



NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

AND PROXY FORM

ANNUAL GENERAL MEETING OF ADX ENERGY LTD

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

**FRIDAY 26 JUNE 2020
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

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NOTICE OF ANNUAL GENERAL MEETING

**Notice is given that the Annual 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 26 June 2020 at 10:00 am (WST)**

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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 5.00pm (WST) on 24 June 2020.

Voting in Person

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

Voting by Proxy

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

**BUSINESS OF THE MEETING
AGENDA**

ORDINARY BUSINESS

1. Financial Statements and Reports – Agenda Item

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

2. Resolution 1 – Adoption of Remuneration Report

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

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2019.”

Note: In accordance with section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

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

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

3. Resolution 2 – Election of Mr Edouard Etienvre as a Director

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

“That, for the purpose of clause 13.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Edouard Etienvre, a Director who was appointed casually on 7 January 2020, retires, and being eligible, is elected as a non-executive director of the Company.”

4. Resolution 3 – Re-election of Mr Paul Fink as a Director

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

That, for the purposes of clause 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Paul Fink, a director, retires, and being eligible, is re-elected as a Director.”

5. Resolution 4 – Issue of Director Options in Lieu of Consulting Fees – Mr Ian Tchacos

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

"That, for the purposes of ASX Listing Rule 10.14, section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue 28,400,000 Options to Mr Ian Tchacos (or his nominee), under the Performance Rights and Option Plan, on the terms and conditions set out in the Explanatory Statement."

6. Resolution 5 – Issue of Director Options in Lieu of Consulting Fees – Mr Paul Fink

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

"That, for the purposes of ASX Listing Rule 10.14, section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue 28,750,000 Options to Mr Paul Fink (or his nominee), under the Performance Rights and Option Plan, on the terms and conditions set out in the Explanatory Statement."

7. Resolution 6 – Issue of Director Options – Mr Edouard Etienvre

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

"That, for the purposes of ASX Listing Rule 10.14, section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue 5,000,000 Options to Mr Edouard Etienvre (or his nominee), under the Performance Rights and Option Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement for Resolutions 4 to 6

The Company will disregard any votes cast in favour of Resolutions 4, 5 and 6 by or on behalf any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons (**Resolution 4 to 6 Excluded Party**).

However, this does not apply to a vote cast in favour of the Resolutions 4, 5 and 6 by:

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

Voting Prohibition Statement Resolutions 4 to 6

A person appointed as a proxy must not vote, on the basis of that appointment on these Resolutions 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 these Resolutions.

Provided the Chair is not a Resolution 4 to 6 Excluded Party, the above prohibition does not apply if:

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

8. Resolution 7 – Issue of Shares (Salary Sacrifice) to Director – Mr Ian Tchacos

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

"That, for the purposes of ASX Listing Rule 10.14, section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$5,000 to Mr Ian Tchacos (or his nominee), on the terms and conditions set out in the Explanatory Statement."

9. Resolution 8 – Issue of Shares (Salary Sacrifice) to Director – Mr Paul Fink

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

"That, for the purposes of ASX Listing Rule 10.14, section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$5,000 to Mr Paul Fink (or his nominee), on the terms and conditions set out in the Explanatory Statement."

10. Resolution 9 – Issue of Shares (Salary Sacrifice) to Director – Mr Andrew Childs

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

"That, for the purposes of ASX Listing Rule 10.14, section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$13,000 to Mr Andrew Childs (or his nominee), on the terms and conditions set out in the Explanatory Statement."

11. Resolution 10 – Issue of Shares (Salary Sacrifice) to Director – Mr Edouard Etienvre

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

"That, for the purposes of ASX Listing Rule 10.14, section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$13,000 to Mr Edouard Etienvre (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement for Resolutions 7 to 10

The Company will disregard any votes cast in favour of Resolutions 7 to 10 by or on behalf any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons (**Resolution 7 to 10 Excluded Party**).

However, this does not apply to a vote cast in favour of the Resolutions 7 to 10 by:

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

Voting Prohibition Statement Resolutions 7 to 10

A person appointed as a proxy must not vote, on the basis of that appointment on these Resolutions 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 these Resolutions.

Provided the Chair is not a Resolution 7 to 10 Excluded Party, the above prohibition does not apply if:

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

12. Resolution 11 – Replacement of Constitution

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

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

13. Resolution 12 – Approval of 7.1A Mandate

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

"That, pursuant to and in accordance with ASX Listing Rule 7.1A, and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, and on the terms and conditions in the Explanatory Statement".

14. 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



IAN TCHACOS
EXECUTIVE CHAIRMAN
8 May 2020

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. Financial Statement and Reports – Agenda Item

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's financial report to Shareholders unless specifically requested to do so. The Company's financial report is available on its website at <http://adxenergy.com.au/>.

