June 2020					
Director	Base Salary \$	Bonus \$	Superannuation \$	Options \$	Total remuneration \$
Mr Anthony Rovira	40,000	-	3,799	57,750	107,099
Mr Brett Dickson	128,750	-	18,750	57,750	210,800
Mr Trevor Benson <sup>1</sup>	Nil	Nil	Nil	Nil	Nil
Financial Year Ended 30 June 2021 (Forecast)					
Director	Base Salary \$	Bonus \$	Superannuation \$	Indicative value of Options <sup>2</sup> \$	Total remuneration \$
Mr Anthony Rovira	50,000	-	4,750	96,000	150,750
Mr Brett Dickson	155,000	-	-	96,000	251,000
Mr Trevor Benson <sup>1</sup>	35,000	-	3,325	190,000 <sup>3</sup>	228,325 <sup>3</sup>

**Notes:**

1. Mr Benson was appointed on 31 August 2020.
2. The indicative Option valuation of \$0.0094 per Option the subject of Resolution 7 is a theoretical valuation using the Binomial Model (see Annexure D). The indicative Director Option valuation of \$0.0096 per Director Option the subject of Resolutions 8 to 10 is a theoretical valuation using the Binomial Model (see Annexure F).
3. This includes the Options that are the subject of Resolution 7 and the Director Options that are the subject of Resolution 10.

- (m) if Shareholder approval is obtained for Resolutions 8 to 10, the issue of the Director Options will not have any immediate dilutionary effect to existing Shareholders' interests. If all Director Options granted are exercised, a total of 30,000,000 Shares would be issued. This will increase the number of Shares currently on issue from 2,696,128,086 (being the total number of Shares on issue as at the date of this Notice) to 2,726,128,086 (assuming that no other Shares are issued and no convertible securities vest or are exercised), with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.10%, comprising 0.366% by each Related Party.

The market price for Shares during the term of the Director Options would normally determine whether the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company;

- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

Highest price/date	Lowest price/date	Latest price/date
\$0.019 on 8 October 2020	\$0.004 on 23, 26, 27 and 30 March 2020 1, 2, 3 and 6 April 2020	\$0.0075 on 9 October 2020

- (o) each Director has a material personal interest in the outcome of Resolutions 8 to 10 on the basis that all of the Directors (or their nominees) are to be granted Director Options should Resolutions 8 to 10 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 8 to 10 of this Notice; and
- (p) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 8 to 10.

## Glossary

**\$** means Australian dollars.

**10% Placement Capacity** has the meaning set out on page 5 of the Explanatory Memorandum.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Annexure A** means the annexure to the Explanatory Memorandum marked A.

**Annexure B** means the annexure to the Explanatory Memorandum marked B.

**Annexure C** means the annexure to the Explanatory Memorandum marked C.

**Annexure D** means the annexure to the Explanatory Memorandum marked D.

**Annexure E** means the annexure to the Explanatory Memorandum marked E.

**Annexure F** means the annexure to the Explanatory Memorandum marked F.

**Annual Report** means the annual report of the Company for the year ended 30 June 2020.

**Associate** has the meaning given in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company's auditor from time to time.

**Auditor's Report** means the report of the Auditor contained in the Annual Report.

**Board** means the current Board of Directors.

**Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Child Entity** has the meaning given to that term in the Listing Rules.

**Consultant Option** means an Option the subject of Resolution 5 with the terms and conditions set out in Annexure A.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Ionic Rare Earths Limited ABN 84 083 646 477.

**Constitution** means the Company's constitution, as amended from time to time.

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

**Directors** means the current directors of the Company.

**Directors' Report** means the directors' report set out in the Annual Report.

**Director Option** means an Option granted pursuant to Resolutions 8 to 10 with the terms and conditions set out in Annexure E.

**Equity Securities** has the meaning set out in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

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

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

**Notice** means this Notice of Annual General Meeting.

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

**Remuneration Report** means the remuneration report set out in the Annual Report.

**Resolution** means a resolution contained in the Notice.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out on page 1 of the Explanatory Memorandum.

**Spill Resolution** the meaning set out on page 1 of the Explanatory Memorandum.

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

**WST** means Australian Western Standard Time.

## Annexure A – Terms and Conditions of Consultant Options

1. No monies will be payable for the issue of the Options.
2. Subject to condition 3, the Options shall expire at 5.00pm (WST) on 30 November 2022 (**Expiry Date**).
3. Subject to conditions 13 and 14, each Option shall carry the right in favour of the Option holder to subscribe for one Share.
4. Subject to condition 12, the exercise price for each Option shall be AU\$0.018 ("**Exercise Price**").
5. Subject to condition 12, the Exercise Price of the Options shall be payable in full on exercise of the Options.
6. Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the Option holder to:
  - (a) exercise all or a specified number of Options; and
  - (b) pay the Exercise Price in full for the exercise of each Option.

