
DELECTA LIMITED
(TO BE RENAMED “MOAB MINERALS LIMITED”)
ACN 009 147 924

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00 pm (WST)
DATE: 25 November 2019
PLACE: Level 11
12-14 The Esplanade
PERTH WA 6000

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the proposed Company Secretary on 08 9380 6789.

ASX takes no responsibility for the contents of this Notice of Meeting.

CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	9
Glossary	54
Schedule 1 – Pro-forma Balance Sheet	56
Schedule 2 – Performance Shares	57
Schedule 3 – Consideration Options	60
Schedule 4 – Terms and Conditions of Related Party Options and Lead Manager Options	62
Schedule 5 – Valuation of Related Party Options	64
Proxy Form	Attached

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 3:00pm (WST) on 25 November 2019 at:
Level 11
12-14 The Esplanade
PERTH WA 6000

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 22 November 2019.

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

IMPORTANT NOTE

The acquisition of American Vanadium requires Shareholder approval under the ASX Listing Rules and therefore may not proceed if that approval is not forthcoming. ASX takes no responsibility for the contents of this Notice of Meeting.

BUSINESS OF THE MEETING

Please refer to the Glossary for defined terms.

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

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

"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company:

- (a) to make a significant change in the nature and scale of its activities as described in the Explanatory Statement;*
- (b) to issue Shares pursuant to a re-compliance with Chapters 1 and 2 of the ASX Listing Rules at an issue price of \$0.02 per Share; and*
- (c) to issue Options pursuant to a re-compliance with Chapters 1 and 2 of the ASX Listing Rules at exercise prices of \$0.03, \$0.04 and \$0.05 per Option."*

Short Explanation: The Company has entered into a Share Sale Agreement with American Vanadium pursuant to which the Company has agreed to acquire a 100% interest in the issued share capital of American Vanadium from the American Vanadium Shareholders (**Acquisition**). If successful, the Acquisition will result in the Company changing the nature and scale of its activities. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. ASX has also advised the Company that it will be required to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every five (5) Shares be consolidated into two (2) Share(s); and*
- (b) every five (5) Options be consolidated into two (2) Option(s),*

and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."

Short Explanation: The Company is required to undertake the Consolidation under ASX policy in order to complete the Capital Raising at a price of less than \$0.20 per Share.

3. RESOLUTION 3 – ISSUE OF CONSIDERATION SHARES TO AMERICAN VANADIUM SHAREHOLDERS

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 100,000,000 Shares (on a post-Consolidation basis) to the American Vanadium Shareholders (or their nominees) on the terms and conditions set out in the Explanatory Statement."

Short Explanation: The Company has entered into the Share Sale Agreement pursuant to which the Company will acquire the American Vanadium Shares from the American Vanadium Shareholders. The Company seeks Shareholder approval for the issue of Shares as consideration pursuant to the Share Sale Agreement.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any 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 in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 - CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purpose of section 246B of the Corporations Act, section 32.5 of the Current Constitution, and for all other purposes, the Company is authorised to issue Performance Shares on the terms and conditions set out in the Explanatory Statement."

Short Explanation: The Company has agreed to issue Performance Shares to American Vanadium Shareholders as consideration for the Acquisition. The Company seeks Shareholder approval for the issue of the Performance Shares to American Vanadium Shareholders. The Company requires Shareholder approval under the Corporations Act to issue the Performance Shares as a new class of security. Please refer to the Explanatory Statement for details.

5. RESOLUTION 5 – APPROVAL TO ISSUE PERFORMANCE SHARES TO AMERICAN VANADIUM SHAREHOLDERS

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

"Subject to and conditional upon the passing of the Acquisition Resolutions, that for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 200,000,000 Performance Shares (on a post-Consolidation basis) to the American Vanadium Shareholders (or their nominees) on the terms set out in the Explanatory Statement."

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

6. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO CORAL BROOK PTY LTD

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 40,000,000 Options (on a post-Consolidation basis) to Coral Brook Pty Ltd on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: 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) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – ELECTION OF DIRECTOR – BRYAN HUGHES

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, and for the purpose of clause 3.4 of the Current Constitution and for all other purposes, Bryan Hughes, having provided his consent to act as a Director and being eligible, is elected as a director of the Company with effect from completion of the Acquisition."

8. RESOLUTION 8 – ELECTION OF DIRECTOR – GREG SMITH

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, and for the purpose of clause 3.4 of the existing Constitution and for all other purposes, Greg Smith, having provided his consent to act as a Director and being eligible, is elected as a director of the Company with effect from completion of the Acquisition."

9. RESOLUTION 9 – ISSUE OF OPTIONS TO RELATED PARTY – MALCOLM DAY

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 25,500,000 Options (on a post-Consolidation basis) to Malcolm Day (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Malcolm Day (or his nominee) or any of their associates (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 9 Excluded Party, 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 Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or

- (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 10 – ISSUE OF OPTIONS TO RELATED PARTY – BRYAN HUGHES

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 25,500,000 Options (on a post-Consolidation basis) to Bryan Hughes or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Bryan Hughes (or his nominee) or any of their associates (**Resolution 10 Excluded Party**). However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 10 Excluded Party, 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 Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 11 – ISSUE OF OPTIONS TO RELATED PARTY – GREG SMITH

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 25,500,000 Options (on a post-Consolidation basis) to Greg Smith (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Greg Smith (or his nominee) or any of their associates (**Resolution 11 Excluded Party**). However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 11 Excluded Party, 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 Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 12 – ISSUE OF OPTIONS TO PAUL JURMAN

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 6,000,000 Options (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: 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) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. RESOLUTION 13 – CAPITAL RAISING

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 150,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.02 per Share on the terms and conditions set out in the Explanatory Statement."

Short Explanation: The Company must issue a Prospectus and complete the Capital Raising to satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules as a condition of the Company's securities recommencing trading on the ASX following the Acquisition.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any 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 in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 14 – ISSUE OF OPTIONS – CPS CAPITAL GROUP PTY LTD

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions,, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 25,500,000 Options (on a post-Consolidation basis) to CPS Capital Group Pty Ltd on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: 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) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. RESOLUTION 15 – CHANGE OF COMPANY NAME

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

"That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purposes of section 157(1)(a) and for all other purposes, approval is given for the name of the Company to be changed to Moab Minerals Limited."

16. RESOLUTION 16 – REPLACEMENT OF CONSTITUTION

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

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

Dated: 21 October 2019

By order of the Board



Malcolm Day
Company Director

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Resolutions 1 to 15 are referred to as Acquisition Resolutions throughout this Notice. Each Acquisition Resolution is conditional on each other Acquisition Resolution being approved.

The Acquisition requires Shareholder approval under the ASX Listing Rules and therefore may not proceed if that approval is not forthcoming.

Should any of the Acquisition Resolutions not be approved by the requisite majority, the Company will not proceed with the Acquisition. The Company is required to re-comply with ASX's requirements for admission and quotation and therefore, the Acquisition may not proceed if those requirements are not met. The ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote the Company's Securities and therefore, the Acquisition may not proceed if the ASX exercises that discretion. The ASX and its officers take no responsibility for the contents of this Notice.

The Directors recommend that Shareholders vote in favour of all Resolutions.

1. OVERVIEW OF PROPOSED CHANGE OF ACTIVITIES

1.1 Background

1.1.1 Delecta Limited

Delecta Limited (**Company** or **DLC**) is an Australian public company listed on the Official List of the ASX (ASX: DLC). The Company was incorporated on 3 September 1985 as Western Minerals Ltd and was admitted to the official list of ASX on 15 January 1987. In June 1999 the Company acquired a business selling adult products and after re-complying with Listing Rule 11.1.3 changed its name to Adultshop.com Ltd.

In September 2000, the Company entered and has since focused on, the adult products wholesale market with the acquisition of Calvista Australia Pty Ltd (**Calvista**). Calvista, the largest wholesaler of adult products in Australia, has been in operation for over 30 years and operates with its head office, showroom and warehouse in Melbourne.

Since 2005 the Company has had a wholesale operation in New Zealand which the group continues to operate under the name Calvista New Zealand Limited.

The Company also holds 11 million shares in European Lithium Ltd (ASX code EUR).

On 17 September 2018, the Company announced an option to acquire a Cobalt-Copper project in the Goodsprings district of Nevada (**the Highline Project**). Given the Company's investment in EUR, the Company has continued to seek and evaluate other investment opportunities in the battery minerals space. The increased demand for battery minerals, like lithium and cobalt, is primarily due to the rapid advancement and demand for electric vehicles. The Goodsprings region has a history of high-grade mineral production. Given the Highline mine's previous mining and exploration was circa 100 years ago, the Company believes that the Highline Cobalt-Copper project represents a relatively low risk opportunity in an area of known mineralisation.

The Highline project comprises 5 patented mining claims totalling 90.4 acres located within the Goodsprings mining district in southern Nevada USA, 48 kms southwest of Las Vegas and approximately 3 kms southwest of the town of Goodsprings, Nevada. They form 2 groups, the Highline Claim Group consisting of the Chance, Chance 2, Redstreak and Highline Claim and the Pocahontas claim. The claims are readily accessible via interstate route I15 from Las Vegas to Los Angeles.

The Company's intention is to grow shareholder wealth through the successful exploration of copper, uranium, vanadium and cobalt projects and create a battery minerals division.

In line with this intention, the Company has entered into a Share Sale Agreement to acquire 100% of the issued share capital in American Vanadium Pty Ltd (ACN 628 536 292) (**American Vanadium**) (**Acquisition**).

Further details of the Share Sale Agreement entered with American Vanadium are set out below in Section 1.2.

The Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals and satisfying all other requirements of ASX for the official quotation of the Company's Shares on the ASX (among other things).

In connection with the Acquisition, the Company will also complete a placement of a minimum of 125,000,000 Shares at an issue price of \$0.02 per Share to raise a minimum of \$2,500,000 and up to a maximum of 150,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$3,000,000.

1.1.2 American Vanadium

American Vanadium, an Australian private company, was registered in Western Australia on 31 August 2018. American Vanadium controls 100% of the Copper Ridge Project in Utah, USA and 3 uranium - vanadium projects in Utah and Colorado, USA.

Subsidiary entities held by American Vanadium are set out in the below table:

	Group Interest	Class of Shares
Parent Entity	%	
American Vanadium Pty Ltd	N/A	N/A
Subsidiaries		
Standard Minerals Inc	100	ORD
Cisco Minerals Inc	100	ORD
Sunrise Minerals Inc	100	ORD

The shares in American Vanadium shares are held as follows:

American Vanadium Shareholder	American Vanadium Shares	% of American Vanadium Shares
Coral Brook Pty Ltd ATF The Lloyd Superannuation Fund	2,000,000	20%
Paranoid Enterprises Pty Ltd	4,000,000	40%
Celtic Capital Pty Ltd ATF The Celtic Capital A/C (Celtic Capital)	2,000,000	20%
Andrew Spencer ATF A.J. Family Trust	2,000,000	20%
Total	10,000,000	100%

1.1.3 American Vanadium Management

The sole director and secretary of American Vanadium is Mr Paul Lloyd.

Paul Lloyd is a Chartered Accountant with over 30 years commercial experience. Mr Lloyd operates his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. After commencing his career with an international accounting firm, he was employed for approximately 10 years as the General Manager of Finance for a Western Australian based international drilling contractor working extensively in Asia and Africa. Paul has been responsible for a number of IPOs, RTOs, project acquisitions and capital raisings for ASX listed public companies. He is currently Managing Director of ASX listed Hawkstone Limited (ASX: HWK), which owns Lithium projects in USA.

1.1.4 Overview of Projects

Below is an outline of the projects held by American Vanadium:

- (a) Copper Ridge Project - the Copper Ridge Project is located approximately 55km from the town of Moab, Utah and is held by American Vanadium's wholly owned subsidiary, Cisco Minerals Inc. It is readily accessible by sealed State Route 191 from Moab with the final 15km on unsealed roads (Figure 1). The project consists of 169 Bureau of Land Management (**BLM**) mining claims of 20 acres each covering a total of 1,368 ha.;
- (b) Vanadium King Project – The Vanadium King Project lies on a predominantly flat, high desert plain with little vegetation and consists of 100 BLM claims covering a total of 809 ha located in Grand County, Utah and is held by American Vanadium's wholly owned subsidiary, Cisco Minerals Inc. It is readily accessible from Moab, Utah by a 2-lane sealed highway, a distance of approximately 40 km; and
- (c) Radium Hill Project and Wedding Bell Projects – The Radium Mountain and Wedding Bell Projects are contiguous and share geology and style of mineralization. The projects consist of 199 BLM claims covering a combined area of 1,611 ha and are held by American Vanadium's wholly owned subsidiary, Standard Minerals Inc,

together, the **Projects**.