2. Resolution 1 – Adoption of Remuneration Report

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution to shareholders that the remuneration report be adopted must be put to shareholders. However such a resolution is advisory only and does not bind the Directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the December financial report of the company. The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

The Remuneration Report is set out in the Company's Annual Report which:

- outlines the Board's policy for determining the nature and amount of remuneration of Directors, the company secretary and other key management personnel of the Company;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance condition applicable to the remuneration of a Director, secretary or other key management personnel;
- details the remuneration (including options, if any) of each Director and other key management personnel of the Company for the period; and
- summarises the terms of any contract under which any Director, the company secretary or other key management personnel is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was

not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

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

3. Resolution 2 – Election of Mr Edouard Etienvre as a Director

3.1 General

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Edouard Etienvre, having been appointed by other Directors on 7 January 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.

3.2 Qualifications

Mr Etienvre is UK based and is an energy and natural resources executive and entrepreneur with over 12 years of experience in the oil and gas, mining, shipping and offshore facilities sectors initially with banks including sell-side equity research and reserve-based lending. More recently his experience has included positions with private and public E&P companies, ship owners and offshore facilities owners, mining companies and a mid-size trading group managing investments in companies active in the oil and gas sector. Mr Etienvre has extensive commercial, business development, risk assessment, management and project management experience and expertise including deal sourcing, transaction structuring, commercial negotiations and financing including debt, equity, off-take finance, vendor finance and reverse take-overs with TSX-V and LSE listed companies.

3.3 Independence

Mr Etienvre has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

The Board considers Mr Etienvre is an independent director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, character and criminal record.

The Company undertook such checks prior to the appointment of Mr Etienvre. No information of concern was identified.

3.5 Board Recommendation

The Board supports the election of Mr Etienvre and recommends that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Re-election of Mr Paul Fink as a Director

Under the Company's existing Constitution, one third of the Directors (or if their number is not a multiple of three, the number nearest one third) must retire from office at each annual general meeting of the Company. Directors who retire in accordance with this requirement are eligible for re-election. The Directors to retire are those (other than the Managing Director) who have been in office for three years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment. For the purposes of Listing Rule 14.4 and clause 13.2 of the existing Constitution, shareholder approval is being sought to re-elect Mr Paul Fink as a Director.

Mr Fink has over 25 years of petroleum exploration and production industry experience in technical and management positions. He is a graduate from the Mining University of Leoben, Austria and started his career as a seismic data processing geophysicist and then worked predominantly on international exploration and development projects and assignments in Austria, Libya, Bulgaria, UK, Australia and Pakistan as Exploration and Reservoir Manager for OMV. In 2005 Paul started his own petroleum consultancy working on projects in Romania and as Vice President for Focus Energy, leading their highly successful exploration and development campaign in Western India. Paul was a key team member for the resulting highly successful IPO on the London Stock Exchange (Indus Gas) which led to a market cap of over 1.5 MM Pounds, partly due to 3rd party reserves audits managed by Mr Fink.

The Board considers Mr Fink is not an independent director due to his executive role.

The Board supports the re-election of Mr Fink and recommends that Shareholders vote in favour of Resolution 3.

5. Resolutions 4 to 6 - Issue of Related Party Options

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 73,500,000 Options (**Related Party Options**) to Mr Ian Tchacos, Mr Paul Fink and Mr Edouard Etienvre (or their nominees) (**Related Parties**) under the Company's Performance Rights and Option Plan.

These options are being granted for the following reasons:

- (a) For Ian Tchacos – as remuneration for reduced consulting fees. Ian Tchacos has agreed to receive 50% of his consulting day rate of \$1,500/day as equity;
- (b) For Paul Fink – as remuneration for reduced consulting fees. Paul Fink has agreed to receive 50% of his consulting day rate of \$1,500/day as equity; and
- (c) For Edouard Etienvre – as a sign-on bonus upon his appointment as a Director.

5.2 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 Related Party Options constitutes giving a financial benefit and Mr Ian Tchacos, Mr Paul Fink and Mr Edouard Etienvre are related parties of the Company by virtue of being Directors.

Section 195(4) of the Corporations Act provides that where there are not enough directors to form a quorum for a directors' meeting because of section 195 of the Corporations Act, one or more of the directors (including those who have a material personal interest in the matter) may call a general meeting and the general meeting may pass a resolution to deal with the matter.

As it is proposed that Related Party Options be issued to a majority of the 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. Accordingly, Shareholder approval is sought for the issue of Related Party Options to the Related Parties.

5.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Related Party Options to Messrs Tchacos, Fink and Etienvre falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 4 to 6 seek the required Shareholder approval for the issue of the Related Party Options under and for the purposes of Listing Rule 10.14.

5.4 Technical information required by Listing Rule 14.1A

If Resolutions 4 to 6 are passed, the Company will be able to proceed with the issue of the Related Party Options to Messrs Tchacos, Fink and Etienvre under the Performance Rights and Option Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Options (because approval is being obtained under Listing Rule 10.14), the issue of the Related Party Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4 to 6 are not passed, the Company will not be able to proceed with the issue of the Related Party Options to Messrs Tchacos, Fink and Etienvre under the Performance Rights and Option Plan and the Company may be required to re-negotiate the remuneration arrangements with the Related Parties, which may require additional cash payments and affect the Company's available cash position.