The notice must be accompanied by a cheque or electronic funds transfer made payable to the Company for the exercise price for the Options. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by him.

7. The Company shall issue the resultant Shares and deliver the holding statement within five business days of the exercise of the Option.
8. The Options will be transferable subject, at all times, to the requirements of the Corporations Act and will not be listed on the ASX.
9. Shares issued pursuant to an exercise of Options shall rank, from the date of issue, equally with existing Shares in all respects.
10. The Company shall within 5 business days of any exercise of the Options apply for official quotation on the ASX of the Shares issued pursuant to the exercise of any of the Options.
11. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Option shall be reduced according to the following formula:

$$O' = O - \frac{E [P - (S + D)]}{N}$$

- O' = the new exercise price of the Option  
O = the old exercise price of the Option  
E = the number of underlying securities into which one Option is exercisable  
P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.  
S = the subscription price for a security under the pro-rata issue.  
D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).  
N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.

12. In the case of a bonus issue the number of Shares over which the Option is exercisable shall be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
13. In the event of any reorganisation of the capital of the Company (including consolidation, subdivisions, reduction or return) the rights of an Option holder will be changed to extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of the capital at the time of the reorganisation.
14. There are no participating rights or entitlements inherent in the Options and an Option holder will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Options. However, the Company will send a notice to the Option holder at least 3 business days before the record date of any new issues of capital offered to the Company's shareholders in order to give the Option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
15. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

## Annexure B – Equity Securities issued by the Company under the Previous Approval during the 12 months preceding the Meeting

Date of issue	Type of Equity Securities	No. issued	Summary of terms	Names of persons who received securities or basis on which those persons were determined	Issue price	Discount to market price at time of issue (if any) <sup>1</sup>	Amount of cash consideration, amount of cash spent, use of cash and intended use for remaining amount of cash (if any)
06/03/2020	ORD	143,750,000	Ordinary fully paid <sup>2</sup>	Professional and sophisticated investors.	\$0.008	Nil	<p><b>Cash consideration:</b> \$1,150,000</p> <p><b>Amount of cash spent:</b> \$1,150,000</p> <p><b>Use of cash spent:</b> Fund the Company's expenditure commitments at the Makuutu Rare Earth Elements project and to pay costs of the capital raising.</p>
03/07/2020	ORD	58,007,000	Ordinary fully paid <sup>2</sup>	Professional and sophisticated investors.	\$0.008	Nil	<p><b>Cash consideration:</b> \$464,056</p> <p><b>Amount of cash spent:</b> \$464,056</p> <p><b>Use of cash spent:</b> Fund the Company's expenditure commitments at the Makuutu Rare Earth Elements project and to pay costs of the capital raising.</p>

### Notes:

1. Market price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the market price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: IXR (terms are set out in the Constitution).



## Annexure C – Terms and Conditions of Options

1. No monies will be payable for the issue of the Options.
2. The Options shall expire at 5.00pm (Perth time) on 30 November 2022 (**Expiry Date**). In addition, the Options (if not yet exercised) will automatically lapse should the director resign from the directorship or voluntarily cease employment, for whatever reason, with the Company.
3. Subject to conditions 12 and 13, each Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
4. Subject to condition 11, the exercise price for each Option shall be \$0.018 each (**Exercise Price**).
5. Subject to condition 11, the Exercise Price of the Options shall be payable in full on exercise of the Options.
6. Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
  - (a) exercise all or a specified number of Options; and
  - (b) pay the Exercise Price in full for the exercise of each Option.

The notice must be accompanied by a cheque made payable to the Company for the exercise price for the Options. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by him.

7. The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Option.
8. Subject to the requirements of the *Corporations Act 2001* (Cth), the Options shall be transferable only to related parties but will not be listed on the Australian Securities Exchange (**ASX**).
9. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares in all respects.
10. The Company shall apply for official quotation on the ASX of the Shares allotted pursuant to the exercise of any of the Options.
11. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities into which one Option is exercisable.

P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.

12. In the case of a bonus issue the number of Shares over which the Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
13. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
14. The Options will not give any right to participate in dividends or in new issues of capital offered to shareholders during the currency of the Options until Shares are allotted pursuant to the exercise of the relevant Options in accordance with these terms and conditions.

## Annexure D – Valuation of Options

The Company has valued the Options proposed to be issued to Mr Trevor Benson (or his nominee) pursuant to Resolution 7 using the Binomial Model. The valuation of an option using the Binomial Model is a function of a number of variables.

The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.018
Exercise price	\$0.018
Risk free interest rate	0.15%
Volatility	100%
Time (years to expiry)	2

For the purposes of calculating the value of each Option, the Company has:

- (a) assumed the Share price is \$0.018, which was the closing price of Shares on ASX on 8 October 2020, being the date of valuation of the Options;
- (b) used a risk free interest rate of 0.15% (estimated based on the 3-year Australian treasury bond rate as at the date of valuation of the Director Options);
- (c) used a volatility of the Share price of 100% as determined as a typical volatility for a junior resource stock; and
- (d) assumed that the Director Options are issued on 30 November 2020.

