



**Lithium Lakes  
Limited**

**(ACN 637 002 692)**

**Notice of General Meeting  
and  
Explanatory Statement**

**General Meeting to be held at Level 24, 44 St Georges Terrace, Perth WA 6000  
on Wednesday, 15 February 2023, commencing at 10:00am (AWST).**

**Important**

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

## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders of Lithium Lakes Limited (ACN 637 002 692) (“**Company**”) will be held at Level 24, 44 St Georges Terrace, Perth WA 6000 on Wednesday, 15 February 2023 commencing at 10:00am (AWST).

### COVID-19 INFORMATION

In light of the eased restrictions on gatherings in Western Australia, it is currently anticipated that the Meeting will be held in person (and not by virtual means). The Company has taken steps to ensure that all attendees will be able to participate in the Meeting.

Shareholders do not need to attend the Meeting in order to cast their vote(s). The Company therefore recommends that Shareholders who do not wish to attend the Meeting in person, but who wish to vote, appoint the Chair as their proxy (and where desired, direct the Chair on how they wish to vote on a Resolution) rather than attending in person. If the Meeting cannot be held in person, the Company will make additional arrangements as required.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

### BUSINESS OF THE MEETING

#### Resolution 1 – Selective Share Buy-Back

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

*“That, for the purposes of section 257D of the Corporations Act and for all other purposes, approval is given for the Company to make a selective buy-back and cancel 16,000,000 Shares currently held by Mrs Julie Zohar, on the terms and conditions of the Buy-Back Agreement.”*

**Short Explanation:** Under the Corporations Act, a company may make a selective buy-back by a special resolution passed at a general meeting. The Company has entered into an agreement for the buy-back and cancellation of 16,000,000 Shares held by Mrs Julie Zohar. The Buy-Back Agreement is conditional on obtaining a special resolution of Shareholders to approve the Buy-Back. Please refer to the Explanatory Statement for details.

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by Mrs Julie Zohar and any of her associates.

### Other business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Meeting.

**By order of the Board**

A handwritten signature in blue ink that reads "Lisa Wells". The signature is written in a cursive style and is enclosed within a light blue rectangular border.

Lisa Wells  
Managing Director  
Lithium Lakes Limited  
20 January 2023

# EXPLANATORY STATEMENT

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## IMPORTANT INFORMATION

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting to be held at Level 24, 44 St Georges Terrace, Perth WA 6000 on 15 February 2023, commencing at 10:00am (AWST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in its entirety and in conjunction with the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

## INTERPRETATION

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

## VOTING EXCLUSION STATEMENTS

Certain voting restrictions apply to the Resolutions as detailed beneath each of the applicable Resolutions.

## PROXIES

Please note that:

- a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- Shareholders entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

A Proxy Form is enclosed with this Notice. This is to be used by Shareholders if they wish to appoint a representative ("a **Proxy**") to vote in their place. All Shareholders are invited to attend the Meeting or, if they are unable to attend the Meeting, sign and return the Proxy Form to the Company in accordance with the instructions on the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting via the online meeting platform.

Proxy Forms must be received by the Company no later than 10:00am (AWST) on 13 February 2023, being at least forty-eight (48) hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **VOTING ENTITLEMENTS**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 5:00pm (AWST) on 14 February 2023. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Meeting.

# REGULATORY INFORMATION

## 1. Resolution 1 – Selective Buy-Back

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### 1.1 Background

Resolution 1 is a special resolution that seeks Shareholder approval pursuant to section 257D of the Corporations Act for the selective buy-back and cancellation of 16,000,000 Shares (“**Buy-Back Shares**”) held by Mrs Julie Zohar. As this Resolution is a special resolution, it requires at least 75% of votes cast in favour of it for it to be approved.

