

ELEMENT 25 LIMITED
ACN 119 711 929

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting

20 November 2019

Time of Meeting

10:00 am

Place of Meeting

Level 2
45 Richardson Street
WEST PERTH WA 6005

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

*The **2019 Annual Report** may be viewed on the Company's website at www.e25.com.au*

**ELEMENT 25 LIMITED
ACN 119 711 929
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Element 25 Limited (**Company**) will be held at Level 2, 45 Richardson Avenue, West Perth, Western Australia on 20 November 2019 at 10:00 am for the purpose of transacting the following business.

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

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

2019 Financial Statements

To receive the financial statements of the Company for the year ended 30 June 2019, consisting of the annual financial report, the Directors' report and the auditor's report.

Resolution 1 – Re-election of Mr John Ribbons as a Director

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

"That Mr John Ribbons, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected a Director of the Company."

Short Explanation: Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election at that AGM.

Resolution 2 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2019 Annual Report be and is hereby adopted."

Short Explanation: Section 250R of the Corporations Act requires a listed company to put to Shareholders at each AGM a resolution adopting the report on the remuneration of the Company's key management personnel included in the Company's Annual Report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory only and neither binds the Company's Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either 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 the 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 by 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:
 - does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorised the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 3 – Approval of 10% Placement Facility

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Short Explanation: Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM. The 10% Placement Facility is in addition to the Company’s 15% placement capacity under Listing Rule 7.1. Please refer to the Explanatory Memorandum for details.

Voting Exclusion: For the purposes of Listing Rule 7.3A, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who may participate in the 10% Placement Facility or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, or any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the Chair as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

Resolution 4 – Approval of Grant of Options to Mr Justin Brown

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

“That, for the purpose of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, the issue to Mr Justin Brown, or his nominees, for nil consideration of 1,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 20 November 2024 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure A is hereby approved.”

Short Explanation: Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast in favour of Resolution 4 by or on behalf of Mr Brown or any of his Associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition: In accordance with the Corporations Act, a vote may not be cast (in any capacity) on Resolution 4 by or on behalf of Mr Brown or any of his Associates. This prohibition does not prevent the casting of a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Brown or any of his Associates.

Resolution 5 – Approval of Grant of Options to Mr John Ribbons

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

“That, for the purpose of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, the issue to Mr John Ribbons, or his nominees, for nil consideration of 500,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 20 November 2024 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure A is hereby approved.”

Short Explanation: Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast in favour of Resolution 5 by or on behalf of Mr Ribbons or any of his Associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition: In accordance with the Corporations Act, a vote may not be cast (in any capacity) on Resolution 5 by or on behalf of Mr Ribbons or any of his Associates. This prohibition does not prevent the casting of a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Ribbons or any of his Associates.

Resolution 6 – Approval of Grant of Options to Mr Seamus Cornelius

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

“That, for the purpose of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, the issue to Mr Seamus Cornelius, or his nominees, for nil consideration of 500,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 20 November 2024 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure A is hereby approved.”

Short Explanation: Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast in favour of Resolution 6 by or on behalf of Mr Cornelius or any associate of Mr Cornelius. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

Voting Prohibition: In accordance with the Corporations Act, a vote may not be cast (in any capacity) on Resolution 6 by or on behalf of Mr Cornelius or any of his Associates. This prohibition does not prevent the casting of a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Cornelius or any of his Associates.

Resolution 7 – Ratification of Issue of Shares

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

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 2,697,140 Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

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

Resolution 8 – Ratification of Issue of Options

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

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 1,600,000 Options to the parties, for the purposes and on the terms set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

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

Resolution 9 – Approval of proportional takeover provisions

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

“That, for the purposes of section 136 of the Corporations Act and for all other purposes, Schedule 5 of the Constitution of the Company be adopted in the following form:

Schedule 5 - Proportional takeover bid approval

1. DEFINITIONS

In this Schedule:

“Approving Resolution” means a resolution to approve a proportional takeover bid in accordance with this Schedule.

