



AmericanPacific

BORATES LIMITED

---

## AMERICAN PACIFIC BORATES LIMITED (ACN 615 606 114)

### ADDENDUM TO NOTICE OF GENERAL MEETING

---

American Pacific Borates Limited (ACN 615 606 114) (**Company**), hereby gives notice to shareholders of the Company that, in relation to the Notice of General Meeting dated 19 May 2020 (**Notice**) in respect of the Company's general meeting of members to be held at 10:30am on 19 June 2020, virtually via [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) (**Meeting**), the Directors have determined to amend the Notice by inclusion of four additional Resolutions, being Resolutions 9 to 12 (together, the **Additional Resolutions**) as set out in this Addendum.

#### General

Definitions in the Notice have the same meaning in this Addendum.

This Addendum is supplemental to the original Notice and should be read in conjunction with the original Notice. Save for the Additional Resolutions set out below, all other Resolutions proposed in the original Notice remain unchanged.

#### Replacement Proxy Form

The Company advises that there has been a change to the Proxy Form previously despatched to Shareholders and the replacement Proxy Form is annexed to this Addendum (**Replacement Proxy Form**).

To ensure clarity of voting instructions by Shareholders on the Resolutions to be considered at the Meeting, Shareholders are advised that:

- (a) If you have already completed and returned the Proxy Form which was annexed to the original Notice and **you wish to change your original vote, or vote on Resolutions 9 to 12, you must complete and return the Replacement Proxy Form** annexed to this Addendum.
- (b) If you have already completed and returned the Proxy Form which was annexed to the original Notice and **you do not wish to change your original vote, or vote on Resolutions 9 to 12, you do not need to take any action** as the earlier submitted Proxy Form will be accepted by the Company for Resolutions 1 – 8 unless you submit a Replacement Proxy Form. However, completed Proxy Forms annexed to the Notice will not be accepted by the Company in relation to Resolutions 9 to 12 to be voted on by Shareholders at the Meeting.
- (c) If you have not yet completed and returned a Proxy Form and you wish to vote on the Resolutions in the Notice as supplemented by the Addendum, being Resolutions 1 to 12, please complete and return the Replacement Proxy Form annexed to this Addendum.

To vote on the Resolutions 9 to 12 by proxy **PLEASE COMPLETE AND RETURN THE REPLACEMENT PROXY FORM** annexed to this Addendum.

**The Notice is amended by the inclusion of the Additional Resolutions as follows:**

---

**1. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES – JUNE 2020 PLACEMENT**

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,331,641 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution 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 Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

---

**2. RESOLUTION 10 – APPROVAL TO ISSUE SHARES – JUNE 2020 PLACEMENT**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 42,318,360 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (including Mayfair Ventures Pte Ltd) or an associate of that person (or those persons).

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution 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 Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

---

### 3. RESOLUTION 11 – PARTICIPATION IN JUNE 2020 PLACEMENT - ANTHONY HALL

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 350,000 Shares to Anthony Hall (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Anthony Hall (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution 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 Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

---

### 4. RESOLUTION 12 – APPROVAL TO ISSUE ADVISOR OPTIONS

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 15,000,000 Advisor Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (including Canaccord Genuity (Australia) Limited, Peloton Capital Pty Ltd and PAC Partners Securities Pty Ltd) or an associate of that person (or those persons).

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution 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 Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

---

## SUPPLEMENTARY EXPLANATORY STATEMENT

---

The Explanatory Statement outlined in the Notice is supplemented by adding the Additional Resolutions (as set out below)

---

### 5. BACKGROUND TO RESOLUTIONS 9 – 12

As announced on 1 June 2020 the Company is undertaking a placement of fully paid ordinary shares to institutional, professional and sophisticated investors, to raise up to \$31,800,000 (before costs) (**June 2020 Placement**).

The Company intends to undertake the June 2020 Placement in two tranches, being:

- (a) **Tranche 1:** an issue, conducted on 9 June 2020, of 10,331,641 Shares (**Tranche 1 Shares**) (which utilised the Company's 7.1A placement capacity) at an issue price of \$0.60 per Share, raising \$6,198,985 (before costs) (ratification of which is being sought under Resolution 9) (**Tranche 1**); and
- (b) **Tranche 2:** an issue of 42,318,360 Shares (**Tranche 2 Shares**), which will be issued subject to receipt of Shareholder approval of Resolution 10, at an issue price of \$0.60 per Share, to raise \$25,391,015 (**Tranche 2**).