Further details of the Projects are set out in Section 1.6.3 of this Notice.

1.1.5 Reason for the Acquisition

Overview

Undertaking the Acquisition will allow the Company to achieve value uplift with clear and deliverable synergies.

As noted above, the Company acquired the Highline Project in February 2019 and has since indicated that it intends to continue to identify and review other investment opportunities particularly in the battery minerals space and has identified the projects to advance this statement.

The acquisition of American Vanadium will provide the Company with an opportunity to grow shareholder wealth through the successful exploration of the copper, uranium, vanadium and cobalt projects and create a battery minerals division.

A number of the projects held by American Vanadium already have drill ready targets from previous exploration. Testing of those targets will commence immediately after completion on the Acquisition.

The Acquisition will also allow the Company to continue to develop the Calvista wholesale business and implement some efficiencies and marketing initiatives which should continue to improve the operational and financial performance of the business unit.

1.2 Acquisition – Terms and Conditions

A summary of the terms and conditions of the Share Sale Agreement for the Acquisition is set out below:

(a) Conditions

Completion of the Acquisition is subject to a number of conditions precedent, including, but not limited to:

- (i) the Company obtaining all necessary shareholder and regulatory approvals required by the Corporations Act, ASX Listing Rules or other applicable laws in relation to the Acquisition (**Approvals**);
- (ii) the Company preparing a prospectus and lodging the prospectus with the ASIC to complete an offer to raise not less than \$2,500,000 via the issue of Shares at an issue price of \$0.02 per Share and to re-comply with Chapters 1 and 2 of the ASX Listing Rules and receiving valid acceptances under the prospectus to the value of not less than \$2,500,000;
- (iii) the ASX providing conditional approval for the re-instatement to trading of the Company on completion of the Acquisition on terms acceptable to the Parties; and
- (iv) all American Vanadium Shareholders delivering to the Company signed restriction agreements relating to all the Consideration Shares, Performance Shares and Consideration Options issued as consideration, in accordance with the ASX Listing Rules (to the extent that ASX requires those securities to be escrowed).

If the conditions precedent to completion of the Acquisition are not all fulfilled or waived by the parties by 31 December 2019 or such later date as agreed in writing between the Company and the American Vanadium Shareholders' representative, a party who is entitled to waive the condition that has not been satisfied (or waived), or either party in respect of a condition which cannot be waived, may give notice to the other parties of termination of the Agreement, such that the Agreement shall be deemed to be at an end and of no force or effect with none of the parties being subject to any of the obligations contained in the Agreement and with no party claiming any rights at law or equity against the another party, save for the performance of those covenants and agreements (if any) which should have been performed and all damages for breach of the same (other than in relation to a breach of warranty).

(b) Consideration

Subject to satisfaction or waiver of conditions precedent to the Acquisition, in consideration for acquiring 100% of the American Vanadium Shares, the Company has agreed to issue upon settlement of the Acquisition, the following securities to the American Vanadium Shareholders, on a post-Consolidation basis:

- (i) 100,000,000 Shares;
- (ii) 100,000,000 Class A Performance Shares - convertible into Shares on a 1:1 basis upon the delineation of a JORC-compliant Mineral Resource estimate of at least Inferred category of a minimum of 15,000 tonnes of copper or copper equivalent (in accordance with clause 50 of the JORC Code 2012) at an average grade no less than 0.7% copper equivalent on any one or more American Vanadium Projects within five (5) years from the date of issue of the Performance Shares; and

(iii) 100,000,000 Class B Performance Shares - convertible into Shares on a 1:1 basis upon completion of a positive Scoping Study (as defined in the JORC Code 2012) in relation to any one or more American Vanadium Projects by an independent third-party expert which evidences an internal rate of return greater than 20% (using publicly available industry assumptions including deliverable spot commodity/mineral prices which are independently verifiable), provided that the total cumulative EBITDA over the life of the relevant American Vanadium Project is over \$US50,000,000, and provided that (while the Company remains listed on ASX) the Scoping Study is released as an announcement on the ASX Announcements Platform and is not required by reason of regulatory intervention by ASX or ASIC to be retracted within a period of one month from the date of its release within five (5) years from the date of issue of the Performance Shares.

(c) **Royalty**

In addition to the above consideration, a royalty of 3% of the net smelter return from the American Vanadium Projects will be granted to Coral Brook Pty Ltd (or its nominee), one of the AVP Shareholders. Coral Brook Pty Ltd (or its nominee) will also receive 40,000,000 Options (with a 3-cent exercise price and a term of 3 years from the date of issue) (Refer Resolution 6).

(d) **Settlement**

Settlement of the Acquisition will take place on that date which is 5 business days after the satisfaction or waiver of the last outstanding Condition, or such other date as is agreed in writing between the parties at such time and place as the parties may agree.

1.3 **Lead Manager Mandate**

The Company has entered into a mandate pursuant to which it has engaged CPS Capital Group Pty Ltd (**CPS**) to act as Lead Manager to the Capital Raising.

In consideration for acting as lead manager to the Capital Raising, CPS will receive a management fee of 2%, plus GST, and a placing fee of 4%, plus GST, for funds raised via the Capital Raising.

In addition, subject to receipt of prior Shareholder approval and upon completion of the Acquisition, the Company proposes to issue 25,500,000 Options to CPS (or its nominee) in three equal tranches comprising 8,500,000 Options, with exercise prices of \$0.03, \$0.04 and \$0.05 respectively and each class expiring 3 years from date of issue, as part of the consideration for CPS's services (Refer to Resolution 14 of this Notice).

Jason Peterson, a director of CPS, is the controller of American Vanadium Shareholder, Celtic Capital, and currently holds 2,000,000 shares in American Vanadium. At settlement of the Acquisition, Celtic Capital will be issued 20,000,000 Consideration Shares, 20,000,000 Class A Performance Shares and 20,000,000 Class B Performance Shares.

Upon completion of the Capital Raising and re-compliance with Chapters 1 and 2 of the Listing Rules, CPS will receive a monthly corporate advisory fee of \$5,000 plus GST, per month for a minimum term of 12 months.

1.4 **Regulatory Approvals and Operating Jurisdictions**

The Acquisition requires the necessary regulatory approvals as set out in this Notice, and as part of the approvals, the Company is required to issue a Prospectus.

Further, the Company also requires the necessary licences and approvals to operate its wholesale business and explore the projects in the USA.

1.5 Indicative Timetable

An indicative timetable* for completion of the Acquisition is set out below:

Activity	Date
Dispatch of notice of meeting seeking DLC shareholder approval	24 October 2019
Lodgement of Prospectus by DLC	29 October 2019
Opening date of Prospectus Offer	29 October 2019
DLC Shareholder meeting to approve Acquisition and related transactions	25 November 2019
Closing date of Prospectus Offer	29 November 2019
Issue of Securities under the Prospectus	6 December 2019
Completion of Acquisition of American Vanadium	6 December 2019
Expected date for reinstatement to official quotation of DLC on ASX	16 December 2019

* Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

1.5.1 Pro-forma Balance Sheet

A pro-forma balance sheet of the Company following the completion of the Acquisitions is set out in Schedule 1.

The Acquisition will have an effect on the Company's revenue and expenditure. The revenue is not capable of being determined at this stage as the Company does not have a reasonable basis to make a forecast, and the anticipated effect on expenditure is set out in the Use of Funds in Section 1.5.3. The Use of Funds is indicative only and subject to change.

1.5.2 Pro-Forma Capital Structure

Set out below is the indicative capital structure of the Company following completion of the Acquisition and associated Capital Raising. The anticipated capital structure of the Company is only an estimate and is subject to variation.

	Shares		Options	Performance Shares
	Minimum	Maximum		
Securities currently on issue	695,996,205 ¹	695,996,205 ¹	40,000,000 ⁴	-
Consolidation to be undertaken – 2 for 5	278,398,482	278,398,482	16,000,000 ⁵	-
Proposed Acquisition ²	100,000,000	100,000,000	40,000,000 ⁶	200,000,000 ⁷
Capital Raising ³	125,000,000	150,000,000	-	-
Issue of Related Party Options ⁸	-	-	76,500,000	-
Issue of Options to Paul Jurman ⁹	-	-	6,000,000	-

Issue of Lead Manager Options ¹⁰	-	-	25,500,000	-
Total Securities on completion of the Consolidation, Capital Raising and Acquisition	503,398,482	528,398,482	164,000,000	200,000,000

Notes:

1. Assuming no other Shares are issued prior to settlement of the Acquisition.
2. Refer to Section 1.2 for terms of the Acquisition.
3. The Company will seek to raise a minimum of \$2,500,000 through the issue of 125,000,000 Shares at \$0.02 per Share, and a maximum raise of \$3,000,000 through the issue of up to a maximum of 150,000,000 Shares at \$0.02 per Share (Refer Resolution 13).
4. Options exercisable at 1.5 cents expiring on 30 June 2020.
5. Assuming the Consolidation occurs, Options will convert to 16,000,000 Options exercisable at 3.75 cents.
6. Options to be issued to Coral Brook Pty Ltd subject to the passing of Resolution 6 of this Notice.
7. Consisting of 100,000,000 Class A Performance Shares and 100,000,000 Class B Performance Shares subject to the passing of Resolution 4 and 5 of this Notice. The Class A Performance Shares and Class B Performance Shares will convert into Shares as follows:
 - (a) 100,000,000 Class A Performance Shares - convertible into Shares on a 1:1 basis upon the delineation of a JORC-compliant Mineral Resource estimate of at least Inferred category of a minimum of 15,000 tonnes of copper or copper equivalent (in accordance with clause 50 of the JORC Code 2012) at an average grade no less than 0.7% copper equivalent on any one or more American Vanadium Projects within five (5) years from the date of issue of the Performance Shares; and
 - (b) 100,000,000 Class B Performance Shares Class B - convertible into Shares on a 1:1 basis upon completion of a positive Scoping Study (as defined in the JORC Code 2012) in relation to any one or more American Vanadium Projects by an independent third-party expert which evidences an internal rate of return greater than 20% (using publicly available industry assumptions including deliverable spot commodity/mineral prices which are independently verifiable), provided that the total cumulative EBITDA over the life of the relevant American Vanadium Project is over \$US50,000,000, and provided that (while the Company remains listed on ASX) the Scoping Study is released as an announcement on the ASX Announcements Platform and is not required by reason of regulatory intervention by ASX or ASIC to be retracted within a period of one month from the date of its release within five (5) years from the date of issue of the Performance Shares.
8. The subject of Resolutions 9 – 11.
9. The subject of Resolution 12.
10. The subject of Resolution 14.

1.5.3 Use of funds

It is proposed that the funds raised plus the Company's existing cash will be applied in the next 12 months as follows:

Item	Amount (based on minimum raising) \$	Percentage
Funds raised under the Capital Raising	2,500,000	100.00%
TOTAL	2,500,000	100.00%
Exploration at Copper Ridge (including diamond drilling) ¹	552,500	22.10%
Exploration at Vanadium King (including diamond drilling) ¹	475,750	19.03%
Exploration at Radium and Wedding Bell project (mapping and sampling of surface and previous workings followed by drilling) ¹	426,000	17.04%
Exploration at Highline project ¹	75,000	3.00%
Expenses of the Capital Raising ²	350,000	14.00%
Administration Costs ³	550,000	22.00%
Working capital ⁴	70,750	2.83%
TOTAL	2,500,000	100.00%

Notes:

1. Exploration expenditure in respect of granted licences only.
2. Expenses of the Capital Raising include legal fees, ASX fees, advisor fees, Investigating Accountant fees, Independent Geological Advisory Fees, Share Registry Fees and brokerage costs.
3. Administration costs include, without limitation, general corporate costs such as the provision of contract services to the Company, annual ASX listing fees, Board and executive remuneration, office rent, and ongoing audit and accounting costs.
4. Working capital provides for additional capital to be used for additional exploration following the planned exploration programs, as well as investment in new mineral exploration projects not yet identified by the Directors.

The above table is a statement of current intentions as at the date of this Notice. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

If the maximum amount of \$3,000,000 is raised under the Capital Raising, the Company will apply the additional funds towards the additional expenses of the Capital Raising with the balance to be allocated to working capital.