“Deadline” means the 14th day before the last day of the bid period for a proportional takeover bid.

“Voter” means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

2. REFUSAL OF TRANSFERS

2.1 REQUIREMENT FOR AN APPROVING RESOLUTION

- (a) The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 5.
- (b) This Schedule 5 ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

2.2 VOTING ON AN APPROVING RESOLUTION

- (a) Where offers are made under a proportional takeover bid, the Directors must call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- (b) The provisions of this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph 2.2 (a).
- (c) Subject to this Constitution, every Voter present at the meeting held under paragraph 2.2 (a) is entitled to one vote for each Share in the bid class securities that the Voter holds.
- (d) To be effective, an Approving Resolution must be passed before the Deadline.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule.”

ELEMENT 25 LIMITED

Notice of Annual General Meeting 20 November 2019

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company's Share Registry no later than 10:00 am (WST) on 18 November 2019:

- by post to:
Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

Suite 913, Exchange Tower
530 Little Collins Street
MELBOURNE VIC 3000
- by facsimile on +61 8 9315 2233
- by email to registrar@securitytransfer.com.au

By order of the Board



John Ribbons

Company Secretary

Date: 18 September 2019

PROXIES

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00 pm WST on 18 November 2019 will be entitled to attend and vote at the AGM.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Element 25 Limited ACN 119 711 929 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Level 2, 45 Richardson Street, West Perth, Western Australia, on 20 November 2019 commencing at 10:00 am.

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- re-electing Mr John Ribbons as a Director;
- adopting the Remuneration Report;
- approving 10% Placement Facility;
- approving grant of options to Mr Justin Brown;
- approving grant of options to Mr John Ribbons;
- approving grant of options to Mr Seamus Cornelius;
- approving ratification of issue of shares;
- approving ratification of issue of options; and
- approving proportional takeover provisions.

Financial and Other Reports

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2019 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

Resolution 1 – Re-election of Mr John Ribbons as a Director

1.1 Introduction

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Mr John Ribbons will retire by rotation and, being eligible, offers himself for re-election.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

1.2 Director's Biography

Mr Ribbons is an accountant who has worked within the resources industry for over twenty years in the capacity of company accountant, group financial controller or company secretary.

Mr Ribbons has extensive knowledge and experience with ASX listed production and exploration companies. He has considerable site based experience with operating mines and has also been involved with the listing of several exploration companies on ASX. Mr Ribbons has experience in capital raising, ASX and TSX compliance and regulatory requirements.

Further details in relation to Mr Ribbons' background and experience are set out in the Annual Report. The Board considers Mr Ribbons not to be an independent Director.

1.3 Directors' Recommendation

All the Directors except Mr Ribbons recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 – Adoption of Remuneration Report

2.1 Introduction

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report, which is part of the 2019 Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the 2019 Annual Report are available by contacting the Company's share registrar or visiting the Company's website www.e25.com.au.

The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2019 AGM and then again at the 2020 AGM, the Company will be required to put a resolution to the 2020 AGM to approve calling an extraordinary general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the 2020 AGM. All of the Directors who were in office when the 2020 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains Board policies in relation to the nature and level of remuneration paid to Key Management Personnel, sets out remuneration details for each member of the Key Management Personnel, details any service agreements and sets out the details of any share based compensation.

2.2 Voting on the Remuneration Report

Note that a voting exclusion applies to Resolution 2 in the terms set out in the Notice of Meeting. In particular, the directors and other restricted voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Resolution 3 – Approval of 10% Placement Facility

3.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) below).

