



NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

AND PROXY FORM

GENERAL MEETING OF ADX ENERGY LTD

**TO BE HELD AT LEVEL 2, SUITE 14
210 BAGOT ROAD, SUBIACO WESTERN AUSTRALIA**

**FRIDAY 19 FEBRUARY 2021
COMMENCING AT 10:00 AM (WST)**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9381 4266

NOTICE OF GENERAL MEETING

**Notice is given that the General Meeting of ADX Energy Ltd will be held at the office of
Level 2, Suite 14, 210 Bagot Road, Subiaco, Western Australia on
Friday 19 February 2021 at 10:00 am (WST)**

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Proxy Form	enclosed

IMPORTANT INFORMATION

Your Vote is Important

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

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00 pm (WST) on 17 February 2021.

Voting in Person

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

Voting by Proxy

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

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Your proxy form is enclosed.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they apply to this General Meeting. Broadly, the sections mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

**BUSINESS OF THE MEETING
AGENDA**

ORDINARY BUSINESS

1. Resolution 1 – Issue of Loan Note Options

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 135,000,040 unlisted Loan Note Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement for Resolution 1:

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

2. Resolution 2 – Ratification of Issue of Placement Shares (LR 7.1)

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,032,470 Placement Shares on the terms and conditions set out in the Explanatory Statement."

3. Resolution 3 – Ratification of Issue of Placement Shares (LR 7.1A)

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 171,217,534 Placement Shares on the terms and conditions set out in the Explanatory Statement."

4. Resolution 4 – Ratification of Issue of Placement Options

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 110,625,005 Placement Options on the terms and conditions set out in the Explanatory Statement."

5. Resolution 5 – Ratification of Issue of Lead Manager Options

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,900,000 Unlisted Options on the terms and conditions set out in the Explanatory Statement."

6. Resolution 6 – Ratification of Issue of Investor Marketing Shares

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 11,666,666 Shares on the terms and conditions set out in the Explanatory Statement."

7. Resolution 7 – Ratification of Issue of Investor Marketing Options

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,833,333 Unlisted Options on the terms and conditions set out in the Explanatory Statement."

8. Resolution 8 – Issue of SPP Options

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 83,333,333 SPP Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement for Resolutions 2 to 8:

The Company will disregard any votes cast in favour of a Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the issue or proposed issue (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, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. General

To transact any other business as may be brought before the meeting in accordance with the Constitution of the Company, the Corporations Act, or otherwise.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Ian Tchacos', written over a light grey horizontal line.

IAN TCHACOS
EXECUTIVE CHAIRMAN
20 January 2021

ADX Energy Ltd

ABN 50 009 058 646

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Phone: 08 9381 4266 Fax: 08 9381 4766 Email: admin@adxenergy.com.au

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. Resolution 1 – Issue of Loan Note Options

1.1 General

In 2019, the Company acquired the Zistersdorf and Gaiselberg oil and gas fields located onshore in the Vienna Basin, Austria (**RAG Production Assets**) as well as agreements for exploration data and access arrangements from RAG Austria AG (**RAG**) to RAG's production infrastructure in Upper Austria.

The funding of that acquisition included A\$ 3.5 million in loan notes (**Loan Notes**) from a small number of professional and sophisticated investors. The Company issued 35 Loan Notes of \$100,000 each totalling A\$ 3.5 million. For each Loan Note, the subscriber received 3,857,143 free attaching unlisted options, with an exercise price of 1.8 cents per option and expiring 2 years after the subscription date. On 6 December 2019, Shareholders approved the issue of these 135,000,005 unlisted Options.

On 23 November 2020, ADX announced on ASX that the Loan Note holders and ADX had entered into a deed of variation with Loan Note holders (**Deed of Variation**). The variation to the Loan Note terms was necessary as a result of the COVID-19 pandemic which caused a significant deterioration in oil prices. At the time the Loan Notes were issued Brent crude oil was trading at approximately US\$ 67 per barrel having averaged US\$ 64.30 per barrel during 2019. During the Loan Note repayment period the COVID-19 pandemic has resulted in a large reduction in field net cash flow due to the unforeseen drop in oil price where Brent is expected to average approximately US\$ 40 per barrel in 2020 and predicted to average US\$ 45.20 per barrel in 2021.

Future field cash flows during 2021 and 2022 are forecast to be more robust as a result of increasing oil price which enables the development of the Company's asset base as well as providing capacity for ongoing of the Loan Notes.