1.6 DLC Business Plan – Post Acquisition

Messrs Malcolm Day, Hans-Rudolf Moser and Bradley Moore are the current directors of the Company. Mr Moore will resign with effect from completion of the Acquisition. Subject to approval under Resolutions 7 and 8, Messrs Bryan Hughes and Greg Smith will be appointed to the Board.

The following are the expected Board of the Company post completion of the Acquisition.

The Company's Board:

- (a) Malcolm Day (Managing Director);
- (b) Bryan Hughes (Independent Non-Executive Chairman);
- (c) Greg Smith (Independent Technical Director); and
- (d) Hans-Rudolf Moser (Independent Non-Executive Director).

1.6.1 Distribution business

Following completion of the Acquisition the Company plans to:

- (a) conduct a review of the business with the objective being to deliver further cost savings;
- (b) continue to explore opportunities to distribute various ranges of products on an exclusive basis in an effort to improve the overall gross margin;
- (c) seek additional efficiencies within the logistics chain;
- (d) actively seek acquisition opportunities amongst the competitors in Australia and New Zealand;
- (e) improve its ecommerce strategy; and
- (f) research the possibility of manufacturing a greater number of its own products.

1.6.2 Business Model of the Company following the Acquisition

Following completion of the Acquisition, the Company's proposed business model will be to further explore its Projects and develop identified mineral deposits. The Company's main objectives on completion are to:

- (a) systematically explore the Proposed Acquisition Projects (being those Projects in which AVP has an interest) and the recently acquired Highline Project;
- (b) explore for copper, cobalt, vanadium and uranium mineralisation through geological mapping, surface sampling and drilling on the Projects;
- (c) continue to pursue other acquisitions that have a strategic fit for the Company;
- (d) implement a growth strategy to seek out further exploration and acquisition opportunities; and
- (e) provide working capital for the Company.

The Company will also continue to develop the Calvista wholesale business and implement some efficiencies and marketing initiatives which should improve the operational and financial performance of the business unit.

1.6.3 Geology and Geological Interpretation

Copper Ridge Project, Utah

Utah is the second largest copper producer in the US and is ranked at 7th on the Fraser Institutes Annual Survey of Mining Companies, 2018. The majority of the copper production in Utah comes from the Bingham Canyon Mine, a porphyry deposit owned by Rio Tinto, just outside of the capital of Salt Lake City. The mine has been in production since 1906 and has produced just over 19M tonnes of copper up to 2013. In 2012, the Bingham Canyon Mine produced 179,317 tons of copper, 279,200 ounces of gold, 2.4 million ounces of silver, and 20 million pounds of molybdenum (https://www.riotinto.com/media/media-releases-237_9226.aspx).

Lisbon Valley Copper Mine, one of the other copper producers in the state, lies 95km southeast of the Copper Ridge Project. In 2013 it has quoted resources of 116,363 tonnes of copper and produced between 20-30 million lbs of copper per annum (www.lisbonmine.com).

The Lisbon Valley Copper Mine and the Copper Ridge Project share a similar geology and mineralization style. At both areas the mineralisation occurs in a regional collapsed salt anticlinal structure. Copper minerals in the deposits occur as disseminated and fracture fillings in favourable stratigraphic horizons.

Overview

The Copper Ridge Project is located approximately 55km from the town of Moab, Utah. It is readily accessible by sealed State Route 191 from Moab with the final 15km on unsealed roads (Figure 1 below). The project consists of 169 Bureau of Land Management (**BLM**) mining claims of 20 acres each covering a total of 1,368 ha.



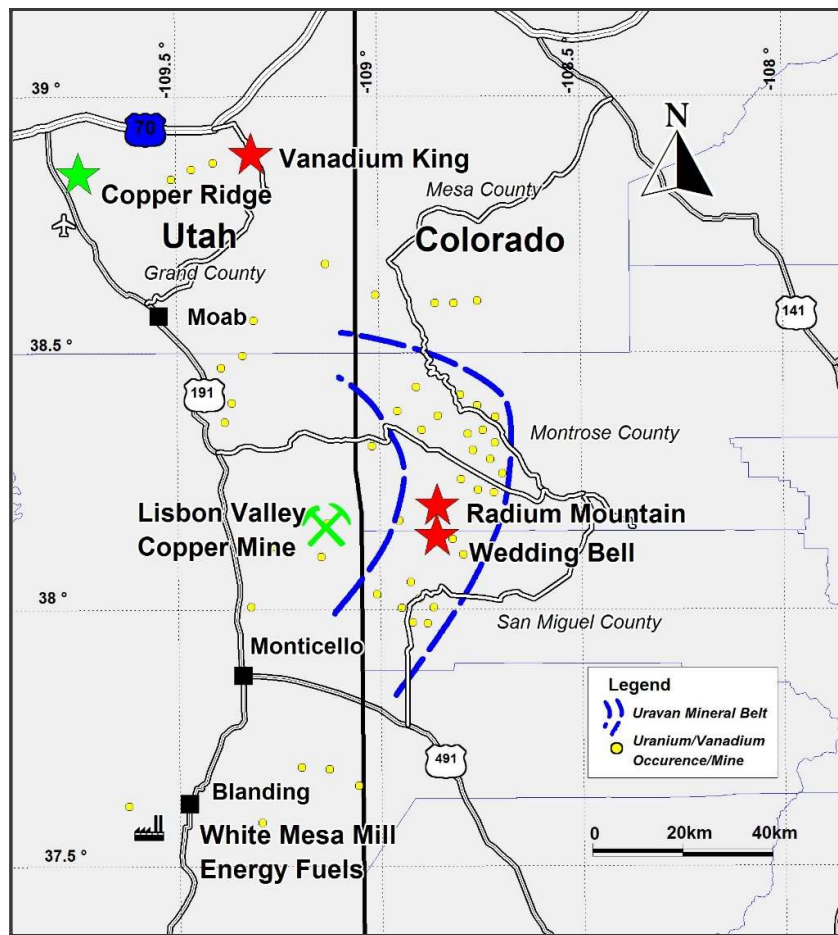


Figure 1 – Project Location Plan

Several copper and copper/silver mines were active on the south western limb of the Salt Valley anticline within or near the project area. These deposits were worked intermittently from the early 1900's to 1930's and are now abandoned.

The Hoosier Mine (Tibbets), that lies within a State Lease, is inferred to be on a fault splay on the southwest flank of the anticline in close proximity to the main north striking fault and is reported to have produced 100,000 ounces of silver from within the copper ore mined which was at a grade quoted in the Utah Geological and Mineral Survey Report 1979 of 8% copper¹.

The same report also refers to a second mining operation on the south-west flank of the anticline where copper was acid leached from disseminated ore. The mining was active in the 1970's but was discontinued due to operational inefficiencies³.

The Cobalt # 1 Mine, lying within the Harrison Prospect is listed in the USGS database (MRDS W027242). It was exploited in 1952 via a shaft, some levels and trenches producing a malachite ore containing Uranium, Copper, Vanadium, Silver, Magnesium, Cobalt and Nickel.

¹ Harvey W. Merrell 1981, No. 143, Report of Investigation Utah Geological and Mineral Survey, Mineral Resource Inventory of the Paradox Salt Basin, Utah and Colorado,

Geology

The Copper Ridge mineralisation occurs in a faulted and partially collapsed anticlinal structure with the residual sedimentary beds of the Paradox formation exposed at surface. The resulting valley is over 40 km long and 1 km wide. The sedimentary sequence flanking the graben comprise sandstones, siltstones, limestones and shales deposited from Paleozoic to Mesozoic times.

A complex fault system forms the valley sides resulting from some dextral movement along the major extensional northwest trending graben bounding/collapse faults. These faults are part of a larger fault system that can be traced over significant distances which have been active throughout the geologic history of the area.

Mineralisation is interpreted to have resulted as fluid movement along the bounding faults and structural zones. The fluids have pervasively flooded and bleached the host sandstones resulting in both narrow high-grade fractures and vein fills and broad areas of low grade disseminated copper.

The geological setting and mineralogy are similar to the currently producing Lisbon Valley Copper Mine (Figure 1). Both the Lisbon Valley Copper Mine and the Copper Ridge mineralisation lie on what is potentially the same northwest trending structure.

At the Lisbon Valley Copper Mine, copper ore body bleached sandstones of the Cretaceous Burro Canyon Formation host the mineralisation, with subsidiary mineralisation in the overlying Dakota Sandstone. Copper minerals occur in pore spaces in the medium to coarse grained, bleached sandstones. The upper oxide zone contains the copper bearing minerals malachite, azurite, and tenorite, while the lower sulfide zone mineralization consists of chalcocite, bornite, chalcopyrite, and cuprite. At Copper Ridge the known mineralisation is hosted in sandstones of the Morrison and Summerville Formations that lie stratigraphically below the sedimentary hosts at Lisbon Valley.

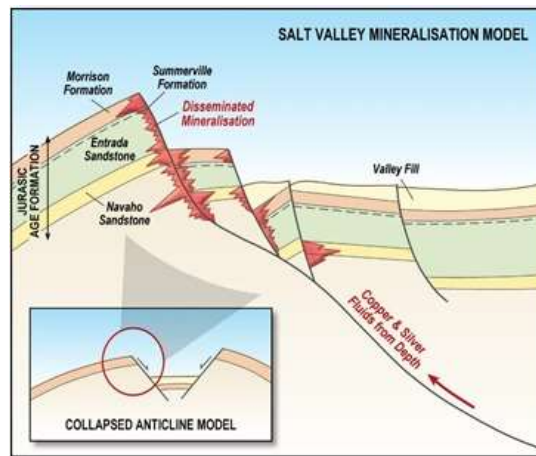


Figure 2 - Mineralisation Model

This simplified model demonstrates the potential mineralised locations at the Copper Ridge Project to occur both along the conduits and following/mineralising preferred stratigraphy either as a result of rock porosity/chemistry or the presence of an aquitard blocking and ponding the fluid flow. As a result of the faulting the only mineralisation that is observable on the project area is that in the upper exposed Morrison or Summerville Formations. This is similar to Lisbon Valley and the possibility for blind mineralisation associated with major structural zones, aquitards and porous rock units is excellent.

Previous Exploration

In February 2014, ASX listed Firestrike Resources Limited completed regional rock chip sampling identifying 3 prospects within the Project; Mealey, Xaz and Harrison (Figure 4). Of the 135 samples collected; 11 exceeded 1% copper, 105 were above 0.1% copper with 0.61% copper average grade across all samples above a 0.1% cut off grade (Table 1)²

Table 1 – Significant Rock Chip Results >1%Cu

Samp_ID	Easting	Northing	Cu %	Pb ppm	Zn ppm	Ag ppm	Co ppm	Mo ppm
3107	608,817	4,300,000	1.08	9	15	13.4	2	0
3120	608,466	4,300,219	1.08	33	215	7.1	25	8
3114	608,804	4,300,008	1.34	11	23	18.4	3	0
3113	608,806	4,300,006	1.37	9	18	12.4	4	0
3188	607,667	4,301,036	1.61	173	204	44.7	91	25
3145	610,822	4,297,755	1.79	147	624	23.5	1760	100
3103	608,824	4,299,997	1.91	16	21	16.4	3	0
3208	608,542	4,300,009	1.98	1800	1700	3.3	68	12
3128	610,775	4,297,696	2.34	30	809	31.1	367	14
3104	608,822	4,299,998	3.50	22	29	19.5	2	0
3201	607,639	4,301,049	10.60	>5000	5520	15.2	135	2220

Note: Easting and Northing Coordinates: NAD83 / UTM 12N

Refer to Schedule 1 of the Company's ASX announcement dated 21 October 2019 for details of all rock chip results from the sampling undertaken above.

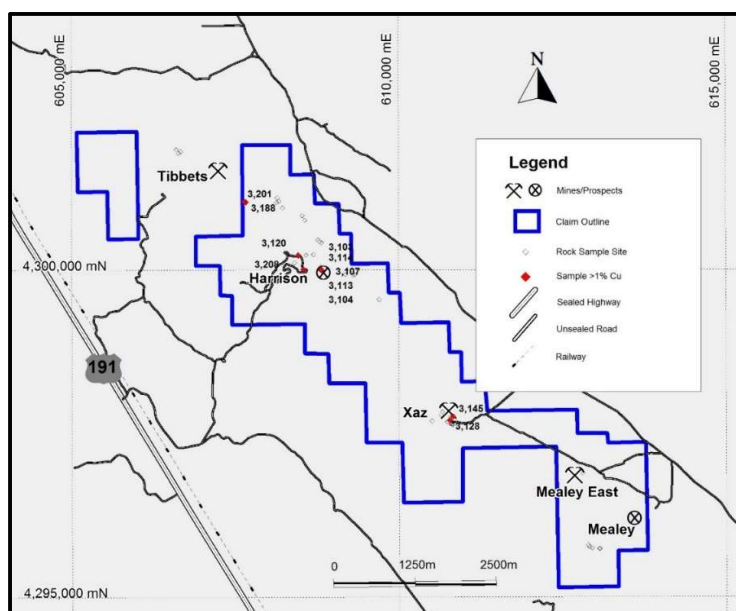


Figure 3 – Sample Location Plan Regional Rock Chip (Table 1)

A follow up second phase of exploration work in April 2014 focused on areas between the already identified prospects. Results of the second phase identified 83 sites containing visual copper mineralisation (Figure 4). Of these, 54 sites returned > 0.1% Cu and 33 of those > 0.5% Cu. The maximum result was 17.01% Cu with an average uncut average of 0.76% Cu (excluding the 17.01% Cu result) (Table 2)³.