5.5 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.14)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the Related Party Options will be issued to Messrs Tchacos, Fink and Etienvre (or their nominee), who fall within the category set out in Listing Rule 10.14.1 by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 28,400,000 Related Party Options to Mr Tchacos (Resolution 4);
 - (ii) 28,750,000 Related Party Options to Mr Fink (Resolution 5); and

(iii) 5,000,000 Related Party Options to Mr Edouard Etienvre (Resolution 6).

(c) the Related Party Options will be granted to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued in quarterly instalments as follows:

For Mr Ian Tchacos and Mr Paul Fink

QUARTERLY TRANCHE	NUMBER GRANTED	VESTING DATE	EXERCISE PRICE	EXPIRY DATE
1	Note *	26 June 2020	Zero	26 June 2024
2	Note *	31 July 2020	Zero	31 July 2024
3	Note *	31 October 2020	Zero	31 October 2024
4	Note *	31 January 2021	Zero	31 January 2025

Note * - Number granted will be determined by dividing the Directors' consulting fees that the Company has agreed to pay to the Related Parties via equity using a deemed price based on the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of the corresponding calendar quarter in which the Directors' consulting fees were incurred, provided that the maximum number of Related Party Options to be issued does not exceed the number in (b) above.

For Mr Edouard Etienvre, the Related Party Options will be issued on one date.

TRANCHE	NUMBER GRANTED	VESTING DATE	EXERCISE PRICE	EXPIRY DATE
1	5,000,000	26 June 2020	160% of ADX's share price calculated based on the five (5) day volume weighted average trading price preceding the date of Shareholder Approval	26 June 2021

(d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised. There is a nil issue price;

(e) The following unlisted options have been issued to the Directors under the Company's Performance Rights and Option Plan since it was last adopted by Shareholders on 25 May 2018:

- (i) On 11 June 2018, 4,589,422 unlisted options were issued to Ian Tchacos and Paul Fink in lieu of cash for consulting services for the quarter ended 31 March 2018, as approved by Shareholders on 25 May 2018.
- (ii) On 11 June 2018, 4,000,000 unlisted options were issued to Philip Haydn-Slater – as a sign-on bonus upon his appointment as a Director, as approved by Shareholders on 25 May 2018.
- (iii) On 14 August 2018, 5,180,625 unlisted options were issued to Ian Tchacos and Paul Fink in lieu of cash for consulting services for the quarter ended 30 June 2018, as approved by Shareholders on 25 May 2018.
- (iv) On 8 August 2019, 18,072,991 unlisted options were issued to Ian Tchacos and Paul Fink in lieu of cash for consulting services for the nine months ended 31 March 2019, as approved by Shareholders on 31 May 2019.
- (v) On 8 August 2019, 12,798,214 unlisted options were issued to Ian Tchacos and Paul Fink in lieu of cash for consulting services for the quarter ended 30 June 2019, as approved by Shareholders on 31 May 2019.
- (vi) On 16 October 2019, 8,249,999 unlisted options were issued to Ian Tchacos and Paul Fink in lieu of cash for consulting services for the quarter ended 30 September 2019, as approved by Shareholders on 31 May 2019.

- (vii) On 13 January 2020, 8,793,750 unlisted options were issued to Ian Tchacos and Paul Fink in lieu of cash for consulting services for the quarter ended 31 December 2019, as approved by Shareholders on 31 May 2019.
- (f) all Directors are entitled to participate in the Performance Rights and Option Plan, however options are only being granted to Ian Tchacos, Paul Fink and Edouard Etienvre;
- (g) no loan has been provided to any of the Related Parties in relation to the issue of the Related Party Options;
- (h) the Related Party Options will be granted under the Company's Performance Rights and Option Plan, the terms and conditions which are set out in Schedule 1, with specific terms of the Related Party Options set out in Schedule 2;
- (i) the value of the Related Party Options and the pricing methodology is set out in Schedule 3;
- (j) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Mr Ian Tchacos	58,530,150	25,279,836
Mr Paul Fink	69,096,734	-
Mr Edouard Etienvre	-	-

- (k) the remuneration and emoluments (including the value of share based payments) 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:

Related Party		Current Financial Year ending 31 December 2020 (Estimated) (\$)	Financial Year ended 31 December 2019 (\$)
Mr Ian Tchacos	Cash *	206,000	209,003
Mr Ian Tchacos	Accrued at year end – paid/to be paid in Equity after year-end	-	42,313
Mr Ian Tchacos	Share-Based (shares in lieu of cash)	5,000	3,750
Mr Ian Tchacos	Share-Based (options in lieu of cash)**	170,400	126,001
Mr Ian Tchacos	Total	381,400	381,067
Mr Paul Fink	Cash	198,500	198,500
Mr Paul Fink	Accrued at year end – paid/to be paid in Equity after year-end	-	48,125
Mr Paul Fink	Share-Based (shares in lieu of cash)	5,000	3,750
Mr Paul Fink	Share-Based (options in lieu of cash)**	172,500	125,625
Mr Paul Fink	Total	376,000	209,003
Mr Edouard Etienvre	Cash	60,000	-
Mr Edouard Etienvre	Share-Based (shares in lieu of cash)	13,000	-
Mr Edouard Etienvre	Total	73,000	-

* Cash includes consulting fees, directors fees and superannuation.