In addition, to Tranche 1 and Tranche 2, approval is also being sought for Anthony Hall, a Director of the Company, to participate in the June 2020 Placement, by acquiring a further 350,000 Shares at an issue price of \$0.60 each to raise a further \$210,000 (approval for which is being sought under Resolution 11).

The Company entered into lead manager mandates (**Lead Manager Mandates**), whereby it has engaged the services of Canaccord Genuity (Australia) Limited (**Canaccord**) (ABN 19 075 071 466) (AFS License No: 234666), Peloton Capital Pty Ltd (ABN 22 149 540 018) (AFS License No: 406040) (**Peloton**) and PAC Partners Securities Pty Ltd (ACN 623 653 912) (AFS License No: 335374) (**PAC Partners**) as joint lead managers (together the **Joint Lead Managers** each a **Joint Lead Manager**).

Under the Lead Manager Mandates, the Company will pay:

- (a) a placement fee of 5% (plus GST); and
- (b) a management fee of 1% (plus GST),

on the amount raised under the June 2020 Placement.

In addition, subject to Shareholder approval, the Company has agreed to issue 13,000,000 options exercisable at \$0.75 each on or before 1 July 2021 (**Advisor Options**). The Company also anticipates it will issue a further 2,000,000 Advisor Options to additional consultants and advisors. The Advisor Options are intended to be issued as follows, 3,000,000 Advisor Options to each of Canaccord, Peloton and PAC Partners as in consideration for joint lead management services and a further 6,000,000 Advisor Options to be issued to various third party corporate advisors and consultants in consideration for brokerage and corporate advisory services, of which 4,000,000 Advisor Options will be issued to Peloton. Resolution 12 seeks approval for the total issue of the 15,000,000 Advisor Options.

The Lead Manager Mandates otherwise contain provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

---

## **6. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A**

### **6.1 General**

On 9 June 2020, the Company issued 10,331,641 Tranche 1 Shares at an issue price of \$0.60 per Share to raise \$6,198,985.

The Tranche 1 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 16 October 2019.

### **6.2 Listing Rules 7.1 and 7.1A**

As summarised in Section 1.1 of the Notice, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 16 October 2019.

The issue of the Tranche 1 Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 1 Shares.

### **6.3 Listing Rule 7.4**

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Shares.

Resolution 9 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Shares.

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

If Resolution 9 is passed, the Tranche 1 Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder

approval over the 12 month period following the date of issue of the Tranche 1 Shares.

If Resolution 9 is not passed, the Tranche 1 Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Shares.

## **6.5 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 9:

- (a) the Tranche 1 Shares were issued to institutional, professional and sophisticated investors who are clients of the Joint Lead Managers. The recipients were identified through a bookbuild process, which involved Joint Lead Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company.
- (b) 10,331,641 Tranche 1 Shares were issued and the Tranche 1 Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Tranche 1 Shares were issued on 9 June 2020;
- (d) the issue price was \$0.60 per Tranche 1 Share. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Shares;
- (e) the purpose of the issue of the Tranche 1 Shares was to raise \$6,198,985, which will be applied towards (along with all funds raised under the June 2020 Placement) the completion of the construction of Phase 1A of the Fort Cady Borate Mine;
- (f) the Tranche 1 Shares were not issued under an agreement; and
- (g) a voting exclusion statement is included in Resolution 9 of the Notice.

---

## **7. RESOLUTION 10 – APPROVAL TO ISSUE SHARES**

### **7.1 General**

As noted above, Resolution 10 seeks approval for the issue of the Tranche 2 Shares.

As summarised in Section 1.1 of the Notice, 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 shares it had on issue at the start of that period.

The proposed issue of the Tranche 2 Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

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

If Resolution 10 is passed, the Company will be able to proceed with the issue of the Tranche 2 Shares. In addition, the issue of the Tranche 2 Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Shares. As a result, the Company will not be able to raise the funds required to fully finance the completion of the construction of Phase 1A of the Fort Cady Borate Mine.