² Firestrike ASX Announcement February 6, 2014, Firestrike confirms copper discovery in Utah

³ Firestrike Resources ASX Announcement, April 15, 2014, Sample results confirm extensive copper present at Copper Ridge Project

Table 2 – Significant Rock Chip Results >1%Cu

Samp_ID	Easting	Northing	Cu%	Pb ppm	Zn ppm	Ag ppm	Co ppm	Mo ppm
320726	609,530	4,299,745	1.07	0	0	1	0	0
320728	609,304	4,299,812	1.23	600	50	4	0	0
30907	607,636	4,301,057	1.32	5,200	3,040	1	100	560
320776	608,871	4,300,042	1.42	300	0	15	0	0
320777	608,872	4,300,042	1.60	7,200	0	32	0	20
320767	608,935	4,300,475	1.76	200	20	3	10	10
320795	608,883	4,300,284	1.87	0	20	4	0	0
320717	609,728	4,299,515	1.87	200	20	4	30	30
320716	612,758	4,295,947	1.88	0	0	11	50	10
320727	609,502	4,299,762	1.94	0	0	1	0	0
320773	608,831	4,300,028	2.37	0	0	44	10	0
40102	613,640	4,296,451	2.50	0	0	1	0	0
320768	608,775	4,300,451	2.55	0	440	1	10	0
320786	608,823	4,300,079	2.64	21,200	300	11	30	10
320719	609,191	4,298,255	3.35	21,600	2,360	6	280	80
320783a	608,839	4,299,491	4.18	0	0	10	0	0
320774	607,644	4,301,028	4.73	363,000	440	97	40	1190
320724	610,159	4,298,273	4.97	46,400	1,710	32	40	160
320730	610,159	4,298,273	17.01	29,300	3,310	33	180	160

Note: Easting and Northing Coordinates: NAD83 / UTM 12N

Refer to Schedule 2 of the Company's ASX announcement dated 21 October 2019 for details of all rock chip results from the sampling undertaken above.

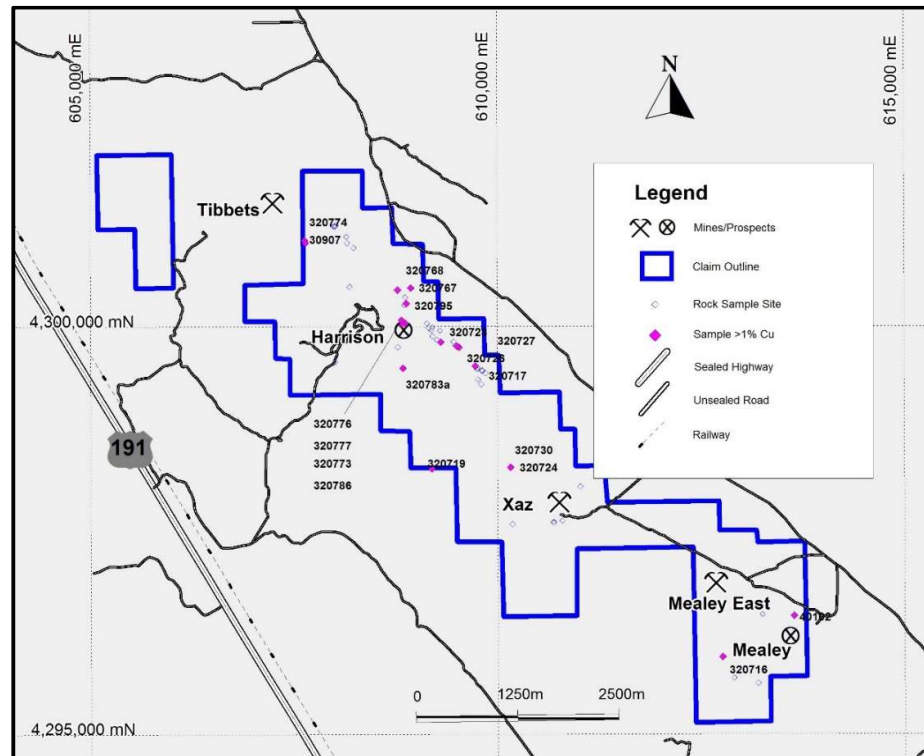


Figure 4 – Sample Location Plan, Phase 2 Sampling (Table 2)

In May 2014 shallow core drilling commenced using a light weight man portable rig. The drilling was completed by September 2014 at Harrison (25 holes totaling 154m, deepest 14m), Xaz (16 holes totaling 123m, deepest 12m) and Mealey (3 holes totaling 22m, deepest 9m) (Figure 5). The drilling was meant to test the surficial copper mineralisation at depth. Of the holes drilled, 18 confirmed the presence of significant copper and silver mineralization while 10 of the holes, 5

holes at Harrison, 2 holes at Xaz and all 3 holes at Mealey terminated in mineralisation. Best drill intercept in the program was 3.66m @ 0.56% Cu⁴.

Sampling by AVP in 2018 (6 grab samples CRC18001 - 6, Table 3) (Figure 5) identified the presence of elevated levels of cobalt (>100ppm) to 8,290 ppm in addition to the known copper and silver mineralisation. Cobalt was present in the original program (up to 1,760 ppm Co in the 2013 program).

Table 3 – Rock Chip Sample Results

Sample No	Easting	Northing	Ag ppm	Co ppm	Cu %	Mo ppm	Ni ppm	U ppm	Zn ppm
CRC18001	612,782	4,297,052	2.22	8290	0.17	42.2	1905	342	>10000
CRC18002	610,763	4,297,696	9.42	172.5	0.12	2.71	117.0	5.8	237
CRC18003	610,763	4,297,696	15.90	865	1.265	8.86	282	26.1	737
CRC18004	610,763	4,297,696	83.9	787	2.30	36.3	1270	17.6	235
CRC18005	609,000	4,302,021	24.1	232	1.265	12.30	83.4	5.6	118
CRC18006	608,599	4,302,409	23.5	5.8	2.41	24.1	2.9	2.3	109

Note: Easting and Northing Coordinates: NAD83 / UTM 12N

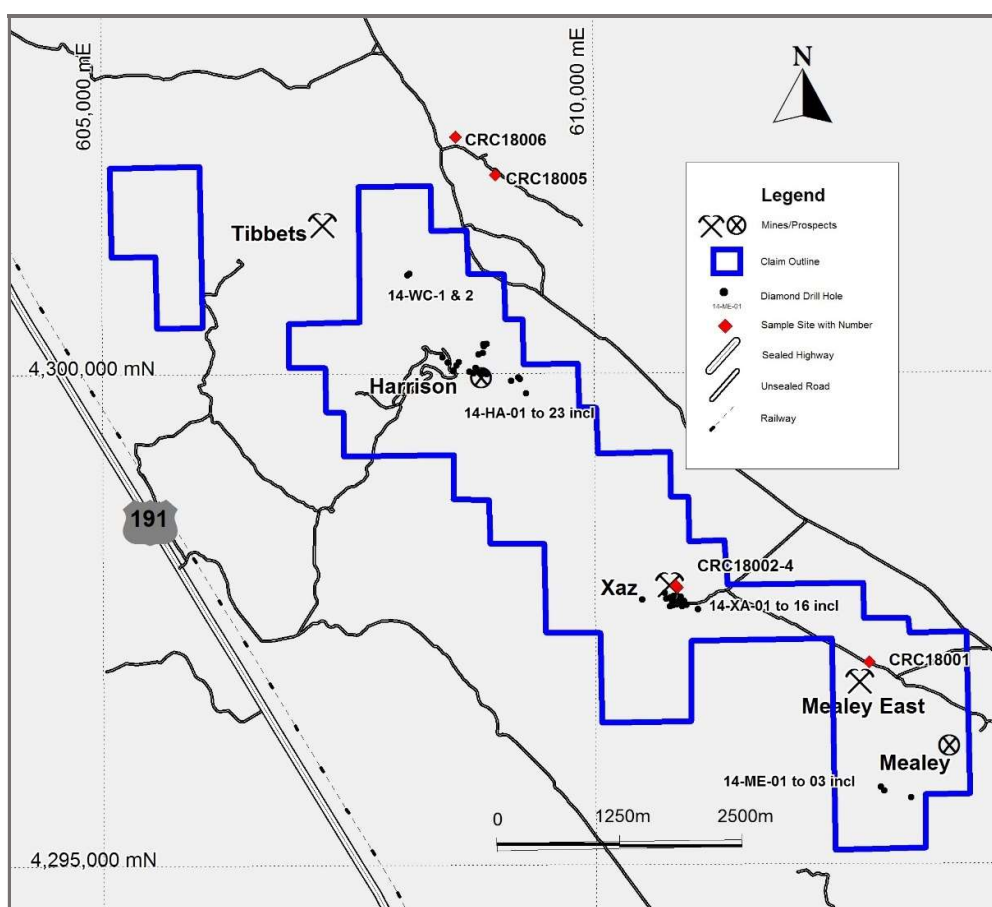


Figure 5 – Claims, Mines/Prospects, Drill Holes, Roads and Samples

Refer to Schedule 3 of the Company's ASX announcement dated 21 October 2019 for details of drill hole locations and results and Schedule 4 for JORC Table 1 for all previous exploration.

⁴ Firestrike Resources ASX Announcement, Sept 2014, Final assays continue to confirm abundant mineralisation at Copper Ridge Project

Preliminary metallurgical investigations and acid digestion analytical work were completed on selected chip and channel samples from the February 2014 sampling program. This work was completed by SGS in Perth, Western Australia as a 5 stage sequential copper digest comprising analytical codes AAS73F, CSC65D, DIG72Q/AAS72Q, DIG23B/ASS23B and DIG43B/AAS43B. This work confirmed that the copper is readily soluble and excluding sample 3210 recoveries average 83%⁵.

Table 4 – Percentage Soluble Copper

Samp_ID	Total Copper %	% Soluble Copper of Total Copper
3103-3115	1.04	85
3143-3146	0.69	89
3201	12.1	82
3208	1.98	81
3123 -3128	0.52	92
3215-3220	0.35	86
3222 -3229	0.38	90
3188	1.49	81
3117 – 3120	0.69	85
3210	0.56	11

Exploration Potential

Previous exploration programs focused on shallow mineralisation in the exposed, relatively thin, Salt Wash sandstones along the southwestern graben margin. The underlying Entrada, Navajo and Wingate sandstones with a cumulative thickness of 200m have excellent potential to host similar mineralization to that observed in the Salt Wash. The Tibbets Mine is described as occurring on a fault splay in close proximity to the main north striking fault demonstrating the importance of both structural and stratigraphic controls on the mineralisation.

Mineralisation may occur at depths greater than tested by previous drilling (12m). 10 holes of the prior exploration program ended in mineralisation.

Recent sampling by the vendors has demonstrated the presence of significant levels of cobalt in 5 out of the 6 grab samples (CRC18001 – 06). Previous sampling also demonstrated the presence of anomalous cobalt. In addition to the copper mineralisation, this could add significantly to the economic potential.

The Cobalt #1 Mine located in the Harrison Prospect demonstrates the historic presence of cobalt as well as uranium in the malachite mineralization.

Exploration Program

Exploration will commence with geological mapping, a photogeological interpretation and a soil sampling program to identify potentially mineralised targets over the project area.

Geophysics will be assessed as a potential method to identify buried copper sulphides occurring below the base of oxidation.

Drilling will be undertaken on targets identified by these programs.

⁵ Firestrike ASX Announcement May 12, 2014, Firestrike confirms soluble copper present at Copper Ridge Project

Uranium - Vanadium project Overview

AVP also currently owns (Figure 1):

- the Vanadium King Project located in Grand County, Utah; and
- the Radium Mountain and Wedding Bell Projects located in Montrose and San Miguel Counties Colorado.