The Company continues to advance its 100% owned Butcherbird Project. The Company may use the 10% Placement Facility to advance this goal.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

3.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being listed Shares, unlisted and options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

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

- A** is the number of shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
 - (iv) less the number of fully paid shares cancelled in the 12 months.
- D** is 10%;
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 91,907,274 Shares. At the date of the meeting the Company will have the capacity to issue:

- (i) 9,084,380 Equity Securities under Listing Rule 7.1; and
- (ii) 8,921,013 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same 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; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

3.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

3.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities 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; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.085 50% decrease in Issue Price	\$0.17 Issue Price	\$0.34 100% increase in Issue Price
Current Variable A 91,907,274 Shares	10% voting dilution	9,190,727 Shares	9,190,727 Shares	9,190,727 Shares
	Funds raised	\$781,212	\$1,562,424	\$3,124,847
50% increase in current Variable A 137,860,911 Shares	10% voting dilution	13,786,091 Shares	13,786,091 Shares	13,786,091 Shares
	Funds raised	\$1,171,818	\$2,343,635	\$4,687,271
100% increase in current Variable A 183,814,548 Shares	10% voting dilution	18,381,454 Shares	18,381,454 Shares	18,381,454 Shares
	Funds raised	\$1,562,424	\$3,124,847	\$6,249,694

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options are exercised into Shares before the date of issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (v) The issue price is \$0.17, being the closing price of the Shares on ASX on 18 September 2019.
- (c) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
 - (d) The Company may seek to issue the Equity Securities to raise funds for advancing its exploration projects and/or general working capital.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
 - (f) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.
 - (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2018 annual general meeting on 28 November 2018.

ELEMENT 25 LIMITED

Notice of Annual General Meeting 20 November 2019

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this notice of meeting is 12,042,924 representing 12.38% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following equity securities in the 12 months preceding the date of this Notice:

Date of Issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Issued to	Options Value as determined by Black-Scholes valuation
19/11/2018	500,000	Ordinary Shares	\$0.20	-8%	\$100,000	Aradia Ventures Pty Ltd upon exercise of options	N/A
29/11/2018	1,000,000	Options	Nil	Nil	Nil	Aradia Ventures Pty Ltd	\$45,400
29/11/2018	500,000	Options	Nil	Nil	Nil	S Cornelius	\$22,700
29/11/2018	500,000	Options	Nil	Nil	Nil	John Ribbons <Ribbons Family A/C>	\$22,700
22/2/2019	100,000	Options	Nil	Nil	Nil	Fiona Marie Hardouin-Riddle	\$4,560
22/2/2019	500,000	Options	Nil	Nil	Nil	Ian David Huitson and Eva Nere Dinggal <Huitson Family A/C>	\$22,800
22/2/2019	1,000,000	Options	Nil	Nil	Nil	Duketon Consolidated Pty Ltd	\$45,600
3/6/2019	5,245,784	Ordinary Shares	\$0.175	8%	\$918,012	Issue in accordance with pro-rata non-renounceable rights issue	N/A
18/6/2019	2,697,140	Ordinary Shares	\$0.175	5%	\$471,999	Shortfall placement to investors exempt from disclosure obligations under Chapter 6D of the Corporations Act	N/A

The Company has not spent the funds it has raised in the 12 months preceding the date of this Notice. Funds will be used to advance the Company's Butcherbird Pre-Feasibility Study and for working capital purposes.

- (h) A voting exclusion statement is included in the Notice.
- (i) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Resolution 4 – Approval of Grant of Options to Mr Justin Brown

The Company proposes to grant 1,000,000 Options to Mr Justin Brown, or his nominees, for nil consideration at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2024.

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Directors consider that the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.245. On that basis, in the event all the Options are exercised, Mr Brown (or his nominees) will need to pay a total of \$245,000 to the Company.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolution 4 provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed Resolution would permit the financial benefit to be given

Subject to Shareholder approval, the Options the subject of Resolution 4 will be granted to Mr Brown, or his nominees, within one month of the passing of this Resolution. Mr Brown is a Director of the Company and is therefore classified as a related party.

The nature of, reasons for and basis for the financial benefit

The proposed financial benefit is the grant of 1,000,000 options to Mr Brown, or his nominees, for no issue price. Each Option will allow Mr Brown to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2024.