Resolution 10 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the 42,318,360 Shares to be issued under Tranche 2.

## **7.3 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 10:

- (a) The Tranche 2 Shares will be issued to institutional, professional and sophisticated investors (including Mayfair Ventures Pte Ltd who will be issued over 1% of the issued capital in the Company through participation in the June 2020 Placement) who are clients of the Joint Lead Managers. The recipients will be identified through a bookbuild process, which will involve Joint Lead Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients will be related parties of the Company.
- (b) the maximum number of Tranche 2 Shares to be issued is 42,318,360. The Tranche 2 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;
- (c) the Tranche 2 Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Shares will occur on the same date;
- (d) the issue price of the Tranche 2 Shares will be \$0.60 per Tranche 2 Share. The Company will not receive any other consideration for the issue of the Tranche 2 Shares;
- (e) the purpose of the issue of the Tranche 2 Shares is to raise capital, which the Company intends to apply towards the completion of the construction of Phase 1A of the Fort Cady Borate Mine;
- (f) the Tranche 2 Shares are not being issued under an agreement;
- (g) the Tranche 2 Shares are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in Resolution 10 of the Notice.

---

## **8. RESOLUTION 11 – PARTICIPATION IN JUNE 2020 PLACEMENT - ANTHONY HALL**

### **8.1 General**

As set out in Section 5 above, Director Anthony Hall wishes to participate in the June 2020 Placement on the same terms as unrelated participants in the June 2020 Placement (**Participation**).

Accordingly, Resolution 11 seeks Shareholder approval for the issue of 350,000 Shares to Anthony Hall (or his nominee), as a result of the Participation on the terms set out below.

### **8.2 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 Participation will result in the issue of Shares which constitutes giving a financial benefit and Anthony Hall, is a related party of the Company by virtue of being a Director.

The Directors (other than Anthony Hall who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Anthony Hall (or their nominee) on the same terms as Shares issued to non-related party participants in the June 2020 Placement and as such the giving of the financial benefit is on arm's length terms.

### **8.3 Listing Rule 10.11**

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

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;  
or



10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 11 seeks Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

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

If Resolution 11 is passed, the Company will be able to proceed with the issue of the Shares under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 5 above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 11 is not passed, the Company will not be able to proceed with the issue of the Shares under the Participation and it may be that less will be raised in respect of the June 2020 Placement.

#### **8.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 11:

- (a) the Shares will be issued to Anthony Hall (or their nominee), who falls within the category set out in Listing Rule 10.11.1, as Anthony Hall is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued to Anthony Hall (or their nominee) is 350,000;
- (c) the 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;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the issue price will be \$0.60 per Share, being the same issue price as Shares issued to other participants in the June 2020 Placement. The Company will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of the Shares in accordance with the Participation is to raise capital, which the Company intends to apply towards the completion of the construction of Phase 1A of the Fort Cady Borate Mine;

- (g) the Shares to be issued under the Participation are not intended to remunerate or incentivise the Director;
- (h) the Shares are not being issued under an agreement; and
- (i) a voting exclusion statements is included in Resolution 11 of the Notice.

---

## **9. RESOLUTION 12 – APPROVAL TO ISSUE ADVISOR OPTIONS**

### **9.1 General**

As detailed at Section 5 of this Notice, the Company intends to issue up to 15,000,000 Advisor Options in part consideration for the lead management and corporate advisory services associated with the June 2020 Placement.

As summarised in Section 1.1 of the Notice, 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 shares it had on issue at the start of that period.

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

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

If Resolution 12 is passed, the Company will be able to proceed with the issue of the Advisor Options. In addition, the issue of the Advisor Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 12 is not passed, the Company may not be able to proceed with the issue of the Advisor Options, subject to the passing or rejection of Resolutions 1 to 3. If the Company is unable to issue the Advisor Options, the Company may be required to alter the consideration payable, by providing cash in lieu of the Advisor Options.