Regional Geology

All of the projects lie within what is geologically referred to as the Colorado Plateau that covers all of southeast Utah, the western portion of Colorado, the northern third of Arizona and the north-western portion of New Mexico. The plateau consists of a great thickness of Lower Jurassic to Cretaceous terrestrial sediments consisting of sandstones, siltstones and mudstones. Within western Colorado and eastern Utah these sandstones host uranium-vanadium mineralisation in what is known as the Uravan Mineral Belt. This belt and adjacent areas have a total reported production from 1947 to 1979 of 34,754,000 kg of U₃O₈ and 187,443,300 kg of V₂O₅⁶.

Vanadium King Project

Overview

The Vanadium King Project lies on a predominantly flat, high desert plain with little vegetation and consists of 100 BLM claims covering a total of 809 ha located in Grand County, Utah. It is readily accessible from Moab, Utah by a 2-lane sealed highway, a distance of approximately 40 km (Figure 1).

Local geology

The Vanadium King Project is underlain predominantly by sediments of the Brushy Basin Member of the Upper Jurassic Morrison Formation that dip shallowly, 4o to 6o, to the north and west (Figure 6). The Brushy Basin Member consists mainly of an upper sequence of marine shales (units Kmu, Km and Kml) and a lower sandstone unit interpreted to host the mineralisation (Kmfe). The overlying Burro Canyon Formation (Kbc) consisting of fluvial sandstones, occurs in the eastern portion of the claim group.

⁶ William I Chenoweth, 1981, THE URANIUM-VANADIUM DEPOSITS OF THE URAVAN MINERAL BELT AND ADJACENT AREAS, COLORADO AND UTAH, US Department of Energy ONWI-290

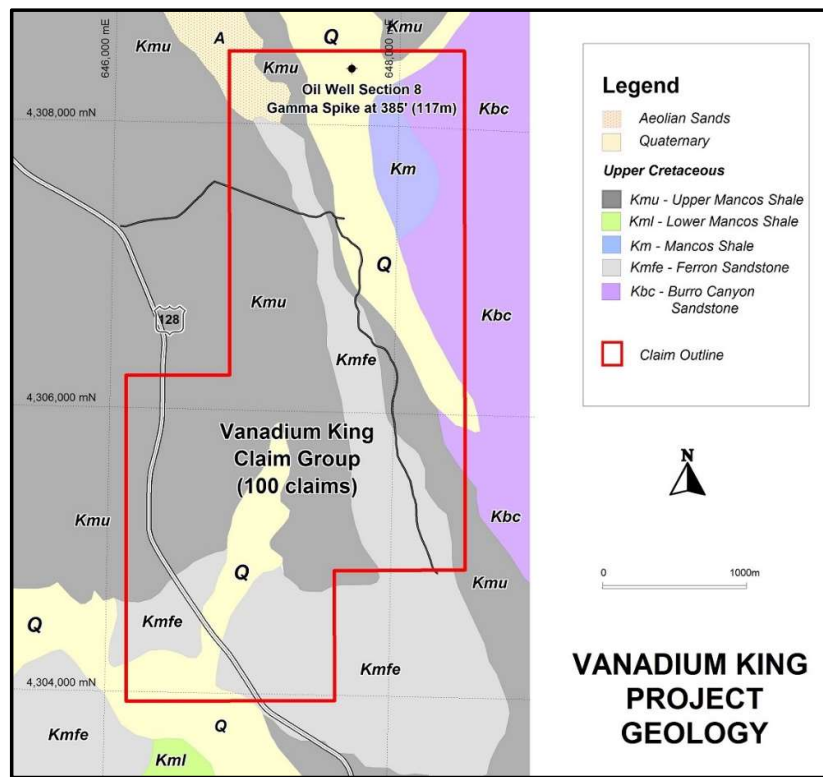


Figure 6– Vanadium King Surface Geology and Claim Outline

Previous Exploration

The Vanadium King Project has no history of mining. However, previous exploration is reported to have been completed by Hunt Oil, Mineral Division, during 1980 and 1981. In an announcement by Terra Ventures, a TSX-V listed company (TAS), on 21 May 2007 it is reported that Hunt Oil encountered widespread low to intermediate grade uranium mineralisation, mostly in stacked fluvial channel sandstones near the middle of the Brushy Basin Member of the Jurassic Morrison Formation⁷.

Exploration Program

It is planned to complete a Phase 1, 9-hole drill program at the Vanadium King Project to test for the presence of the reported mineralisation. This will define stratigraphy and location of mineralised horizon enabling the planning of a Phase 2 resource drill program.

Radium Mountain and Wedding Bell Projects

Overview

The Radium Mountain and Wedding Bell Projects are contiguous and share geology and style of mineralization (Figure 1). The projects consist of 199 BLM claims covering a combined area of 1,611 ha.

Local geology

The Radium Mountain and Wedding Bell Projects lie within the Uravan Mineral Belt (Figure 1). The mineralisation in this belt is hosted in reduced permeable, carbonaceous sandstones of the Salt Wash Member of the Morrison Formation where they occur as individual deposits or groups of deposits. Many of the deposits in the area are within well-defined, sandstone filled paleo river channels which are several hundred metres wide and up to a few kilometres long. The tabular ore bodies typically are elongated parallel to sedimentary trends and are

⁷ Terra Ventures, May 21, 2007, Terra Obtains Option to Purchase 100% of 4,720 acre Uranium Property in Utah

concordant with the bedding. The ore averages about 1.2 m thick, but in a part ore thicknesses approaching 9 m have been mined.

Previous Exploration and Mining

Following the discovery of a yellow mineral (cartonite) containing uranium, vanadium, and radium in 1899 in the western part of Colorado four periods of mining followed, initially for uranium from about 1900 to 1910 and then for radium to about 1923. Uranium mining resumed in the early 1930's until 1944 and again in 1949, with vanadium mined as a by-product. This period lasted until 1983, ending when the price of uranium went into serious decline. A period of exploration occurred during the spike in uranium prices in the late 2000's.

The UraVan Mineral Belt stretches from eastern Utah into southwest Colorado. This belt and adjacent areas have a total reported production from 1947 to 1979 of 34,754,000 kg of U₃O₈ and 187,443,300 kg of V₂O₅⁸. No detailed production records are available on a mine by mine basis.

The mines within the project areas were subject to varying levels of exploration and development. The majority of the exploration consisted of drilling in advance of development during the periods of mining. Much of the drilling was completed with wagon drills (RAB) with a depth capacity of 30m and few records were kept.

Exploration Program

Exploration consisting of geological mapping is planned over the claims to identify mineralised zones and allow correlation with the available historical data. Any accessible underground workings will be mapped and sampled. This work will identify drill targets with the aim of identifying potentially economic mineralization.

Mineral Resources and Ore Reserves Statement

The Company has not announced any JORC Measured Resources or Ore Reserves at the present time.

Competent Person Statement

The information in this Notice that relates to Exploration Results and Metallurgy is based on information compiled by Gregory Smith, a proposed director of DLC, who is a Member of The AusIMM and who has more than five years' experience in the field of activity being reported on. Mr. Smith is a consultant of the Company. The information in the report is an accurate representation of the available data and studies for the projects.

Mr. Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.6.4 Growth Strategy

The Company will continue to seek value investments and opportunities in the resources sector to complement its existing business, to maximise shareholder value when the opportunities arise.

⁸ William I Chenoweth, 1981, THE URANIUM-VANADIUM DEPOSITS OF THE URAVAN MINERAL BELT AND ADJACENT AREAS, COLORADO AND UTAH, US Department of Energy ONWI-290

1.7 Risk Factors

1.7.1 Introduction

Shareholders should be aware that if the relevant Resolutions are approved and the Acquisition is completed, the Company will be re-complying with Chapters 1 and 2 of the ASX Listing Rules and will be subject to various risk factors.

Based on the information available, a non-exhaustive list of risk factors associated with the Acquisition and following completion of the Acquisition are set out below.

1.7.2 Key Risks relating to the Change in Nature and Scale of Activities

(a) Re-quotation of shares on ASX

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the ASX listing rules. It is anticipated that the Company's securities will be suspended from the date of the general meeting convened to seek Shareholder approval for the Acquisition until completion of the Acquisition, the \$2.5 million public offer, re-compliance by the Company with Chapters 1 and 2 of the ASX listing rules and compliance with any further conditions ASX imposes on such reinstatement.

There is a risk that the Company will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from official quotation. The Company however, following the recent detailed discussions with the ASX surrounding these acquisitions and the Company's re-compliance obligations, at the moment sees no reason why the Company should not be able to re-comply according with these conditions within a few weeks of the upcoming intended shareholder meeting.

(b) Completion Risk

The Company has agreed to acquire 100% of the issued share capital of American Vanadium, completion of which is subject to the fulfilment of certain conditions. There is a risk that the conditions for completion of the Acquisition cannot be fulfilled and, in turn, that completion of the Acquisition does not occur.

If the Acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved.

(c) Tenure, access and grant of applications

Mining and exploration claims are subject to periodic renewal. There is no guarantee that current or future claims or future applications for production claims will be approved.

Claims are subject to the applicable mining acts and regulations. The renewal of the term of a granted claim is also subject to the discretion of the relevant authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the claims comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(d) Exploration and operating

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of the claims, or any other claims that may be acquired in the future, will result in the discovery of an economic resource. Even if

an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company being able to maintain title to the claims and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of the claims comprising its projects.

(e) **Exploration Costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.

(f) **Operating and Development Risks**

The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of mining involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents, occupational and health hazards, cave-ins and rock bursts. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

In addition, the Company's profitability could be adversely affected if for any reason its production and processing of or mine development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, pit slope failures, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor or inadequate ventilation, failure of mine communications systems, poor

water condition, interruptions to gas and electricity supplies, human error and adverse weather conditions.

(g) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(h) **Resource and reserves and exploration targets**

The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.

Reserve and Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(i) **Failure to satisfy Expenditure Commitments**

Interests in claims are governed by the mining acts and regulations that are current in the relevant location of the claims and are evidenced by the granting of claims. Each claim is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the claims if conditions are not met or if insufficient funds are available to meet expenditure commitments.

(j) **Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production, its operations may be disrupted by a

variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects.

(k) **Equipment and availability**

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(l) **Exploration and Mining Claims**

The ability of the Company to carry out successful exploration and mining activities will depend on the ability to maintain or obtain tenure to mining claims. The maintenance or issue of any such mining claims must be in accordance with the laws of the relevant jurisdiction and in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with. No guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be planted by third parties.

(m) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(n) **Regulatory risk**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(o) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

1.7.3 General Risks

(a) **Regulatory**

The Company is based in Australia and is subject to Australian laws and regulations. For example, the Company is required to comply with the Corporations Act. Changes in relevant taxes, legal and administration regimes, accounting practice and government policies in the countries in which the Company operates, and may operate, may adversely affect the financial performance of the Company.

(b) **Government Licences and Approvals**

Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

(c) **General Economic and Political Risks**

Changes may occur in the general economic and political climate in the jurisdictions in which the Company operates and on a global basis that could have an impact on economic growth, interest rates, the rate of inflation, taxation, tariff laws and domestic security which may affect the value and viability of any activity that may be conducted by the Company.

(d) **Additional Requirements for Capital**

The Directors expect that the Company will have sufficient capital resources to enable the Company to achieve its initial business objectives upon settlement of the proposed Acquisition. However, the Directors can give no assurances that such objectives will in fact be met without future borrowings or capital raisings.

The Company's capital requirements depend on numerous factors. The Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(e) **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(f) **Market Conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and energy stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(g) **Share Market Risk**

The market price of the Company's Shares could fluctuate significantly. The market price of the Company's Shares may fluctuate based on a number of factors including:

- (i) the Company's operating performance and the performance of competitors and other similar companies;
- (ii) the public's reaction to the Company's press releases;
- (iii) other public announcements and the Company's filings with securities regulatory authorities;
- (iv) changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the sector;
- (v) changes in general economic conditions;
- (vi) the number of the Company's Shares publicly traded and the arrival or departure of key personnel; and
- (vii) acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares is affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all shares in the Company's market sector, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments.

(h) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects and additional assets. Any such acquisitions will be accompanied by risks commonly encountered and listed in this section.

(i) **Claims, Liability and Litigation**

The risk of litigation is a general risk of the Company's business. There is always the risk that litigation may occur as a result of differing interpretations of obligations or outcomes.