** Assumes the Related Party Options proposed under this Notice of Meeting are approved and issued.

- (l) if the Related Party Options granted to the Related Parties are exercised, a total of 62,150,000 Shares would be issued. This will increase the number of Shares on issue from 1,710,559,177 to 1,772,709,177 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.5%, comprising 1.6% by Mr Tchacos, 1.6% by Mr Fink and 0.3% by Mr Etienvre.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

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

	Price	Date
Highest	0.013	30 September 2019
Lowest	0.004	9 April 2020
Last	0.006	7 May 2020

- (n) the primary purpose of the grant of the Related Party Options to Ian Tchacos and Paul Fink is to conserve cash for exploration and appraisal by remunerating partly in equity. The options granted to Edouard Etienvre are to provide an incentive component in the remuneration package to provide a retention incentive;
- (o) Mr Tchacos declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the resolution on the basis that Mr Tchacos is to be granted Related Party Options in the Company should Resolution 4 be passed. However, in respect of Resolutions 5 and 6, Mr Tchacos recommends that Shareholders vote in favour of those resolutions for the following reasons:
- (i) the Related Party Options are unquoted, therefore, the issue of the Related Party Options has no immediate dilutionary impact on Shareholders;
 - (ii) the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (iii) the grant of the Related Party Options is a reasonable and appropriate method to reward Directors without using its cash reserves and provides a better alternative than using cash forms of remuneration to the Related Parties;
 - (iv) because of the deferred taxation benefit which is available to the Related Parties in respect of an issue of Related Party Options. This is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Related Party Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (p) Mr Fink declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that Mr Fink is to be granted Related Party Options in the Company should Resolution 5 be passed. However, in respect of Resolutions 4 and 6, Mr Fink recommends that Shareholders vote in favour of those resolutions for the reasons set out in paragraph (o);
- (q) Mr Etienvre declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that Mr Etienvre is to be granted Related Party Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 4 and 5, Mr Etienvre recommends that Shareholders vote in favour of those resolutions for the reasons set out in paragraph (o);

- (r) Mr Childs recommends that Shareholders vote in favour of Resolutions 4, 5 and 6 for the reasons set out in paragraph (o) ;
- (s) in forming their recommendations, each Director considered the experience of each Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options;
- (t) 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 4, 5 and 6;
- (u) details of any Options issued under the Performance Rights and Option Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (v) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the Performance Rights and Option Plan after Resolutions 4 to 6 are approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (w) a voting exclusion statement is included in Resolutions 4 to 6 of the Notice.

6. Resolutions 7 to 10 – Issue of Shares (Salary Sacrifice) to Directors

6.1 General

In accordance with the terms of the Directors' Salary Sacrifice Share Plan, the Company's Directors have agreed to reduce their cash director fees in lieu of Shares in order to maximise the availability of cash for the Company's future exploration and appraisal activities.

A summary of the key terms and conditions of the Directors' Salary Sacrifice Share Plan is set out in Schedule 4. In addition, a copy of the Directors' Salary Sacrifice Share Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Directors' Salary Sacrifice Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue Shares (**Related Party Shares**) to Mr Tchacos, Mr Fink, Mr Childs and Mr Etienvre (**SS Directors**) on the terms and conditions set out below. The purpose of the proposed issue of the Related Party Shares is to provide remuneration to compensate for the cash fee reductions described above.

6.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in section 5.2 above.

The issue of the Related Party Shares constitutes giving a financial benefit and Mr Tchacos, Mr Fink, Mr Childs and Mr Etienvre are related parties of the Company by virtue of being Directors.

As it is proposed that all the Directors will receive Related Party Shares, 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 applies to these issues. Accordingly, in accordance with section 195(4) of the Corporations Act, the Directors have exercised their right to seek shareholder approval for the issue of Related Party Shares to the SS Directors.

6.3 Listing Rule 10.14

A summary of Listing Rule 10.14 is set out in section 5.3 above.

The issue of Related Party Shares to Messrs Tchacos, Fink, Childs and Etienvre falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 7 to 10 seek the required Shareholder approval for the issue of the Related Party Shares under and

for the purposes of Listing Rule 10.14.

6.4 Technical information required by Listing Rule 14.1A

If Resolutions 7 to 10 are passed, the Company will be able to proceed with the issue of the Related Party Shares to Messrs Tchacos, Fink, Childs and Etienvre under the Directors' Salary Sacrifice Share Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Shares (because approval is being obtained under Listing Rule 10.14), the issue of the Related Party Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 7 to 10 are not passed, the Company will not be able to proceed with the issue of the Related Party Shares to Messrs Tchacos, Fink, Childs and Etienvre under the Directors' Salary Sacrifice Share Plan and the Company may be required to re-negotiate the remuneration arrangements with the SS Directors, which may require additional cash payments and affect the Company's available cash position.