Under the original terms of the Loan Notes, 50% of the principal was to be repaid after 12 months, and the remainder after 24 months. Under the Deed of Variation, the repayment period will be extended and the principal amount of A\$3.5 million has been split into 2 tranches where;

- the first tranche of 50% of the principal amount will be repaid semi annually with 4 equal payments over 2 years commencing from 26 May 2021 and ending on 26 November 2022; and
- the second tranche of 50% of the principal amount will be repayable as a bullet payment on 26 November 2022.

Interest will continue to accrue on the principal amount at a rate of six per cent (6%) per annum in accordance with the original Loan Note terms.

In the event that the Company's shareholders do not pass Resolution 1, the interest accrued on the Principal Amount will increase from the current rate of six per cent (6%) per annum to a revised interest rate of 10 per cent (10.00%) per annum in accordance (**Penalty interest**) with the revised terms of the Loan Notes.

The Company has been granted a waiver of ASX Listing Rule 6.23.3 to permit the Company to cancel the existing 135,000,005 options issued to the Loan Note Holders (as approved by Shareholders on 6 December 2019) and issue 135,000,040 new, replacement options (**Loan Note Options**) as follows:

- tranche 1: 67,500,020 unlisted options with an exercise price of A\$0.01 per option, expiring on 26 May 2022; and
- tranche 2: 67,500,020 unlisted options with an exercise price of A\$0.015 per option, expiring on 26 November 2023.

Resolution 1 seeks Shareholder approval to issue the Loan Note Options.

1.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The proposed issue of the Loan Note Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

By approving these Loan Note Options, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. In addition, the base figure (ie variable 'A') upon which the Company's 15% and 10% annual placement capacities are calculated will include any shares issued upon exercise of these options.

1.3 Technical information required by ASX Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Loan Note Options. In addition, the issue of the Loan Note Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Loan Note Options which would result in the Penalty Interest becoming payable to the Loan Note holders.

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Loan Note Options.

1.4 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) The Loan Note Options will be issued to the professional and sophisticated investors who subscribed for the Loan Notes;
- (b) In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that except as noted below none of the recipients will be:
 - related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - issued more than 1% of the issued capital of the Company; and
 - Jetosea Pty Ltd (**Jetosea**), who will be a recipient of 115,714,290 Loan Note Options, currently has a relevant interest in 12.8% of the Company's issued shares (250,682,728 Shares). Jetosea also holds 8,333,334 unlisted options exercisable at \$0.008 expiring 16 June 2021 and 115,714,290 existing options issued under the earlier Loan Notes (now to be cancelled); and
 - Peter Ironside, joint company secretary of ADX, who will be an indirect recipient of 3,857,144 Loan Note Options, currently has a relevant interest in 2% of the Company's issued shares (39,107,167 Shares). Peter Ironside also holds indirectly 3,857,143 existing options issued under the earlier Loan Notes (now to be cancelled); and
 - Amanda Sparks, joint company secretary of ADX, who will be an indirect recipient of 3,857,144 Loan Note Options, currently has a relevant interest in 0.96% of the Company's issued shares (18,834,249 Shares). Amanda Sparks also holds indirectly 3,857,143 existing options issued under the earlier Loan Notes (now to be cancelled).
- (c) the maximum number of Loan Note Options to be issued is 135,000,040. Upon conversion of the Loan Note Options, a maximum of 135,000,040 Shares will be issued;
- (d) the Loan Note Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Loan Note Options will occur at the same time. The cancellation of existing Loan Note Options will occur at the same time as issuing the new Loan Note Options;
- (e) the issue price is nil. The Loan Note Options are free attaching options to the Loan Notes. There are no funds raised from the issue of Loan Note Options and the Company will not receive any other consideration for the issue of the Loan Note Options (other than the funds advanced to the Company under the Loan Notes and the funds received on exercise of the Loan Note Options);

- (f) the purpose of the issue of the Loan Note Options is to satisfy the Company's obligations under the Deed of Variation;
- (g) the Loan Note Options are being issued as required by the Deed of Variation, the material terms of which are summarised in Section 1.1. above;
- (h) the Loan Note Options are not being issued under, or to fund, a reverse takeover;
- (i) the key terms of the Loan Note Options are set out in Annexure A; and
- (j) the Shares issued on conversion of the Loan Note Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

A voting exclusion statement is included in this Notice.

The Directors of the Company unanimously recommend that Shareholders vote in favour of Resolution 1.

2. Resolutions 2, 3, 4 and 5 – Ratification of Placement Shares, Placement Options and Lead Manager Options – Listing Rules 7.1 and 7.1A

2.1 Background

On 18 December 2020, ADX completed a placement to sophisticated investors of 221,250,004 Shares at \$0.006 each to raise \$1,327,000 (**Placement**). Each Placement subscriber received one free attaching unquoted option (**Placement Option**) for every two new Shares issued. The Placement Options are exercisable at \$0.008 each with an expiry date of 15 June 2021.