(j) **Force Majeure**

The Company's operations now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions

(k) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(l) **Joint venture, acquisitions or other strategic investments**

The Company may make strategic investments in complementary businesses or enter into strategic partnerships or alliances with third parties in order to enhance its business. At the date of this Notice, the Company is not aware of the occurrence or likely occurrence of any such risks which would have a material adverse effect on the Company or its subsidiaries.

(m) **Litigation Risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(n) **Management of growth**

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Acquisition. The capacity of the Company's management to properly implement and manage the strategic direction of the business may affect the Company's financial performance.

Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's Securities.

1.8 Acquisition – advantages / disadvantages / recommendations

1.8.1 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the Acquisition represents a significant opportunity for the Company to increase the scale of its activities which should increase the number and size of the investor pool that may invest in the Company's Shares;
- (b) the Acquisition will provide the Company with the opportunity to increase the value of the Company;
- (c) provide an opportunity for the Company to grow shareholder wealth through the successful exploration of the copper, uranium, vanadium and cobalt projects and create a battery minerals division; and
- (d) allow the Company to continue to develop the Calvista wholesale business and implement some efficiencies and marketing initiatives which should improve the operational and financial performance of the business unit.

1.8.2 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the Company will be changing the scale of its activities which may not be consistent with the objectives of all Shareholders;
- (b) the Acquisition and Capital Raising will result in the issue of a significant number of Shares to American Vanadium shareholders and new investors which will have a dilutionary effect on the holdings of Shareholders;
- (c) future outlays of funds from the Company may be required for its proposed business operations; and
- (d) there are additional risk factors associated with the change in nature of the Company's activities resulting from the Acquisition. Some of the key risks are summarised in Section 1.7 above.

1.8.3 Plans for the Company if the Acquisition Resolutions are not passed

If the Acquisition Resolutions are not passed and the Acquisition is not completed, the Company will continue to focus on exploring new opportunities and look for potential business acquisitions to take the Company forward.

1.8.4 Directors' Recommendation

The Company has undertaken appropriate enquiries into the assets, liabilities, financial position, financial performance, profits and losses and prospects of American Vanadium, for the Board to be satisfied that the Acquisition is in the interests of the Company and its Shareholders. Other than as stated, the Directors do not have any material personal interests in the outcome of the Resolutions.

Other than where a Director holds an interest in Resolutions 7, 8, 9, 10 or 11 where the relevant Director does not provide a recommendation due to having an interest in the relevant Resolution, the Board unanimously recommends that Shareholders vote in favour of the Acquisition Resolutions as, after an assessment of the advantages and disadvantages referred to in Sections 1.8.1 and 1.8.2, they are of the view that the advantages significantly outweigh the disadvantages and consider the Acquisition to be in the best interests of Shareholders.

2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

2.1 General

As outlined in Section 1 of this Explanatory Statement, the Company has entered into the Share Sale Agreement pursuant to which the Company will acquire the American Vanadium Shares from the American Vanadium Shareholders.

A detailed description of the Acquisition is outlined in Section 1. ASX has determined that the Acquisition will result in the change in the nature and scale of the Company's activities.

Resolution 1 seeks approval from Shareholders for the change to the nature and scale of the activities of the Company resulting from the Acquisitions.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has indicated to the Company that, given the change in the nature and scale of the Company's activities upon completion of the Acquisition, ASX requires the Company to:

- (a) obtain Shareholder approval; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

Accordingly, it is anticipated that the Company's Shares will remain suspended until the Company has settled the Acquisition and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

The Company will be undertaking a consolidation of its capital as part of its proposed re-compliance with Chapters 1 & 2 of the Listing Rules (Refer Resolution 2).

If the Acquisition Resolutions are not approved at the Meeting, it is expected that the Company's Shares will be reinstated to quotation on ASX's Official List after the Company announces the results of the Meeting in accordance with the Listing Rules and Corporations Act.

2.3 Guidance Note 12

Changes to ASX Guidance Note 12 alter ASX's policy in relation to the application of the "20 cent rule" to re-compliance listings. Previously a company was required to re-comply to the Official List of the ASX at an issue price of 20 cents per share as part of compliance with Chapters 1 and 2 of the ASX Listing Rules. Guidance Note 12 states that this issue price can now be below 20 cents where an entity's securities have been trading on ASX at less than 20 cents. ASX will consider a request not to apply the 20 cent rule provided the issue price or sale price for any securities being issued or sold as part of, or in conjunction with, the Acquisition:

- (a) is not less than two cents (\$0.02) each; and
- (b) is specifically approved by security holders as part of the approval obtained under Listing Rule 11.1.2; and
- (c) ASX is otherwise satisfied that the entity's proposed capital structure after the Acquisition will satisfy Listing Rules 1.1 condition 1 and 12.5 (appropriate structure for a listed entity).

For this reason, the Company is seeking Shareholder approval for the Company to issue Shares upon re-compliance at an issue price of not less than \$0.02 per Share, as part of the approvals sought under ASX Listing Rule 11.1.2.

Further, Guidance Note 12 indicated that if an entity is proposing to issue options as part of the Acquisition (and the entity's ordinary securities have been trading at less than 20 cents), ASX will consider a request for ASX not to apply the Minimum Option Exercise Price Rule, provided that:

- (a) the exercise price for the options:
 - (i) is not less than two cents (\$0.02) each; and
 - (ii) is specifically approved by security holders as part of the approvals obtained under ASX Listing Rule 11.1.2; and
- (b) ASX is otherwise satisfied that the entity's proposed capital structure after the Acquisition will satisfy ASX Listing Rule 1.1 Condition 1 and 12.5.

For this reason, the Company is also seeking Shareholder approval for the Company to issue Options upon re-compliance at an exercise price of \$0.03 per Option, \$0.04 per Option and \$0.05 per Option as part of the approvals sought under ASX Listing Rule 11.1.2.

On 3 October 2019, ASX granted the Company a waiver from the requirements of Listing Rule 2.1 (Condition 2) to enable it to issue Shares at an issue price less than \$0.20 per Share. The terms of the waiver were announced on 21 October 2019. On 3 October 2019, ASX also granted the Company a waiver from Listing Rule 1.1 (Condition 12) to the extent necessary to permit the Company to issue Options with an exercise price below \$0.20.

3. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

3.1 Background

The Directors are seeking Shareholder approval to consolidate the number of Shares on issue on a 2 for 5 basis (**Consolidation**).

If Resolution 2 is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

- (a) Shares on issue will be reduced from 695,996,205 to 278,398,482 subject to rounding); and
- (b) Options on issue will be reduced from 40,000,000 to 16,000,000 (subject to rounding).

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

The Company is required to undertake the Consolidation under ASX policy in order to complete the Capital Raising at a price of less than \$0.20 per Share.

3.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

3.3 Fractional entitlements

Not all Security holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 2.5. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

3.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

3.5 Holding statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

3.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in Section 1.5.2 above.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

Options – Pre Consolidation

Terms	Number
Options exercisable at \$0.015 by 30 June 2020	40,000,000
Total	40,000,000

Options – Post Consolidation

Terms	Number
Options exercisable at \$0.0375 by 30 June 2020	16,000,000
Total	16,000,000

3.7 Indicative timetable*

The Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Dispatch Notice of Meeting.	24 October 2019
Date of Meeting to approve Consolidation	25 November 2019
Last day for pre-Consolidation trading	26 November 2019
Post-Consolidation trading starts on a deferred settlement basis	27 November 2019
Last day for Company to register transfers on a pre-Consolidation basis	28 November 2019

Action	Date
First day for Company to send notice to each holder of the change in their details of holdings	29 November 2019
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements	
Change of details of holdings date	5 December 2019
Deferred settlement market ends	5 December 2019
Last day for Securities to be entered into holders' Security holdings	5 December 2019
Last day for the Company to send notice to each holder of the change in their details of holdings	5 December 2019

4. **RESOLUTION 3 – ISSUE OF CONSIDERATION SHARES TO AMERICAN VANADIUM SHAREHOLDERS**

4.1 **General**

Resolution 3 seeks Shareholder approval for the issue of 100,000,000 Shares to the American Vanadium Shareholders (**Consideration Shares**) in consideration for the Acquisition as further detailed in Section 1 above.

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

The effect of Resolution 3 will be to allow the Company to issue the Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

4.2 **Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

- (a) the maximum number of Shares to be issued is 100,000,000 Shares;
- (b) the 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 ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration in consideration of the Acquisition;
- (d) the Shares will be issued to the American Vanadium Shareholders, none of whom are related parties of the Company;
- (e) 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; and
- (f) no funds will be raised from the issue of the Consideration Shares as the Consideration Shares are being issued in consideration for the Acquisition.

5. RESOLUTION 4 – CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES

5.1 General

This Resolution seeks Shareholder approval pursuant to section 246B of the Corporations Act and clause 32.5 of the Company's Current Constitution for the Company to be authorised to create the necessary class of and issue performance shares (**Performance Shares**).

The terms and conditions of the Performance Shares are set out in Schedule 2.

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

5.2 Requirement for Shareholder approval

A company with a single class of shares on issue which proposes to issue new shares not having the same rights as its existing shares is taken to vary the rights of existing Shareholders unless the Constitution already provides for such an issue.

Section 246B(1) of the Corporations Act provides that if a company has a constitution that sets out the procedure for varying or cancelling rights attached to shares in a class of shares, those rights may be varied or cancelled only in accordance with the procedure. The procedure may be changed only if the procedure itself is complied with.

Under clause 32.5 of the Current Constitution, if the Company issues different classes of shares, or divides issued shares into different classes, the rights attached to shares in any class may (subject to sections 246C and 246D) be varied or cancelled:

- (a) with the written consent of the holders of a majority of the issued shares of the affected class; or
- (b) by ordinary resolution passed at a meeting of the holders of the issued shares of the affected class.

5.3 Application to Company

The Company proposes to issue two classes of Performance Shares to American Vanadium Shareholders as part of consideration for the Acquisition as follows:

- (a) 100,000,000 Class A Performance Shares; and
- (b) 100,000,000 Class B Performance Shares,

each having a milestone event which triggers their conversion into Shares.

The purpose of the issue of the Performance Shares is to link part of the consideration for the Acquisition to certain key performance criteria. If the milestones are not achieved within the prescribed timeframe, the Company will redeem the Performance Shares.

The Company currently has only one class of share on issue being fully paid ordinary shares (**Shares**). The terms of the Performance Shares will not be the same as the Shares and the rights attaching to the Performance Shares are not provided for in the Constitution. Accordingly, the Company seeks Shareholder approval in accordance with clause 32.5 of its Current Constitution.

5.4 ASX approval pursuant to ASX Listing Rule 6.1

ASX Listing Rule 6.1 provides that the terms that apply to each class of equity security must, in ASX's opinion, be appropriate and equitable.

On 3 October 2019, the Company obtained ASX's confirmation, pursuant to Listing Rule 6.1 that the terms of the Consideration Performance Shares are appropriate and equitable.

6. RESOLUTION 5 – ISSUE OF PERFORMANCE SHARES TO AMERICAN VANADIUM SHAREHOLDERS

6.1 General

Pursuant to the terms of the Acquisition, the Company has agreed to issue 200,000,000 Performance Shares to the American Vanadium Shareholders (or their nominees) upon Settlement.

Resolution 5 seeks Shareholder approval for the issue of 100,000,000 Class A Performance Shares and 100,000,000 Class B Performance Shares to the American Vanadium Shareholders (or their nominees).

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of Resolution 5 will be to allow the Company to issue 100,000,000 Class A Performance Shares and 100,000,000 Class B Performance Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

As well as being subject to and conditional upon the passing of Resolution 4, this Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Performance Shares to American Vanadium Shareholders:

- (a) the maximum number of Performance Shares to be issued at Settlement is:
 - (i) 100,000,000 Class A Performance Shares; and
 - (ii) 100,000,000 Class B Performance Shares.
- (b) the Performance 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 ASX Listing Rules) and it is intended that issue of all the Performance Shares will occur on the same date;
- (c) the Performance Shares will be granted for nil cash consideration, accordingly no funds will be raised;
- (d) the Performance Shares will be issued to American Vanadium Shareholders who are not related parties of the Company (other than as a result of the Acquisition);
- (e) the terms and conditions of the Performance Shares are set out in Schedule 2; and
- (f) no funds will be raised from the issue as the Performance Shares are to be issued in part consideration for the Acquisition.

7. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO CORAL BROOK PTY LTD

7.1 General

Resolution 6 seeks Shareholder approval for the issue of 40,000,000 Options as part of the consideration for the Acquisition (**Consideration Options**).