6.5 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.14)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Related Party Shares:

- (a) the Related Party Shares will be issued to Messrs Tchacos, Fink, Childs and Etienvre (or their nominees), who fall within the category set out in Listing Rule 10.14.1 by virtue of being Directors;
- (b) the number of Related Party Shares to be issued to each SS Director will be determined by dividing the portion of Directors' fees that the Company has agreed to pay the SS Directors with shares by the deemed issue price of the Related Party Shares calculated in accordance with paragraph (d) below, provided that the maximum number of Related Party Shares to be issued to the SS Directors pursuant to Resolutions 7 to 10 shall be as follows:

Related Party	Maximum Number of Shares*
Ian Tchacos	833,333
Paul Fink	833,333
Andrew Childs	2,167,667
Edouard Etienvre	2,167,667
Total	6,000,000

* The maximum number of shares has been determined based on the directors' cash reduction of remuneration from 1 January 2020 to 31 December 2020. As noted in (d) and (k) below, the Related Party Shares will be issued on a quarterly basis according to the Directors' fees owing to each of the SS Directors at that time at an issue price of no less than the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of the corresponding calendar quarter in which the Directors' fees were incurred;

- (c) the value of the maximum number of Related Party Shares that could potentially be issued to the SS Directors pursuant to Resolutions 7 to 10 (being the nature of the financial benefit being provided) is set out below. The basis of the valuation is the last trading price of Shares on 29 April 2020 of \$0.006:

Related Party	Value of Related Party Shares based on closing price on 29 April 2020
Ian Tchacos	\$5,000
Paul Fink	\$5,000
Andrew Childs	\$13,000
Edouard Etienvre	\$13,000

- (d) the Related Party Shares will be issued for nil cash consideration as they will be issued in satisfaction of Directors' fees agreed to be paid by the Company to the SS Directors at quarterly intervals. Accordingly, no funds will be raised from the issue of the Related Party Shares. The Related Party Shares will be deemed to have an issue price of no less than the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of the corresponding calendar quarter in which the Directors' fees were incurred;
- (e) the Related Party Shares will be issued under the Company's Directors' Salary Sacrifice Share Plan,

the terms and conditions which are set out in Schedule 4;

(f) previous issues under the Directors' Salary Sacrifice Plan to the Directors since the previous Annual General Meeting are follows:

- (i) On 28 June 2019, 2,464,283 Shares were issued under the Directors' Salary Sacrifice Share Plan as salary sacrifice for remuneration for the quarter ended 31 March 2019;
- (ii) On 8 August 2019, 2,464,283 Shares were issued under the Directors' Salary Sacrifice Share Plan as salary sacrifice for remuneration for the quarter ended 30 June 2019,
- (iii) On 16 October 2019, 1,568,180 Shares were issued under the Directors' Salary Sacrifice Share Plan as salary sacrifice for remuneration for the quarter ended 30 September 2019; and
- (iv) On 13 January 2020, 1,725,000 Shares were issued under the Directors' Salary Sacrifice Share Plan as salary sacrifice for remuneration for the quarter ended 31 December 2019.

Refer to the table below for a summary of shares issued to each Director since the previous Annual General Meeting.

Director	Number of Shares Issued	Issue Date
I Tchacos	178,571	28/06/2019
I Tchacos	178,571	8/08/2019
I Tchacos	113,636	16/10/2019
I Tchacos	125,000	13/01/2020
P Fink	178,571	28/06/2019
P Fink	178,571	8/08/2019
P Fink	113,636	16/10/2019
P Fink	125,000	13/01/2020
A Childs	464,285	28/06/2019
A Childs	464,285	8/08/2019
A Childs	295,454	16/10/2019
A Childs	325,000	13/01/2020
R Brown	464,285	28/06/2019
R Brown	464,285	8/08/2019
R Brown	295,454	16/10/2019
R Brown	325,000	13/01/2020
P Haydn-Slater	1,178,571	28/06/2019
P Haydn-Slater	1,178,571	8/08/2019
P Haydn-Slater	750,000	16/10/2019
P Haydn-Slater	825,000	13/01/2020
TOTAL	8,221,746	

(g) the Related Party Shares issued 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;

(h) all current Directors of the Company are eligible to participate in the Directors' Salary Sacrifice Share Plan. This includes Mr Tchacos, Mr Fink, Mr Childs and Mr Etienvre;

(i) no loan has been provided to any of the SS Directors in relation to the issue of the Related Party Shares;

(j) the Related Party Shares will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and will be issued on a quarterly basis according to the Directors' fees owing to each of the SS Directors at that time;

(k) the relevant interests of the SS Directors in securities of the Company are set out below:

Related Party	Shares	Options
Ian Tchacos	58,530,150	25,279,836
Paul Fink	69,096,734	-
Andrew Childs	25,388,524	-
Edouard Etienvre	-	-

- (l) the remuneration and emoluments, including the value of share based payments from the Company to the SS Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year (31 December 2020)* (\$)	Previous Financial Year (31 December 2019) (\$)
Ian Tchacos	381,000	381,067
Paul Fink	376,000	376,000
Andrew Childs	33,000	33,000
Edouard Etienvre**	73,000	-

* Includes the estimated value of *Related Party* Shares and Options to be issued for the period 1 January 2020 to 31 December 2020, assuming Shareholder approval.