The Options form part of Mr Brown's incentive for continuing and future efforts. Options are considered to be the appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Brown is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Brown to achieve this increase in the Share price, which would result in an increase in Shareholder value.

Directors' recommendation

All directors except Mr Brown recommend Shareholders vote in favour of Resolution 4. Mr Brown does not wish to make a recommendation about the proposed Resolution 4 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

Interests of Directors

Mr Brown has noted his interest in the approval of Resolution 4 in relation to the Options.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 1,000,000 Options to Mr Brown, or his nominees.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Mr Brown, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

Table 1 - Details of Director Options

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Justin Brown	Director	1,000,000	the greater of 20 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	20 November 2024	At date of allotment	\$66,300 (i)

Option Valuation details

Details	Input
Share price	\$0.17
Exercise Price	\$0.245
Risk Free Rate	0.89%
Volatility (Annualised)	50%
Start Date	20 November 2019
Expiry Date	20 November 2024
Value per Option	\$0.0663 (i)

- (e) As at the date of this Notice, the issued capital of the Company comprised 91,907,274 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares and Options
Shares and Options	106,457,274
Options to be granted	1,000,000
New Total	107,457,274
Dilutionary effect	0.939%

- (f) Mr Brown's current interests in securities of the Company are set out in the table below:

Director	Shareholding	Option holding
Justin Brown	5,255,360	4,850,000

- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 15 cents to 23.5 cents, the most recent closing price prior to the date of this Notice was 17 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- (i) Mr Brown currently receives a salary of \$220,000 per annum, plus superannuation.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Brown or his nominees pursuant to Resolution 4.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Options will be issued to Mr Brown (or his nominees).
- (b) The maximum number of Options to be issued to Mr Brown (or his nominees) is 1,000,000.
- (c) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

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- (d) The Options will be issued at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2024.
- (e) The Options will be issued for nil consideration and on the terms and conditions outlined in Annexure A.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised from the issue of the Options.

Resolution 5 – Approval of Grant of Options to Mr John Ribbons

The Company proposes to grant 500,000 Options to Mr John Ribbons, or his nominees, for nil consideration at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2024.

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Directors consider that the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.245. On that basis, in the event all the Options are exercised, Mr Ribbons (or his nominees) will need to pay a total of \$122,500 to the Company.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolution 5 provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed Resolution would permit the financial benefit to be given

Subject to Shareholder approval, the Options the subject of Resolution 5 will be granted to Mr Ribbons, or his nominees, within one month of the passing of this Resolution. Mr Ribbons is a Director of the Company and is therefore classified as a related party.

The nature of, reasons for and basis for the financial benefit

The proposed financial benefit is the grant of 500,000 options to Mr Ribbons, or his nominees, for no issue price. Each Option will allow Mr Ribbons to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2024.

The Options form part of Mr Ribbons' incentive for continuing and future efforts. Options are considered to be the appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Ribbons is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Ribbons to achieve this increase in the Share price, which would result in an increase in Shareholder value.

Directors' recommendation

All directors except Mr Ribbons recommend Shareholders vote in favour of Resolution 5. Mr Ribbons does not wish to make a recommendation about the proposed Resolution 5 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

Interests of Directors

Mr Ribbons has noted his interest in the approval of Resolution 5 in relation to the Options.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 500,000 Options to Mr Ribbons, or his nominees.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Mr Ribbons, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

Table 1 - Details of Director Options

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
John Ribbons	Director	500,000	the greater of 20 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	20 November 2024	At date of allotment	\$33,150 (i)

Option Valuation details

Details	Input
Share price	\$0.17
Exercise Price	\$0.245
Risk Free Rate	0.89%
Volatility (Annualised)	50%
Start Date	20 November 2019
Expiry Date	20 November 2024
Value per Option	\$0.0663 (i)