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of Resolution 6 will be to allow the Company to issue the Consideration Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Consideration Options to be issued is 40,000,000;
- (b) the Consideration Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is likely that issue will occur progressively as each service is provided to the Company;
- (c) the Consideration Options will be issued for nil cash consideration forming part of the consideration for the Acquisition;
- (d) the Consideration Options will be issued to Coral Brook Pty Ltd. Coral Brook Pty Ltd is not a related party of the Company;
- (e) the Consideration Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) no funds will be raised from the Consideration Options which are issued in consideration for the Acquisition.

8. RESOLUTION 7 – ELECTION OF DIRECTOR – BRYAN HUGHES

The Constitution allows the Company to appoint at any time a person to be a Director by resolution passed in a General Meeting, provided the number of fixed directors is not exceeded.

In order for proposed Directors to be eligible for appointment under the Constitution, the proposed Director must:

- (a) be retiring and seeking re-election in accordance with the Constitution; or
- (b) be recommended by the Board for appointment; or
- (c) at least 30 business days before the meeting, the Company receives both:
 - (i) a nomination of the proposed Director by a member (who may be the proposed Director); and
 - (ii) a consent to act as a Director signed by the proposed Director.

The Company confirms that it has received a consent to act from Mr Bryan Hughes and a letter of nomination.

Pursuant to Resolution 7, Mr Bryan Hughes seeks election from Shareholders to be appointed upon completion of the Acquisition.

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

8.2 Qualifications and other material directorships

Mr Hughes is the Chairman of Pitcher Partners Perth Accountants, Auditors and Advisors and specialises in corporate advisory, turnaround and reconstruction. His experience in these areas, as well as his roles personally as a director of both ASX listed and private companies provide a comprehensive and complimentary

skillset and knowledge base to apply to the resolution of disputes and negotiating commercial outcomes in challenging commercial circumstances.

Mr Hughes has many years' experience working closely with, and consulting to, various corporate stakeholders on a wide range of matters.

Mr Hughes has undertaken postgraduate studies in insolvency law and successfully concluded negotiation and management courses at Columbia University Executive Business School in New York. He has given numerous presentations on restructuring ASX listed companies.

Mr Hughes has previously served as a director of ASX listed Living Cities Development Group Limited and resigned on 18 December 2015 (appointed in April 2012).

8.3 Independence

Mr Hughes has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected, the board considers Mr Hughes will be an independent director.

8.4 Board recommendation

The Board supports the election of Mr Hughes and recommends that Shareholders vote in favour of Resolution 7.

9. RESOLUTION 8 – ELECTION OF DIRECTOR – GREG SMITH

9.1 General

A summary of the Company's Constitution with respect to the election of directors is set out in at Section 8.

The Company confirms that it has received a consent to act from Mr Greg Smith and a letter of nomination.

Pursuant to Resolution 8, Mr Smith seeks election from Shareholders to be appointed upon completion of the Acquisition.

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

9.2 Qualifications and other material directorships

Mr Smith holds a Bachelor of Science degree in Geology from Dalhousie University, Nova Scotia, Canada. He is a Fellow of the Geological Association of Canada and a Member of the Australasian Institute of Mining and Metallurgy

Mr Smith commenced his career in 1975 and has worked over a wide cross section of minerals and countries including in Canada, Australia and Africa. Mr Smith was the exploration manager for Moto Gold Mines Ltd, responsible for the discovery of 22.5 million ounces of gold in the Democratic Republic of Congo. He has also previously held the position of Managing Director of ASX listed Elemental Minerals Limited and Lindian Resources Limited. Greg has a proven track record of identifying substantial company making mineral projects and developing those projects, resulting in major value creation for shareholders.

9.3 Independence

Mr Smith has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected, the board considers Mr Smith will be an independent director.

9.4 Board recommendation

The Board supports the election of Mr Smith and recommends that Shareholders vote in favour of Resolution 8.

10. RESOLUTIONS 9, 10 AND 11 – ISSUE OF OPTIONS TO DIRECTORS

10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 76,500,000 Options (**Related Party Options**) to Messrs Malcolm Day, Bryan Hughes and Greg Smith (or their nominees) (**Related Parties**) on the terms and conditions set out below.

The Related Party Options will be divided into three tranches as follows:

- (a) 25,500,000 Tranche 1 Options;
- (b) 25,500,000 Tranche 2 Options; and
- (c) 25,500,000 Tranche 3 Options.

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

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

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

The grant of the Related Party Options constitutes giving a financial benefit and Mr Malcolm Day, is a related party of the Company by virtue of being a Director and Messrs Bryan Hughes and Greg Smith by virtue of being proposed Directors.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Parties.

In relation to the issue date for the Related Party Options, the Company has been granted a waiver from ASX Listing Rule 10.13.3 so that the Related Party Options may be granted to the Related Parties no later than three months after the date of the Meeting (rather than the standard one month requirement), to correspond with the issue of other security issues related to the Acquisition. The waiver has been granted on the following conditions:

- (a) the Related Party Options are issued not later than three months from the date of the Meeting;
- (b) the Related Party Options are issued pursuant to the relevant terms and conditions set out in this Notice;
- (c) the circumstances of the Company, as determined by ASX, have not materially changed since the Meeting; and
- (d) the terms of the waiver are disclosed in this Notice and the Prospectus that the Company is preparing for the Capital Raising.

These Resolutions are Acquisition Resolutions and are subject to and conditional upon approval of all other Acquisition Resolutions.

10.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related parties are Messrs Malcolm Day, Bryan Hughes and Greg Smith and they are related parties by virtue of being Directors or proposed Directors of the Company;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 25,500,000 Related Party Options to Malcolm Day (or his nominee), comprising the following:
 - (A) 8,500,000 Tranche 1 Options;
 - (B) 8,500,000 Tranche 2 Options;
 - (C) 8,500,000 Tranche 3 Options,
 - (ii) 25,500,000 Related Party Options to Bryan Hughes (or his nominee), comprising the following:
 - (A) 8,500,000 Tranche 1 Options;
 - (B) 8,500,000 Tranche 2 Options;
 - (C) 8,500,000 Tranche 3 Options,
 - (iii) 25,500,000 Related Party Options to Greg Smith (or his nominee), comprising the following:
 - (A) 8,500,000 Tranche 1 Options;
 - (B) 8,500,000 Tranche 2 Options;
 - (C) 8,500,000 Tranche 3 Options.
- (c) In accordance with the waiver granted by ASX, the Related Party Options will be granted to the Related Parties no later than three months after the date of the Meeting and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 4;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 5,
- (g) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice (and therefore on a pre-Consolidation basis) are set out below:

Related Party	Shares	Options
Malcolm Day	171,139,768	-
Bryan Hughes	-	-
Greg Smith	-	-

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

Related Party	Current Financial Year Per Annum	Previous Financial Year Per Annum
Malcolm Day	\$273,600	\$327,600
Bryan Hughes	\$65,700	N/A
Greg Smith	\$39,429	N/A

- (i) if the Related Party Options granted to the Related Parties are exercised, a total of 76,500,000 (post-Consolidation) Shares would be issued. This will increase the number of Shares on issue (assuming the Consolidation takes place) from 503,398,482 to 579,898,482 (assuming that no Options are exercised, no other Shares other than those contemplated by the Resolutions of this Notice are issued and the minimum subscription being raised under the Capital Raising) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 13.20%, comprising 4.4% by Malcolm Day, 4.4% by Bryan Hughes and 4.4% by Greg Smith.

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

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

	Price	Date
Highest	0.009	3 January 2019
Lowest	0.004	25 June 2019
Last	0.005	14 October 2019

- (k) the Board acknowledges the grant of Related Party Options to Messrs Bryan Hughes and Mr Greg Smith is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Options to Messrs Bryan Hughes and Greg Smith reasonable in the circumstances for the reason set out in paragraph (m);
- (l) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (m) Malcolm Day declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Options in the Company should Resolution 9 be passed. However, in respect of Resolutions 10 and 11, Malcolm Day

recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (n) with the exception of Mr Day, no other Director has a personal interest in the outcome of Resolutions 9, 10 and 11;
- (o) Hans-Rudolf Moser recommends that Shareholders vote in favour of Resolutions 9, 10 and 11 for the reasons set out in paragraph (m);
- (p) Bradley Moore recommends that Shareholders vote in favour of Resolutions 9, 10 and 11 for the reasons set out in paragraph (m);
- (q) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 9, 10 and 11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

11. RESOLUTION 12 – ISSUE OF OPTIONS TO PAUL JURMAN

11.1 General

Resolution 12 seeks Shareholder approval for the issue of 6,000,000 Options in consideration for services provided by Mr Paul Jurman, the proposed Company Secretary, to the Company.

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of Resolution 12 will be to allow the Company to issue Options to Mr Jurman (or his nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

11.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Options to be issued is 6,000,000 comprising the following:
 - (i) 2,000,000 Tranche 1 Options;

- (ii) 2,000,000 Tranche 2 Options;
- (iii) 2,000,000 Tranche 3 Options,
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration in satisfaction of corporate advisory services provided and company secretarial services to be provided by Mr Jurman;
- (d) the Options will be issued to Mr Jurman (or his nominee) who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 4; and
- (f) no funds will be raised from the issue of the Options as the Options are being issued in consideration for services provided by Mr Jurman.

12. RESOLUTION 13 – CAPITAL RAISING

12.1 General

This Resolution seeks Shareholder approval to enable the Company to issue up to 150,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$3,000,000 (**Capital Raising**) with a minimum raising of \$2,500,000 by the issue of 125,000,000 Shares at an issue price of \$0.02 per Share.

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

The Shares to be issued under the Capital Raising will be issued pursuant to a Prospectus to satisfy the admission requirement in Condition 3 of Listing Rule 1.1.

None of the subscribers for Shares under the Capital Raising will be related parties of the Company for the purpose of Listing Rule 10.11.

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of this Resolution will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity. This Resolution is conditional on the approval of the Acquisition Resolutions.

12.2 Technical information required by ASX Listing Rule 7.3

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

- (a) the maximum number of Shares to be issued is 150,000,000 Shares;
- (b) the 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 ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.02 per Share;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) 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; and
- (f) the Company intends to use the funds raised from the Capital Raising as outlined in Section 1.5.3 above.

13. RESOLUTION 14 – ISSUE OF OPTIONS – CPS CAPITAL GROUP PTY LTD

13.1 General

This Resolution seeks Shareholder approval for an issue of 25,500,000 Options to CPS Capital Group Pty Ltd (**CPS**) as part of the consideration for the provision of lead management and corporate advisory services (**Lead Manager Options**).

The Lead Manager Options to be issued to CPS will be divided into three tranches as follows:

- (a) 8,500,000 Tranche 1 Options;
- (b) 8,500,000 Tranche 2 Options; and
- (c) 8,500,000 Tranche 3 Options.

The Company has engaged CPS to act as Lead Manager in relation to the Capital Raising. In consideration for acting as lead manager to the Capital Raising, CPS will receive a management fee of 2%, plus GST, and a placing fee of 4%, plus GST, for funds raised via the Capital Raising.

Upon completion of the Acquisition and re-compliance with Chapters 1 and 2 of the Listing Rules, CPS will receive a monthly corporate advisory fee of \$5,000 plus GST, per month for a minimum term of 12 months.

Jason Peterson, a director of CPS, is the controller of American Vanadium Shareholder, Celtic Capital, and currently holds 2,000,000 shares in American Vanadium. At settlement of the Acquisition, Celtic Capital will be issued 20,000,000 Consideration Shares, 20,000,000 Class A Performance Shares and 20,000,000 Class B Performance Shares.

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of this Resolution will be to allow the Company to issue the Lead Manager Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

13.2 Technical information required by ASX Listing Rule 7.3

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

- (a) the maximum number of Lead Manager Options to be issued will be 25,500,000 comprising the following:
 - (i) 8,500,000 Tranche 1 Options;
 - (ii) 8,500,000 Tranche 2 Options; and
 - (iii) 8,500,000 Tranche 3 Options.
- (b) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that issue of the Lead Manager Options will occur on the same date and the Corporate Advisory Fee will occur progressively;
- (c) the Lead Manager Options will be issued for nil cash consideration in satisfaction of lead management and corporate advisory services provided by CPS;
- (d) the Lead Manager Options will be issued to CPS (or its nominee), who is not a related party of the Company;
- (e) the Lead Manager Options will be issued on the terms and conditions set out in Schedule 4; and
- (f) no funds will be raised from the issue of the Options as the Options are being issued in consideration for services provided by CPS.