** Appointed 7 January 2020.

- (m) if the maximum permitted number of Related Party Shares are issued to the SS Directors, a total of 6,000,000 new Shares would be issued. This will increase the number of Shares on issue from 1,710,559,177 to 1,772,709,177 (assuming that no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.3%, comprising 0.05% by Ian Tchacos, 0.05% by Paul Fink, 0.12% by Andrew Childs and 0.12% by Edouard Etienvre.
- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	0.013	30 September 2019
Lowest	0.004	9 April 2020
Last	0.006	7 May 2020

- (o) Mr Tchacos declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that Mr Tchacos is to be issued Related Party Shares in the Company should Resolution 7 be passed. However, in respect of Resolutions 8 to 10, Mr Tchacos recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the issue of the Related Party Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the SS Directors; and
- (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Shares upon the terms proposed;
- (p) Mr Fink declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that Mr Fink is to be issued Related Party Shares in the Company should Resolution 8 be passed. However, in respect of Resolutions 7 and 9 to 10, Mr Fink recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (q) Mr Childs declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that Mr Childs is to be issued

Related Party Shares in the Company should Resolution 9 be passed. However, in respect of Resolutions 7 to 8 and 10, Mr Childs recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);

- (r) Mr Etienvre declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution on the basis that Mr Etienvre is to be issued Related Party Shares in the Company should Resolution 10 be passed. However, in respect of Resolutions 7 to 9, Mr Etienvre recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (s) in forming their recommendations, each Director considered the experience of each other SS Director, the current market price of Shares and the current market practices when determining the number of Related Party Shares to be issued;
- (t) 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 7 to 10;
- (u) details of any Shares issued under the Directors' Salary Sacrifice Share Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (v) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Shares under the Directors' Salary Sacrifice Share Plan after Resolutions 7 to 10 are approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (w) a voting exclusion statement is included in the Notice in connection with Resolutions 7 to 10.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Shares to SS Directors as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Shares to the SS Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7. Resolution 11 – Replacement of Constitution

7.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders. Resolution 11 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate any amendments to the Corporations Act and ASX Listing Rules since the current Constitution was last adopted in November 2011. The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions. The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature. The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below. A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.adxenergy.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9381 4266). Shareholders are invited to contact the Company if they have any queries or concerns.

7.2 Summary of Material Proposed Changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Partial Takeover Plebiscites (clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 11.

8. Resolution 12 – Approval of 7.1A Mandate

8.1 Introduction

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 period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An ‘eligible entity’ means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 12 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 12 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 12 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.

8.2 Technical Information required by ASX listing Rule 7.1A.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 12:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence 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 in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Issue Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of 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 entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 8.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate towards funding expenditure associated with the exploration and development of oil and gas permits, acquisitions of new assets or investments and/or general working capital.

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

Any issue of Equity Securities under the 10% Placement Capacity will have a dilutive effect on the interests of existing Shareholders who do not receive any Shares under the issue.

If Resolution 12 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, 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 29 April 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 7.1A Mandate.

Issued Share Capital (# of Shares)	50% decrease in current Market Price \$ 0.003		Current Market Price (as at 29 April 2020) \$ 0.006		100% increase in current Market Price \$ 0.012	
	10% Voting Dilution	Capital Raised \$	10% Voting Dilution	Capital Raised \$	10% Voting Dilution	Capital Raised \$
Present Share Capital 1,710,559,177	171,055,918	513,168	171,055,918	1,026,336	171,055,918	2,052,671
50% Increase in Share Capital 2,565,838,766	256,583,877	769,752	256,583,877	1,539,503	256,583,877	3,079,007
100% Increase in share capital 3,421,118,354	342,111,835	1,026,336	342,111,835	2,052,671	342,111,835	4,105,342

*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 ASX Listing Rule 7.1.

Assumptions and explanations

- There are currently 1,710,559,177 shares on issue at the date of this Notice of Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 29 April 2020.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- 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%.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- 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.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- 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 specific risk that:

- (i) the market price for the Company's Shares may be significantly lower on the date of the issue than it is 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 issue date.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (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, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of 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 corporate, financial and broking advisers (if applicable).

(f) **Previous approval under ASX Listing Rule 7.1A.**

The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its Annual General Meeting held on 31 May 2019 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 31 May 2019, the Company issued a total of 79,701,800 Shares under rule 7.1A which represents approximately 6.34% of the total diluted number of Equity Securities on issue in the Company on 31 May 2019, which was 1,256,822,851 (1,213,052,804 Shares and 43,770,047 unlisted options).

Details of the issues of Equity Securities by the Company under Listing Rule 7.1A during the 12 month period preceding the date of the annual general meeting are as follows:

Date of Issue	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price on the trading day prior to the issue	Consideration
22-Nov-19	79,701,800	Ordinary Shares (issued under Listing Rule 7.1A)	Eligible Shareholders under a Share Purchase Plan	0.01 Market Price day before issue was 0.011. Discount 9%.	Cash \$797,018 - Funds raised primarily used for the set up and administrative costs in relation to the RAG Production assets, applications for the planned exploration acreage in Austria related to the RAG Acquisition, funding of the Company's Romanian drilling, testing and development activities and general working capital.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

Recommendations

The Board believes that the Resolutions to be proposed at the Company's Annual 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 Chairman, Mr Ian Tchacos, on (08) 9381 4266 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 8.1.