- (e) As at the date of this Notice, the issued capital of the Company comprised 91,907,274 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares and Options
Shares and Options	106,457,274
Options to be granted	500,000
New Total	106,957,274
Dilutionary effect	0.470%

- (f) Mr Ribbons' current interests in securities of the Company are set out in the table below:

Director	Shareholding	Option holding
John Ribbons	587,715	2,550,000

- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 15 cents to 23.5 cents, the most recent closing price prior to the date of this Notice was 17 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- (i) Mr Ribbons receives an annual director fee of \$42,000, plus GST.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Ribbons or his nominees pursuant to Resolution 5.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Options will be issued to Mr Ribbons (or his nominees).
- (b) The maximum number of Options to be issued to Mr Ribbons (or his nominees) is 500,000.
- (c) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Options will be issued at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2024.
- (e) The Options will be issued for nil consideration and on the terms and conditions outlined in Annexure A.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised from the issue of the Options.

Resolution 6 – Approval of Grant of Options to Mr Seamus Cornelius

The Company proposes to grant 500,000 Options to Mr Seamus Cornelius, or his nominees, for nil consideration at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2024.

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Directors consider that the incentive represented by the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.245. On that basis, in the event all the Options are exercised, Mr Cornelius (or his nominees) will need to pay a total of \$122,500 to the Company.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or

- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolution 6 provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed Resolution would permit the financial benefit to be given

Subject to Shareholder approval, the Options the subject of Resolution 6 will be granted to Mr Cornelius, or his nominees, within one month of the passing of this Resolution. Mr Cornelius is a Director of the Company and is therefore classified as a related party.

The nature of, reasons for and basis for the financial benefit

The proposed financial benefit is the grant of 500,000 options to Mr Cornelius, or his nominees, for no issue price. Each Option will allow Mr Cornelius to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2024.

The Options form part of Mr Cornelius' incentive for continuing and future efforts. Options are considered to be the appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Cornelius is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Cornelius to achieve this increase in the Share price, which would result in an increase in Shareholder value.

Directors' recommendation

All directors except Mr Cornelius recommend Shareholders vote in favour of Resolution 6. Mr Cornelius does not wish to make a recommendation about the proposed Resolution 6 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

Interests of Directors

Mr Cornelius has noted his interest in the approval of Resolution 6 in relation to the Options.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 500,000 Options to Mr Cornelius, or his nominees.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Mr Cornelius, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

Table 1 - Details of Director Options

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Seamus Cornelius	Director	500,000	the greater of 20 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	20 November 2024	At date of allotment	\$33,150 (i)

Option Valuation details

Details	Input
Share price	\$0.17
Exercise Price	\$0.245
Risk Free Rate	0.89%
Volatility (Annualised)	50%
Start Date	20 November 2019
Expiry Date	20 November 2024
Value per Option	\$0.0663 (i)

- (e) As at the date of this Notice, the issued capital of the Company comprised 91,907,274 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares and Options
Shares and Options	106,457,274
Options to be granted	500,000
New Total	106,957,274
Dilutionary effect	0.470%

- (f) Mr Cornelius' current interests in securities of the Company are set out in the table below:

Director	Shareholding	Option holding
Seamus Cornelius	3,450,400	2,550,000

- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 15 cents to 23.5 cents, the most recent closing price prior to the date of this Notice was 17 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- (i) Mr Cornelius receives an annual director fee of \$60,000.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including

opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Cornelius or his nominees pursuant to Resolution 6.

- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Options will be issued to Mr Cornelius (or his nominees).
- (b) The maximum number of Options to be issued to Mr Cornelius (or his nominees) is 500,000.
- (c) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Options will be issued at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2024.
- (e) The Options will be issued for nil consideration and on the terms and conditions outlined in Annexure A.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised from the issue of the Options.