50,032,470 Shares issued under Placement were issued pursuant to the Company's capacity under ASX Listing Rule 7.1 and the remaining 171,217,534 shares issued under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 26 June 2020. The Placement Options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

The Company engaged the services of QA Capital Pty Limited (ACN 149 077 332) (**QA**), (AFSL 448754), to manage the Placement. The Company paid a management fee of 1% (exclusive GST) on the value of all Placement Shares, plus a selling fee of 5% on the value of all Placement Shares for clients introduced by QA. In addition, QA received 7,900,000 unquoted options on the same terms as the Placement Options (**Lead Manager Options**). The Lead Manager Options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolutions 2, 3, 4 and 5 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares, Placement Options and Lead Manager Options (**Ratification**).

2.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits 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 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 26 June 2020.

2.3 Listing Rules 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the

Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares, Placement Options and Lead Manager Options.

Resolutions 2, 3, 4 and 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares, Placement Options and Lead Manager Options.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 2, 3, 4 and 5 are passed, the Placement Shares, Placement Options and Lead Manager Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares, Placement Options and Lead Manager Options.

If Resolutions 2, 3, 4 and 5 are not passed, the Placement Shares, Placement Options and Lead Manager Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares, Placement Options and Lead Manager Options.

2.5 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 2, 3, 4 and 5:

- (a) the Placement Shares and Placement Options were issued to professional and sophisticated investors who were primarily clients of QA Capital Pty Limited, together with investors known by the Board. The recipients were identified through a bookbuild process, which involved QA Capital Pty Limited seeking expressions of interest to participate in the capital raising from non-related parties of the Company. The Lead Manager Options were issued to QA Capital Pty Limited as part of their fees for being Lead Manager of the Placement (refer to section 2.1). None of the recipients are related parties of the Company.
- (b) the Shares and Options were issued on the following basis:
 - (i) 50,032,470 Shares were issued pursuant to ASX Listing Rule 7.1 (ratification of which is sought under Resolution 2);
 - (ii) 171,217,534 Shares were issued pursuant to ASX Listing Rule 7.1A (ratification of which is sought under Resolution 3);
 - (iii) 110,625,005 Options were issued pursuant to ASX Listing Rule 7.1 (ratification of which is sought under Resolution 4); and
 - (iv) 7,900,000 Options were issued pursuant to ASX Listing Rule 7.1 to the Lead Manager (ratification of which is sought under Resolution 5);
- (c) the issue price was \$0.006 per Share under both the issues of Shares made pursuant to Listing Rule 7.1 and 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) Upon conversion of Placement Options, a maximum of 110,625,005 Shares will be issued;
- (f) Upon conversion of Lead Manager Options, a maximum of 7,900,000 Shares will be issued;
- (g) the issue price of the Placement Options and Lead Manager Options is nil. The Placement Options are free attaching options to the Placement Shares. There are no funds raised from the issue of Placement Options;

- (h) the key terms of the Placement Options and Lead Manager Options are set out in Annexure B; and
- (i) the Shares issued on conversion of the Placement Options and Lead Manager Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (j) the Shares and Placement Options were issued to sophisticated and professional investors who subscribed under Placement. None of these subscribers are related parties of the Company;
- (k) the Lead Manager Options were issued in consideration of services provided by QA Capital Pty Limited to the Company. QA Capital Pty Limited is not a related party of the Company;
- (l) the funds raised from Placement will be used to supplement ADX's cash requirements for the Company's key projects as well as growth opportunities in Austria and for working capital purposes. The Austrian growth opportunities include the payment of a bank guarantee to the Austrian Mining Authority for the recently announced Molasse basin exploration and appraisal licenses in Upper Austria as well as well work overs on its producing Gaiselberg and Zistersdorf fields in the Vienna basin;
- (m) the Placement Shares, Placement Options and Lead Manager Options were issued on 18 December 2020;
- (n) other than the lead manager mandate, the Placement Shares and Placement Options were not issued under an agreement;
- (o) the Lead Manager Options were issued under a mandate under which the Company engaged the services of QA Capital Pty Limited (ACN 149 077 332) (**QA**), (AFSL 448754), to manage the Placement. The Company paid a management fee of 1% (exclusive GST) on the value of all Placement Shares, plus a selling fee of 5% on the value of all Placement Shares for clients introduced by QA. In addition, QA received 7,900,000 unquoted options on the same terms as the Placement Options (**Lead Manager Options**); and
- (p) a voting exclusion statement is included in Resolution 2, 3, 4 and 5 of this Notice.