10% Placement Capacity has the meaning given in section 9 of this Notice.

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

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules or 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.

Closely Related Party of a member of the Key Management Personnel means:

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

Company 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.

Directors' Share Plan means the ADX Directors' Share Plan.

Eligible Entity means an entity that, at the date of the relevant general meeting is not included in the S&P/ASX 300 Index; and has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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.

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

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.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the period ended 31 December 2019.

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.

Variable A means as set out in the formula in Listing Rule 7.1A.2.

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

SCHEDULE 1 – KEY TERMS AND CONDITIONS OF PERFORMANCE RIGHTS AND OPTION PLAN

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

- (a) **Eligibility:** Participants in the Plan consist of:
- (i) a director (whether executive or non-executive) of any group company;
 - (ii) a full or part time employee of any group company;
 - (iii) a casual employee or contractor of a group company to the extent permitted by ASIC Class Order 14/1000 (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming a under subparagraphs (i), (ii) or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options or Performance Rights (together, **Awards**) under the Plan (**Eligible Participant**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (c) **Limit on Offers:** Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer (noting that offers to senior employees within s708(12) are excluded from the calculation of the 5% limit).
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration. Performance Rights granted under the Plan will be issued for nil cash consideration.
- (e) **Exercise Price:** The Board may determine the Option exercise price (if any) for an Option offered under that Offer in its absolute discretion. To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.
- (f) **Cashless Exercise Facility:** If a Participant wishes to exercise some or all of their vested Options it may, subject to Board approval, elect to pay the Option Exercise Price by using the cashless exercise facility (**Cashless Exercise Facility**). The Cashless Exercise Facility entitles a Participant to set-off the Option Exercise Price against the number of Shares which the Participant is entitled to receive upon exercise of the Participant's Options. By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Option exercise price has been set-off.
- (g) **Vesting Conditions:** In respect of any Award, any condition set out in the Offer must be satisfied (unless waived in accordance with the Plan) and the Board has notified the Eligible Participant of that fact before that Award can be exercised or any other restriction on exercise of that Award specified in the Offer or in the Plan. (**Vesting Conditions**).
- (h) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute “special circumstances” in the terms of the relevant Offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
- (ii) a change of control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(i) **Lapse of an Award:** An Award will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Award occurring;
- (ii) a vesting condition in relation to the Award is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition and vest the Award;
- (iii) in respect of an unvested Award only, a relevant person ceases to be an Eligible Participant, unless the Board:
 - (A) exercises its discretion to vest the Award; or
 - (B) in its absolute discretion, resolves to allow the unvested Award to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iv) in respect of a vested Award only, a Relevant Person ceases to be an Eligible Participant and, where required by the Board in its absolute discretion, the vested Performance Right is not exercised within a one (1) month period (or such other period as the Board determines) as notified by the Board to the Participant after the date the Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Award does not vest; and
- (vii) the expiry date of the Award.

(j) **Not transferrable**

Awards are only transferrable in special circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the Participant’s legal personable representative or upon bankruptcy to the Participant’s trustee in bankruptcy.

(k) **Shares:** All shares issued on exercise of an Award under the Plan will rank equally in all respects with the shares of the same class for the time being on issue except as regards any rights attaching to such shares by reference to a record date prior to the date of their issue.

- (l) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (m) **No Participation Rights:** There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.
- (n) **Change in exercise price of number of underlying securities:** An Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.
- (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (p) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.

SCHEDULE 2 – SPECIFIC TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

Note - the Related Party Options will be granted under the Company's Performance Rights and Option Plan.

(a) **Entitlement**

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

(b) **Exercise Price**

Options for Ian Tchacos and Paul Fink – Exercise Price is Zero

Options for Edouard Etienvre – Exercise Price is 160% of ADX's share price calculated based on the five (5) day volume weighted average trading price preceding the date of Shareholder Approval for the issue of the options.

(c) **Expiry Date**

Options for Ian Tchacos and Paul Fink:

Each Option will expire at 5:00 pm (WST) on four years after the deemed vesting date as per the table below: **(Expiry Date)**

QUARTERLY TRANCHE	EXPIRY DATE
1	26 June 2024
2	31 July 2024
3	31 October 2024
4	31 January 2025

Options for Edouard Etienvre: Expire 26 June 2021.

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Date**

Options for Ian Tchacos and Paul Fink:

QUARTERLY TRANCHE	VESTING DATE
1	26 June 2020
2	31 July 2020
3	31 October 2020
4	31 January 2021

Options for Edouard Etienvre: Vest 26 June 2020.

(e) **Exercise Period**

The Options are exercisable at any time after vesting and on or prior to the Expiry Date **(Exercise Period)**.

(f) **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.

(g) **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**).

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

Within 10 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (h)(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.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company, subject to any restriction periods imposed or escrow requirements as applicable.

(j) **Quotation of Shares issued on exercise**

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

(k) **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.

(l) **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.

(m) **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.

(n) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(o) **Transferability**

The Options are only transferable in accordance with the terms of the Performance Rights and Option Plan.