### **9.3 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 12:

- (a) the Advisor Options will be issued to Canaccord, Peloton, PAC Partners and other consultants and advisors (or their respective nominee/s) in consideration for lead management, brokerage and corporate advisory services to the Company), none of whom are related parties of the Company;
- (b) the maximum number of Advisor Options to be issued is 15,000,000, being 3,000,000 Advisor Options to each of Canaccord and PAC Partners (or their respective nominee/s), 7,000,000 Advisor Options to Peloton (or their nominee/s) and up to 2,000,000 Advsior Options to various third party consultants and advisors of the Company (or their respective nominee/s);
- (c) the terms and conditions of the Advisor Options are set out in Schedule 1 of this Addendum;

- (d) the Advisor Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Advisor Options will occur on the same date;
- (e) the Advisor Options will be issued for a nominal issue price of \$0.00001 each, in consideration for the lead management, brokerage and corporate advisory services provided to the Company;
- (f) the purpose of the issue of the Advisor Options is to satisfy the Company's obligations under the Lead Manager Mandates and to provide consideration for brokerage and corporate advisory services provided to the Company;
- (g) the Advisor Options are being issued to Joint Lead Managers under the Lead Manager Mandates (the material terms of the Lead Manager Mandates are summarised in Section 5 of this Explanatory Statement) and the remaining Advisor Options are not being issued under, or in accordance with, any agreement;
- (h) the Advisor Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 12 of the Notice.

Dated: 5 June 2020

**By order of the Board**

**Aaron Bertolatti**  
**Company Secretary**

**Enquiries:** Shareholders should contact the Company Secretary on +61 8 6141 3145 if they have any queries in respect of the matters set out in this Addendum.

---

## SCHEDULE 1 – TERMS AND CONDITIONS OF ADVISOR OPTIONS

---

### 1. Entitlement

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

### 2. Exercise Price

Subject to paragraph 9, the amount payable upon exercise of each Advisor Option will be \$0.75 (**Exercise Price**).

### 3. Expiry Date

Each Advisor Option will expire at 5:00 pm (WST) on 1 July 2021 (**Expiry Date**). An Advisor Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Exercise Period

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

### 5. Notice of Exercise

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

### 6. 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 Advisor Option being exercised in cleared funds (**Exercise Date**).

### 7. Timing of issue of Shares on exercise

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

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Advisor Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) 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
- (c) 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 Advisor Options.

If a notice delivered under 7(b) 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.

**8. Shares issued on exercise**

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

**9. 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.

**10. Participation in new issues**

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

**11. Change in exercise price**

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

**12. Transferability**

The Advisor Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

**Important Note:** In light of the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of the Meeting, the Directors have made a decision that Shareholders will not be able to physically attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.

## 2020 GENERAL MEETING REPLACEMENT PROXY FORM

I/We being shareholder(s) of American Pacific Borates Limited and entitled to attend and vote hereby:

### APPOINT A PROXY

The Chair of the meeting

OR



**PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

STEP 1

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held virtually on **Friday, 19 June 2020 at 10.30 am (AEST)** and at any adjournment or postponement of that Meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 5, 6, 7 and 8 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution of Business.

### VOTING DIRECTIONS

#### Resolutions

	For	Against	Abstain*
1 Ratification of Prior Issue of Shares and Options – December 2019 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Prior Issue of Shares – Listing Rule 7.1 February Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Prior Issue of Shares – Listing Rule 7.1A February Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Adoption of Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of Salary Sacrifice Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Shares to Director Under Salary Sacrifice Share Plan - Anthony Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Shares to Director Under Salary Sacrifice Share Plan - Michael Schlumpberger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Ratification of Prior Issue of Shares – June 2020 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval to Issue Shares – June 2020 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Participation in June 2020 Placement - Anthony Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Approval to Issue Advisor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

STEP 2

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

STEP 3

## COVID-19: AMERICAN PACIFIC BORATES LIMITED GENERAL MEETING

In light of the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of the Meeting, the Directors have made a decision that Shareholders will not be able to physically attend the Meeting in person.

**Accordingly, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.**

A live webcast and electronic voting via [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) will be offered to allow Shareholders to listen to the Meeting and vote online. Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal from 20 May 2020.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### CHANGE OF ADDRESS

This form shows your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 5, 6, 7 and 8, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 5, 6, 7 and 8.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if he is appointed by default) but do not direct him how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as he sees fit on that resolution.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all shareholders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 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.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.30 am (AEST) on 17 June 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033