3. Resolutions 6 and 7 – Ratification of Investor Marketing Shares and Options

3.1 Background

On 18 December 2020, ADX issued 11,666,666 Shares and 5,833,333 unlisted Options to Zero Nominees Pty Ltd in lieu of services for investor marketing services for twelve months valued at \$70,000. The Options are exercisable at \$0.008 each with an expiry date of 15 June 2021.

The Investor Marketing Shares and Options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolutions 6 and 7 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of these Shares and Options (**Ratification**).

3.2 Listing Rules 7.

A summary of ASX Listing Rule 7.1 is set out in section 2.2 above.

3.3 Listing Rules 7.4

A summary of ASX Listing Rule 7.4 is set out in section 2.3 above.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the

Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Investor Marketing Shares and Options.

Resolutions 6 and 7 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Investor Marketing Shares and Options.

3.4 Technical information required by Listing Rule 14.1A

If Resolutions 6 and 7 are passed, the Investor Marketing Shares and Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Investor Marketing Shares.

If Resolutions 6 and 7 are not passed, the Investor Marketing Shares and Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Investor Marketing Shares and Options.

3.5 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 6 and 7:

3.5.1 the Investor Marketing Shares and Options were issued to Zero Nominees Pty Ltd in lieu of services for investor marketing services for twelve months valued at \$70,000. The recipient is not a related party of the Company.

3.5.2 the Shares and Options were issued on the following basis:

- 11,666,666 Shares were issued pursuant to ASX Listing Rule 7.1 (ratification of which is sought under Resolution 6); and
- 5,833,333 Options were issued pursuant to ASX Listing Rule 7.1 (ratification of which is sought under Resolution 7);

3.5.3 the issue price was deemed as \$0.006 per Share (non-cash). The Company receive investor marketing services to the value of \$70,000 for twelve months in consideration for the issue of the Shares;

3.5.4 the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

3.5.5 Upon conversion of Options, a maximum of 5,833,333 Shares will be issued;

3.5.6 the issue price of the Options is nil. The Options are free attaching options to the Investor Marketing Shares. There are no funds raised from the issue of Options;

3.5.7 the key terms of the Options are set out in Annexure B; and

3.5.8 the Shares issued on conversion of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

3.5.9 No funds were raised from the Investor Marketing Shares. The Company receive investor marketing services to the value of \$70,000 for twelve months in consideration for the issue of the Shares;

3.5.10 the Investor Marketing Shares and Options were issued on 18 December 2020;

3.5.11 the Investor Marketing Shares and Options were issued under an agreement for investor marketing services for twelve months; and

3.5.12 a voting exclusion statement is included in Resolution 6 and 7 of this Notice.

4. Resolutions 8 - Issue of SPP Options

3.1 Introduction

On 16 December 2020, eligible Shareholders were invited to participate in the SPP Offer at \$0.006 per Share (SPP Shares). This is the same price as the offer price under the Placement. SPP Offer participants will also receive one free attaching quoted Option for every two new Shares issued (**SPP Options**). The SPP Options will be exercisable at \$0.008 with an expiry date of 15 June 2021.

The issue of the SPP Options is subject to approval by Shareholders at this General Meeting.

3.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 2.2 above.

3.3 Technical information required by ASX Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the SPP Options. In addition, the issue of the SPP Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the SPP Options which would result in the SPP Applicants not receiving Options.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the SPP Options.

3.4 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the maximum number of unlisted Options to be issued is 83,333,333. Upon conversion of the SPP Options, a maximum of 83,333,333 Shares will be issued;
- (b) the SPP Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur progressively;
- (c) the issue price is nil. The SPP Options are free attaching options to the Shares issued under the SPP Offer. There are no funds to be raised from the issue of SPP Options;
- (d) the SPP Options are to be issued to all Shareholders who subscribed for Shares under the SPP Offer. None of the subscribers will be related parties of the Company;
- (e) the terms of the SPP Options are an exercise price of \$0.008 each and expiry date of 15 June 2021. Full SPP Option terms are in Annexure B; and
- (f) the Shares issued on conversion will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

The Directors of the Company unanimously recommend that Shareholders vote in favour of Resolution 8.

Recommendations

The Board believes that the Resolutions to be proposed at the Company's General Meeting are in the best interests of the Company and (except where otherwise stated) unanimously recommends that Shareholders vote in favour of each Resolution.