SCHEDULE 3 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 4 and 5 have been valued by internal management.

Options to be granted to Ian Tchacos and Paul Fink:

Based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	29 April 2020
Market price of Shares (5 Day VWAP) *	0.006 cents
Exercise price	zero
Expiry date (length of time from issue)	4 years
Indicative value per Related Party Option	0.006 cents
Total Value of Related Party Options – I Tchacos	\$ 170,400
Total Value of Related Party Options – P Fink	\$ 172,500

Options to be granted to Edouard Etienvre:

Using the Black Scholes option pricing model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	6 April 2020
Market price of Shares (5 Day VWAP) *	0.49 cents
Exercise price	0.8 cents
Expiry date (length of time from issue)	12 months
Risk free interest rate	0.21%
Volatility (discount)	127.75%
Indicative value per Related Party Option	0.12054 cents
Total Value of Related Party Options	\$ 6,027

* Note: The valuation noted above will be adjusted for the actual variables, including market price and 5 Day VWAP at the time of grant.

SCHEDULE 4 – KEY TERMS AND CONDITIONS OF DIRECTORS’ SALARY SACRIFICE SHARE PLAN

(a) **Participants in the Directors’ Salary Sacrifice Share Plan (Directors’ Share Plan)**

The Board may offer Shares to a Director of the Company or any Subsidiary, including Non-executive Directors (**Eligible Participant**).

Subject to Shareholder approval, the Board may offer to Eligible Participants the opportunity to subscribe for Shares in lieu of Directors’ fees owing by the Company to the Eligible Participant and upon such additional terms and conditions as the Board determines (including, without limitation, that an Eligible Participant continues to be a Director of the Company at the relevant time).

An Eligible Participant will not be required to make any payment in return for the Shares as they will be issued in satisfaction of Directors’ fees owing by the Company at the time of issue of the Shares, calculated on a quarterly basis.

(b) **Limitations of Offers**

If the Company makes an offer of Shares where:

- (i) the total number of Shares the subject of that offer, exceeds the limit set out in ASIC Class Order 14/1000; or
- (ii) the offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 14/1000,

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(c) **Issue of Shares**

Shares issued under the Directors’ Share Plan will rank equally in all respects with the then issued class of fully paid ordinary shares of the Company.

The Company will issue Shares under the Directors’ Share Plan on a quarterly basis, being 31 March, 30 June, 30 September and 31 December each year (**Quarter**).

The issue of Shares under the Directors’ Share Plan will be deemed to satisfy the relevant fees or salary owing by the Company to the Eligible Participant.

Shares issued to an Eligible Participant under the Directors’ Share Plan will have no restrictions on their transfer.

(d) **Deemed issue price of Shares**

The Shares issued pursuant to the Directors’ Share Plan will be issued for nil cash consideration as they will be issued in satisfaction of fees and salary owing by the Company to the Eligible Participant. The Shares will be deemed to have an issue price as determined by the Board at the time of issue of the Shares but such deemed issue price will be no less than the VWAP of Shares sold on ASX during the 90 days prior to the expiration of the relevant Quarter.

(e) **Shareholder Approval**

All Shares issued pursuant to the Directors’ Share Plan will be subject to prior Shareholder approval under the Listing Rules and the Corporations Act (if required).

(f) **Amendments**

Subject to the Listing Rules, the Board may at any time by resolution amend all or any of the provisions of the Directors’ Share Plan, or the terms or conditions of any Shares issued under the Directors’ Share Plan, provided that as soon as reasonably practicable after making any amendment, the Board gives notice in writing of that amendment to any Eligible Participant affected by the amendment.

(g) **Non-residents of Australia**

The Board may adopt additional rules of the Directors’ Share Plan applicable in any jurisdiction outside Australia under which rights offered under the Directors’ Share Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Eligible Participant or to the Company in relation to the rights. Any additional rule must conform to the basic principles of the Directors’ Share Plan.



ADX Energy Ltd
ABN 50 009 058 646

Need assistance?



Phone:
1300 798 297 (within Australia)
+61 3 9415 4828 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (WST) Wednesday, 24 June 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.

ATTENDING THE MEETING

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

Corporate Representative

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

Lodge your Proxy Form:

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: 183826

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.

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.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of ADX Energy 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 ADX Energy Limited to be held at Level 2, Suite 14, 210 Bagot Road, Subiaco, Western Australia on Friday, 26 June 2020 at 10:00am (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 - 10 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 4 - 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 Resolutions 1 and 4 - 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	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	Issue of Shares (Salary Sacrifice) to Director – Mr Paul Fink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Election of Mr Edouard Etienvre as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Issue of Shares (Salary Sacrifice) to Director – Mr Andrew Childs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Mr Paul Fink as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Issue of Shares (Salary Sacrifice) to Director – Mr Edouard Etienvre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Issue of Director Options in Lieu of Consulting Fees – Mr Ian Tchacos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Issue of Director Options in Lieu of Consulting Fees – Mr Paul Fink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Issue of Director Options – Mr Edouard Etienvre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Issue of Shares (Salary Sacrifice) to Director – Mr Ian Tchacos	<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