14. **RESOLUTION 15 – CHANGE OF COMPANY NAME**

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 15 seeks the approval of Shareholders for the Company to change its name to “Moab Minerals Limited”.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

If Resolution 15 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 15 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Acquisition in order to effect the change.

This Resolution is an Acquisition Resolution and is subject to and conditional upon approval of all other Acquisition Resolutions.

15. **RESOLUTION 16 – REPLACEMENT OF CONSTITUTION**

15.1 **General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 16 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 1999.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Company to that adopted in Resolution 15;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.delecta.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the proposed Company Secretary (+61 8 9380 6789). Shareholders are invited to contact the Company if they have any queries or concerns.

15.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

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

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

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

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

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

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

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

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

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

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

Reasons for proportional takeover provisions

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

Knowledge of any acquisition proposals

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

Potential advantages and disadvantages of proportional takeover provisions

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

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

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

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

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

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 16.

GLOSSARY

\$ means Australian dollars.

American Vanadium means American Vanadium Pty Ltd (ACN 628 536 292).

American Vanadium Shareholders means the holders of the American Vanadium Shares.

American Vanadium Shares means 100% of the issued share capital of American Vanadium to be acquired by the Company.

Acquisition has the meaning given to it in Section 1.

Acquisition Resolution means Resolutions 1 to 15 (inclusive).

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

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

Capital Raising means the capital raising to be undertaken by the Company, and required as a condition precedent to the Acquisition, being the subject of Resolution 13.

Company means Delecta Limited (ACN 009 147 924).

Consideration Options has the meaning given to that term in Section 7.1 and having the terms set out in Schedule 4.

Chair means the chair of the Annual General Meeting.

Current Constitution means the Company's current constitution titled "Constitution of Adultshop.com Limited (ACN 009 147 924) to be replaced by the Proposed Constitution if Resolution 12 is approved.

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

Directors means the current directors of the Company.

EBITDA means earnings before interest, tax, depreciation and amortization,

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

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Inferred Resource has the meaning given to that term in the JORC Code.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Meeting refer to General Meeting.

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

Option means an option to acquire a Share.

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

Proposed Constitution has the meaning given to it in Section 15.1.

Prospectus means the prospectus to be prepared by the Company in accordance with Chapter 6D of the Corporations Act, pursuant to which the Capital Raising will be undertaken.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of this Notice.

Security has the meaning set out in the ASX Listing Rules.

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

Share Sale Agreement means the share sale agreement entered between the Company and the American Vanadium Shareholders in respect of the Acquisition.

Shareholder means a registered holder of a Share.

Tranche 1 Options means options exercisable at \$0.03 Option and having the terms set out in Schedule 4.

Tranche 2 Options means options exercisable at \$0.04 per Option and having the terms set out in Schedule 4.

Tranche 3 Options means options exercisable at \$0.05 per Option and having the terms set out in Schedule 4.

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

SCHEDULE 1 – PRO FORMA BALANCE SHEET

	DLC CONSOLIDATED AUDITED 30 June 2018 \$'000	DLC CONSOLIDATED AUDIT REVIEWED 31 Dec 2018 \$'000	DLC CONSOLIDATED UNAUDITED 30 April 2019 \$'000	PROFORMA DLC CONSOLIDATED POST ACQUISITION 30 April 2019 \$'000
CURRENT ASSETS				
Cash and cash equivalents	998	741	888	3,247
Trade and other receivables	2,490	2,497	1,965	1,965
Inventories	3,628	4,423	3,560	3,560
Financial assets at fair value through OCI	2,310	902	924	924
Prepayments and deposits	536	1,000	826	826
TOTAL CURRENT ASSETS	9,962	9,563	8,163	10,522
NON-CURRENT ASSETS				
Exploration	-	-	916	3,281
Property, plant and equipment	229	202	227	227
TOTAL NON-CURRENT ASSETS	229	202	1143	3,508
TOTAL ASSETS	10,191	9,765	9,306	14,030
CURRENT LIABILITIES				
Trade and other payables	1,099	2,024	1,420	1,554
Provisions	145	127	130	130
TOTAL CURRENT LIABILITIES	1,244	2,151	1,550	1,684
NON-CURRENT LIABILITIES				
Provisions	108	111	113	113
TOTAL NON-CURRENT LIABILITIES	108	111	113	113
TOTAL LIABILITIES	1,352	2,262	1,663	1,797
NET ASSETS (LIABILITIES)	8,839	7,503	7,643	12,233
EQUITY				
Issued capital	69,493	69,618	70,118	74,013
Reserves	1,923	500	538	2,058
Accumulated losses	(62,577)	(62,615)	(63,013)	(63,838)
TOTAL EQUITY	8,839	7,503	7,643	12,233

SCHEDULE 2 – PERFORMANCE SHARES – RESOLUTION 5

The terms of Performance Shares are set out as follows:

Rights attaching to the Performance Shares:

(a) **Performance Shares**

Each Class A Performance Share and Class B Performance Share (together and each being a **Performance Share**) is a share in the capital of the Company.

(b) **General meetings**

Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (**Shareholders**). Holders have the right to attend general meetings of Shareholders.

(c) **No voting rights**

A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.

(d) **No dividend rights**

A Performance Share does not entitle the Holder to any dividends.

(e) **No rights to return of capital**

A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Rights on winding up**

A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) **Not transferable**

A Performance Share is not transferable.

(h) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(i) **Application to ASX**

The Performance Shares will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Shares into fully paid ordinary shares (**Shares**), the Company must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX. Any amendment to the terms of these Performance Shares as required by ASX will be deemed to be incorporated in these terms.

(j) **Participation in entitlements and bonus issues**

A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **No other rights**

A Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Shares:

(l) Conversion on achievement of milestone

Subject to paragraph (n), a Performance Share in the relevant class will convert into one Share upon achievement of:

(i) Class A Performance Share

The delineation of a JORC-compliant Mineral Resource estimate of at least Inferred category of a minimum of 15,000 tonnes of copper or copper equivalent (in accordance with clause 50 of the JORC Code 2012) at an average grade no less than 0.7% copper equivalent on any one or more American Vanadium Project within five (5) years from the date of issue of the Performance Shares (**Class A Milestone**).

(ii) Class B Performance Share

Completion of a positive Scoping Study (as defined in the JORC Code 2012) in relation to any one or more American Vanadium Project by an independent third-party expert which evidences an internal rate of return greater than 20% (using publicly available industry assumptions including deliverable spot commodity/mineral prices which are independently verifiable), provided that the total cumulative EBITDA over the life of the relevant American Vanadium Project is over \$US50,000,000, and provided that (while the Company remains listed on ASX) the Scoping Study is released as an announcement on the ASX Announcements Platform and is not required by reason of regulatory intervention by ASX or ASIC to be retracted within a period of one month from the date of its release within five (5) years from the date of issue of the Performance Shares (**Class B Milestone**).

(m) Conversion on change of control

Subject to paragraph (n) and notwithstanding the relevant milestone has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Performance Shares shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Performance Shares that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Company Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(n) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Share under paragraph (l) or (m) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.
- (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (n)(i) within seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(o) **Lapse of Performance Share**

Each Performance Share shall expire on the date set out in paragraph (l) with respect to each class of Performance Share (**Expiry Date**). If the relevant milestone attached to a Performance Share has not been achieved by the Expiry Date, the Company will redeem the relevant Performance Shares in accordance with paragraph (p) below. For the avoidance of doubt, a Performance Share will not lapse in the event the relevant milestone is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph (n) above.

(p) **Redemption if Milestone not achieved**

If the relevant milestone is not achieved by the relevant Expiry Date, then each Performance Share in the relevant class will be automatically redeemed by the Company for the sum of \$0.00001 within 10 Business Days of that Expiry Date.

(q) **Conversion procedure**

The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Share within 10 Business Days following the conversion.

(r) **Ranking upon conversion**

The Share into which a Performance Share may convert will rank *pari passu* in all respects with existing Shares.

SCHEDULE 3 – CONSIDERATION OPTIONS – RESOLUTION 6

- (a) **Entitlement**
- Each Consideration Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
- The amount payable upon exercise of each Consideration Option will be \$0.03 (**Exercise Price**).
- (c) **Expiry Date**
- Each Consideration Option will expire at 5:00 pm (WST) 3 years from the date of issue (**Expiry Date**). A Consideration Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
- The Consideration Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
- The Consideration Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Consideration Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Consideration Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**
- A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Consideration Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**
- Within 15 Business Days after the Exercise Date, the Company will:
- (i) issue the number of Shares required under these terms and conditions in respect of the number of Consideration Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Consideration Options.
- If a notice delivered under clause (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.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 4 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS (RESOLUTIONS 9-11), OPTIONS TO PAUL JURMAN (RESOLUTION 12) AND LEAD MANAGER OPTIONS (RESOLUTION 14)

(a) **Issue**

The Options will be issued following receipt from ASX of conditional approval for the re-instatement to trading of the Company on terms acceptable to the Company (acting reasonably) and in accordance with the ASX Listing Rules (including any ASX waiver or modification of the ASX Listing Rules).

(b) **Entitlement**

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

(c) **Exercise Price**

The amount payable upon exercise of each Option will be as follows:

- (i) upon exercise of the Tranche 1 Options, an amount of \$0.03;
- (ii) upon exercise of the Tranche 2 Options, an amount of \$0.04; and
- (iii) upon exercise of the Tranche 3 Options, an amount of \$0.05,

(Exercise Price).

(d) **Expiry Date**

Each Option will expire at 5:00 pm (WST) 3 years from the date of issue **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

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

(f) **Notice of Exercise**

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

(g) **Exercise Date**

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

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

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

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

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under clause 8(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.

(i) **Shares issued on exercise**

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

(j) **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.

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Transferability**

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

SCHEDULE 5 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 9, 10 and 11 have been valued by internal management.

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

Assumptions:	25,500,000 Tranche 1 Options
Valuation date	10 September 2019
Market price of Shares	2 cents – based on the Capital Raising price per Share the subject of Resolution 13
Exercise price	3 cents
Expiry date (length of time from issue)	3 years
Risk free interest rate	1%
Volatility (discount)	100%
Indicative value per Related Party Option	1.1 cents
Total Value of Related Party Options	\$280,500
- Malcolm Day	\$93,500
- Bryan Hughes	\$93,500
- Greg Smith	\$93,500

Assumptions:	25,500,000 Tranche 2 Options
Valuation date	10 September 2019
Market price of Shares	2 cents – based on the Capital Raising price per Share the subject of Resolution 13
Exercise price	4 cents
Expiry date (length of time from issue)	3 years
Risk free interest rate	1%
Volatility (discount)	100%
Indicative value per Related Party Option	1 cent
Total Value of Related Party Options	\$255,000
- Malcolm Day	\$85,000
- Bryan Hughes	\$85,000
- Greg Smith	\$85,000

Assumptions:	25,500,000 Tranche 3 Options
Valuation date	10 September 2019
Market price of Shares	2 cents – based on Capital Raising price per Share the subject of Resolution 13
Exercise price	5 cents
Expiry date (length of time from issue)	3 years
Risk free interest rate	1%
Volatility (discount)	100%
Indicative value per Related Party Option	0.9 cents
Total Value of Related Party Options	\$229,500
- Malcolm Day	\$76,500
- Bryan Hughes	\$76,500
- Greg Smith	\$76,500

Note:

The valuations noted above are not necessarily the market prices that the Related Party Options could be traded at and they are not automatically the market prices for taxation purposes.

PROXY FORM

DELECTA LIMITED
ACN 009 147 924

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 3:00pm (WST), on 25 November 2019 at Level 11, 12 - 14 The Esplanade, Perth, WA 6000, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 9, 10 and 11 (except where I/we have indicated a different voting intention below) even though Resolutions 9, 10 and 11 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Change to Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Consideration Shares to American Vanadium Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Creation of a New Class of Securities – Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Issue Performance Shares to American Vanadium Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Issue Options to Coral Brook Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Election of Director – Bryan Hughes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Election of Director – Greg Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Options to Related Party – Malcolm Day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Options to Related Party – Bryan Hughes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Issue of Options to Related Party – Greg Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Issue of Options to Paul Jurman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Issue of Options to CPS Capital Group Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

**Consent for contact by e-mail
in relation to this Proxy Form:**

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(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 should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Delecta Limited, Level 1, 170-180 Buckhurst Street, South Melbourne, Victoria 3205; or
 - (b) facsimile to the Company on facsimile number +61 (0) 39686 0644; or
 - (c) email to the Company at **admin@delecta.com.au**,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.