Resolution 7 – Ratification of Issue of Shares**7.1 General**

The Company issued 2,697,140 Shares on 18 June 2019 at an issue price of \$0.175 per Share under its Listing Rule placement capacity and now seeks, pursuant to Resolution 7 of the Notice, to ratify the allotment and issue of those Shares.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

By ratifying the issue the subject of Resolution 7, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated under Listing Rule 7.1 and Listing Rule 7.1A will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

The Company proposes Resolution 7 to ratify a previous issue of Shares in accordance with Listing Rule 7.4. The Company confirms that the allotment and issue of the Shares the subject of Resolution 7 did not breach Listing Rule 7.1.

7.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 2,697,140 Shares were issued;
- (b) the issue price was \$0.175 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to non-related parties of the Company; and
- (e) the funds raised from the issue will be used towards advancing the Company's Butcherbird Pre-Feasibility Study, plus general working capital.

7.3 Directors' Recommendation

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 8 – Ratification of Issue of Options

8.1 General

On 22 February 2019, the Company issued 1,600,000 Options, exercise price 26 cents and expiring on 22 February 2024 under its Listing Rule placement capacity and now seeks, pursuant to Resolution 8 of the Notice, to ratify the allotment and issue of those Options.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

By ratifying the issue the subject of Resolution 8, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated under Listing Rule 7.1 and Listing Rule 7.1A will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

The Company proposes Resolution 8 to ratify a previous issue of Options in accordance with Listing Rule 7.4. The Company confirms that the allotment and issue of the Options the subject of Resolution 8 did not breach Listing Rule 7.1.

8.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 1,600,000 Options were issued;
- (b) the Options were issued for Nil consideration;
- (c) the Options issued were on the terms and conditions set out in Annexure B;
- (d) the Options were issued to Fiona Marie Hardouin-Riddle, Ian David Huitson and Eva Nere Dinggal <Huitson Family A/C> and Duketon Consolidated Pty Ltd; and
- (e) no funds were raised from the issue.

8.3 Directors' Recommendation

The Directors of the Company believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 9 - Adoption of proportional takeover provisions

9.1 General

Resolution 9, if passed, would adopt Schedule 5 of the Constitution regarding proportional takeover approval under section 648D of the Corporations Act. The adoption of Schedule 5 would operate for three years, and would then cease to apply unless renewed by a further special resolution of Shareholders.

If Resolution 9 is passed, holders of 10% of the Company's Shares will have the right to apply to the court to have the Resolution set aside for a period of 21 days after the Meeting. The court may set aside the Resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

The Corporations Act requires certain information to be included in a notice of meeting where a company seeks the approval of its members to adopt proportional takeover provisions. This information is set out below.

9.2 Proportional takeover bid

A proportional takeover bid is a takeover bid that is sent to all shareholders in a class, offering to purchase only a specified proportion of each shareholder's shares. If a shareholder accepts, the shareholder disposes of that specified portion and retains the balance.

9.3 Effects of the proportional takeover provisions

The effects of the proportional takeover provisions are that:

- (a) if a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a meeting of members of that class is convened where a resolution to approve the proportional takeover bid is voted upon. The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that approving resolution;
- (b) the meeting and the vote on the approving resolution must take place more than 14 days before the last day of the bid period;

- (c) if the approving resolution is rejected before the deadline, the bid cannot proceed and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded;
- (d) if the approving resolution is not voted on, the bid will be taken to have been approved; and
- (e) if the approving resolution is passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Corporations Act and the Company's Constitution). The proportional takeover provisions do not apply to full takeover bids.

9.4 Reasons for the proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having an 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 not being able to exit their investment in the Company by selling their entire Shareholding and consequently being left as a minority in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Board believes that the provisions are desirable to give Shareholders protection from these risks inherent in proportional takeover bids – this is protection that the Corporations Act provisions are intended to provide.

These provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the proportional takeover provisions, Shareholders should make a judgement as to what events are likely to occur for the Company during the three year life of proposed Schedule 5.

9.5 Potential advantages and disadvantages

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 or not an offer under a proportional takeover bid should be accepted.