Enquiries

Shareholders are invited to contact the Company Secretary, Amanda Sparks, on (08) 9381 4266 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company or **ADX** means ADX Energy Ltd (ABN 50 009 058 646).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Investor Marketing Options means the Options issued to the Investor Marketing services company, the subject of Resolution 7, and on the terms and conditions set out in Annexure B.

Lead Manager Options means the Options issued to the Lead Manager of the Placement, the subject of Resolution 5, and on the terms and conditions set out in Annexure B.

Loan Note Option means the Options to be issued pursuant to Resolution 1 on the terms and conditions set out in Annexure A.

Loan Notes has that meaning set out in section 1 of the explanatory statement of this Notice.

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

Option means an option which enables the holder to subscribe for one Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Placement has that meaning set out in section 2 of the explanatory statement of this Notice.

Placement Options means the Options issued under the Placement the subject of Resolution 4, and on the terms and conditions set out in Annexure B.

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a holder of a Share.

SPP Offer has that meaning set out in section 5 of the explanatory statement of this Notice.

SPP Options means the SPP Options to be issued pursuant to Resolution 8, and on the terms and conditions set out in Annexure B.

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

ANNEXURE A – TERMS OF THE LOAN NOTE OPTIONS

- (a) The Options are exercisable as follows:
- i. Tranche 1 - Exercise Price of \$A0.010 each. Each Option is exercisable at any time from the date of grant up to (and including) 5:00 pm (WST) on 26 May 2022.
 - ii. Tranche 2 – Exercise Price of A\$0.015 each. Each Option is exercisable at any time from the date of grant up to (and including) 5:00 pm (WST) on 26 November 2023.

Each Option entitles the holder to subscribe for one fully paid ordinary share in ADX Energy Ltd (**Share**).

- (b) The holder may exercise any part of the Options without prejudice to the holder's ability to subsequently exercise any remaining Options.
- (c) All Shares issued upon exercise of the Options will rank equally in all respects with the then issued Shares, and ADX will, within 7 days, apply for official quotation by the ASX of all Shares issued upon the exercise of the Options.
- (d) There are no participating rights or entitlements conferred on the Options and the holder will not be entitled to participate with respect to the Options in new issues offered to Shareholders of ADX during their currency without exercising the Options. However, ADX will ensure that for the purposes of determining entitlements to any such issue, the relevant record date will be at least seven Business Days after the relevant issue is announced and the holder is notified at that time. This will give the holder the opportunity to exercise the Options prior to the date for determining entitlements and to participate in any such issue as a Shareholder.
- (e) In the event of any reorganisation of capital of ADX prior to the expiry date for exercise of the Options, the number of Options to which the holder is entitled or the exercise price of the Options or both shall be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.
- (f) The number of Options held will appear on an option holder statement which will be accompanied by a Notice of Exercise of Options that is to be completed when exercising Options.
- (g) The Options are exercised by completing the Notice of Exercise of Options form and forwarding it to ADX with the exercise price payable to ADX. ADX shall within seven days after the receipt of such Notice, issue Shares in respect of the Options exercised and dispatch a Shareholder statement to the holder.
- (h) The Options are not transferable.
- (i) The Options will not be quoted on the ASX. Notwithstanding any other term of these Terms of Options, if any term of these Terms of Options is or becomes non-compliant with the ASX Listing Rules, that term will be taken to be varied or deleted (as required) so that it is compliant with the ASX Listing Rules.

ANNEXURE B – TERMS OF THE PLACEMENT OPTIONS, LEAD MANAGER OPTIONS, INVESTOR MARKETING OPTIONS AND SPP OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.008 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 15 June 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on and from the date of issue until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **The Options are not transferable.**

(m) **Unlisted Options**

The Options will not be quoted on the ASX. Notwithstanding any other term of these Terms of Options, if any term of these Terms of Options is or becomes non-compliant with the ASX Listing Rules, that term will be taken to be varied or deleted (as required) so that it is compliant with the ASX Listing Rules.



ADX Energy Ltd
ABN 50 009 058 646

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

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AWST) on Wednesday, 17 February 2021.**

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 under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

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

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

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

By Mail:

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

By Fax:

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



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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of ADX Energy Ltd 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 General Meeting of ADX Energy Ltd to be held at Level 2, Suite 14, 210 Bagot Road, Subiaco, WA 6008 on Friday, 19 February 2021 at 10:00 AM (AWST) and at any adjournment or postponement of that meeting.

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
1 Issue of Loan Note Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Issue of Placement Shares (LR 7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Issue of Placement Shares (LR 7.1A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of Issue of Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of Issue of Investor Marketing Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratification of Issue of Investor Marketing Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of SPP Options	<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