Based on the above, the Company has calculated an indicative value of one Option to be \$0.0094. Accordingly, an indicative value of all Options proposed to be issued pursuant to Resolution 7 is \$94,000.

Any change in the variables applied in the Binomial Model calculation between the date of the valuation (8 October 2020) and the date the Options are granted would have an impact on their value.

## Annexure E – Terms and Conditions of Director Options

1. No monies will be payable for the issue of the Director Options.
2. The Director Options shall expire at 5.00pm (Perth time) on 30 November 2023 (**Expiry Date**). In addition, the Director Options (if not yet exercised) will automatically lapse should the director resign from the directorship or voluntarily cease employment, for whatever reason, with the Company.
3. Subject to conditions 12 and 13, each Director Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
4. Subject to condition 11, the exercise price for each Director Option shall be a 50% premium to the volume weighted average closing Share price on the ASX over the 30 trading days preceding the date of shareholder approval for the grant of the Director Option (**Exercise Price**).
5. Subject to condition 11, the Exercise Price of the Director Options shall be payable in full on exercise of the Director Options.
6. Director Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
  - (a) exercise all or a specified number of Director Options; and
  - (b) pay the Exercise Price in full for the exercise of each Director Option.

The notice must be accompanied by a cheque made payable to the Company for the exercise price for the Director Options. An exercise of only some Director Options shall not affect the rights of the option holder to the balance of the Director Options held by him.

7. The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Director Option.
8. Subject to the requirements of the *Corporations Act 2001* (Cth), the Director Options shall be transferable only to related parties but will not be listed on the Australian Securities Exchange (**ASX**).
9. Shares allotted pursuant to an exercise of Director Options shall rank, from the date of allotment, equally with existing Shares in all respects.
10. The Company shall apply for official quotation on the ASX of the Shares allotted pursuant to the exercise of any of the Director Options.
11. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Director Option shall be reduced according to the following formula:

$$O' = O - \frac{E [P - (S + D)]}{N + 1}$$

- O' = the new exercise price of the Director Option.  
 O = the old exercise price of the Director Option.  
 E = the number of underlying securities into which one Director Option is exercisable.  
 P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.  
 S = the subscription price for a security under the pro-rata issue.  
 D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).  
 N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.

12. In the case of a bonus issue the number of Shares over which the Director Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Director Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
13. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Director Options or the exercise price of the Director Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
14. The Options will not give any right to participate in dividends or in new issues of capital offered to shareholders during the currency of the Director Options until Shares are allotted pursuant to the exercise of the relevant Options in accordance with these terms and conditions.

## Annexure F - Valuation of Director Options

The Company has valued the Director Options proposed to be issued to the Related Parties pursuant to Resolutions 8 to 10 using the Binomial Model. The valuation of an option using the Binomial Model is a function of a number of variables.

The valuation of the Director Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.018
Exercise price	\$0.027
Risk free interest rate	0.15%
Volatility	100%
Time (years to expiry)	3

For the purposes of calculating the value of each Director Option, the Company has:

- (a) assumed the Share price is \$0.018, which was the closing price of Shares on ASX on 8 October 2020, being the date of valuation of the Director Options;
- (b) assumed the exercise price is \$0.027, being the price equal to a 50% premium to the closing price of Shares on ASX on 8 October 2020, being the date of valuation of the Director Options;
- (c) used a risk free interest rate of 0.15% (estimated based on the 3-year Australian treasury bond rate as at the date of valuation of the Director Options);
- (d) used a volatility of the Share price of 100% as determined as a typical volatility for a junior resource stock; and
- (e) assumed that the Director Options are issued on 30 November 2020.

Based on the above, the Company has calculated an indicative value of one Director Option to be \$0.0096. Accordingly, an indicative value of all Director Options proposed to be issued pursuant to Resolutions 8 to 10 is \$288,000, comprising:


Director	Indicative value of Director Options
Mr Anthony Rovira	\$96,000
Mr Brett Dickson	\$96,000
Mr Trevor Benson	\$96,000

Any change in the variables applied in the Binomial Model calculation between the date of the valuation (8 October 2020) and the date the Director Options are granted would have an impact on their value.

IXR  
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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AWST) on Wednesday, 25 November 2020.**

# 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.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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 Ionic Rare Earths 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 Ionic Rare Earths Limited to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, WA 6005, on Friday, 27 November 2020 at 10:00AM (AWST) 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 Items 1 and 7-10 (except where I/we have indicated a different voting intention in step 2) even though Items 1 and 7-10 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 Items 1 and 7-10 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"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<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"/>				
5	<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"/>				
8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9	<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