The Directors note that it could be argued that proposed Schedule 5 is an advantage to them as a takeover defence mechanism that could be exploited to entrench the incumbent Board. However, the Directors believe that this argument ignores the basic object of Schedule 5, which is to empower Shareholders, not the Board.

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

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders and protect them from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and 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 and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for Shareholders include the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium;
- (c) individual Shareholders may consider that Schedule 5 would restrict their ability to deal with their Shares as they see fit; and
- (d) the likelihood of a proportional takeover bid succeeding may be reduced.

9.6 Knowledge of any acquisition proposals

Apart from the above general considerations, the Board is not in a position to point to any special factual matters or principles as a basis for the proposal.

9.7 Directors' recommendation

The Board believes that the provisions of Schedule 5 of the Constitution are in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of Resolution 9.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

AGM	means an Annual General Meeting.
Annual Report	means the Directors' report, the annual financial report and auditor's report in respect of the financial year ended 30 June 2019.
Associate	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Closely Related Party	has the same meaning as defined in Section 9 of the Corporations Act.
Company	means Element 25 Limited ACN 119 711 929.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Proxy Form	means the proxy form attached to this Notice.
Remuneration Report	means the remuneration report of the Company included in the Annual Report.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a share.

ANNEXURE A

**TERMS AND CONDITIONS
OPTIONS EXPIRING 20 NOVEMBER 2024**

The Options will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price of each Option will be the greater of 20 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of meeting ("**Exercise Price**").
3. Each Option entitles the holder to subscribe for one Share in Element 25 Limited ABN 46 119 711 929 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm, Western Standard Time on 20 November 2024 ("**Expiry Date**").
5. The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
6. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
7. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before closing date to exercise the Options.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

ANNEXURE B

**TERMS AND CONDITIONS
OPTIONS EXPIRING 22 FEBRUARY 2024**

The Options will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price of each Option will be 26 cents ("**Exercise Price**").
3. Each Option entitles the holder to subscribe for one Share in Element 25 Limited ABN 46 119 711 929 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm, Western Standard Time on 22 February 2024 ("**Expiry Date**").
5. The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
6. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
7. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before closing date to exercise the Options.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

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ACN: 119 711 929

REGISTERED OFFICE:
 SUITE 2
 11 VENTNOR AVENUE
 WEST PERTH WA 6005

SHARE REGISTRY:
 Security Transfer Australia Pty Ltd
All Correspondence to:
 PO BOX 52
 Collins Street West VIC 8007
 Suite 913, Exchange Tower
 530 Little Collins Street
 Melbourne VIC 3000
 T: 1300 992 916
 E: registrar@securitytransfer.com.au
 W: www.securitytransfer.com.au

«EFT_REFERENCE_NUMBER»

«Company_code» «Sequence_number»
 «Holder_name»
 «Address_line_1»
 «Address_line_2»
 «Address_line_3»
 «Address_line_4»
 «Address_line_5»

Code:

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
 2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson 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, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am WST on Wednesday 20 November 2019 at Level 2, 45 Richardson Street, West Perth WA 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*
1. Re-election of Mr John Ribbons as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Adoption of Remuneration Report ⁺	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Grant of Options to Mr Justin Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of Grant of Options to Mr John Ribbons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of Grant of Options to Mr Seamus Cornelius [~]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Ratification of Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Approval of proportional takeover provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

+ If no directions are given on Resolution 2, you expressly authorise the Chairman to exercise your proxy

~ The Chairman may only vote DIRECTED proxies on Resolution 6. If no directions are given, your vote will not be cast on Resolution 6.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain (other than resolution 6). * If you mark the Abstain box for a particular item, 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.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder Sole Director & Sole Company Secretary

Security Holder 2 Director

Security Holder 3 Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am WST on Monday 18 November 2019.



My/Our contact details in case of enquiries are:

Name:

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Number:

(

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)

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) 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 contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities 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 of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