On 20 January 2023, the Company entered into a conditional Buy-Back Agreement with Mrs Julie Zohar whereby the Company agreed to buy-back and cancel the Buy-Back Shares held by Mrs Zohar. Before the Company can buy-back and cancel the Buy-Back Shares from Mrs Julie Zohar, the terms of the Buy-Back Agreement must be approved by a special resolution passed at a general meeting of shareholders. Accordingly, by this Resolution the Company is seeking Shareholder approval to approve the terms of the Buy-Back Agreement.

### 1.2 Key dates

Set out below is an indicative timetable which incorporates all the relevant dates.

Date	Event
6 December 2022	Lodge Buy-Back Agreement and Notice of Meeting with ASIC.
20 January 2023	Entry into the Buy-Back Agreement.
20 January 2023	Suspension of rights attaching or accruing to Mrs Julie Zohar’s Shares as at the date of the Buy-Back Agreement.
20 January 2023	Dispatch of the Notice of Meeting and Explanatory Statement.
15 February 2023	General Meeting. Obtain Shareholder approval for the terms and conditions of the Buy-Back Agreement.
22 February 2023	Completion of the Buy-Back pursuant to the Buy-Back Agreement.

**Note:**

The above timetable is indicative only and subject to change. The Directors reserve to right to amend the timetable without notice and will keep Shareholders updated on the timing of the implementation of the transaction contemplated by the Buy-Back Agreement.

### 1.3 What is a selective buy-back?

A selective buy-back occurs when a company buys back some of its shares from one or more selected shareholders.

A company may buy-back its shares if:

- (a) the buy-back does not materially prejudice the company’s ability to pay its creditors; and

- (b) the company follows the procedure set out in Division 2, Chapter 2J of the Corporations Act.

#### **1.4 Corporations Act**

The Corporations Act provides that the procedures to be followed by a company for share buy-backs are designed to protect the interests of shareholders and creditors by:

- (a) addressing the risk of these transactions leading to the company's insolvency;
- (b) seeking to ensure fairness between the company's shareholders; and
- (c) requiring the company to disclose all material information.

Section 257D(1) of the Corporations Act provides that the terms of a buy-back agreement must be approved before it is entered into by either:

- (a) a special resolution passed at a general meeting of shareholders, with no votes being cast in favour by any person whose shares are proposed to be bought back or by their associates; or
- (b) a resolution passed at a general meeting of shareholders by all ordinary shareholders,

or the buy-back agreement must be conditional on such an approval.

Section 257D(2) of the Corporations Act provides that the Company must include in this Explanatory Statement all information known to the Company that is material to the decision on how to vote on Resolution 1. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to the Shareholders.

Section 257H(3) of the Corporations Act provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

#### **1.5 Information required by ASIC Regulatory Guide 110**

ASIC Regulatory Guide 110 sets out the information that ASIC requires a company to provide when disclosing such information to shareholders with a notice of meeting. This information is set out below:

(a) **What is the purpose of and reasons for the Buy-Back?**

The reason for the Buy-Back is that the Board considers it is beneficial to the Company and Shareholders generally to reduce the total shareholding of its major shareholder, Mrs Julie Zohar from approximately 76% to approximately 38% upon completion of the Buy-Back. The Board considers that this will have a greater investment appeal to Shareholders and potential shareholders in connection with its proposed NSX listing (refer to the Company's Notice of Annual General Meeting dispatched on 2 November 2022 for further information about the Company's proposed NSX listing).

As outlined above, the approval of the Buy-Back contemplated by Resolution 1 is a condition precedent to completion of the Buy-Back pursuant to the Buy-Back Agreement. The purpose of Resolution 1 is to seek Shareholder approval so that the Company can satisfy this Condition Precedent and to give effect to the Buy-Back Agreement.

If all Shareholders (other than Julie Zohar and her associates) approve Resolution 1, the Company will conduct the Buy-Back pursuant to the Buy-Back Agreement.

(b) **Number of shares the Company has on issue**

The Company currently has 41,850,010 fully paid ordinary shares on issue.

(c) **Number and percentage of Shares to be bought back**

The number and percentage of Shares to be bought back are 16,000,000 Shares representing approximately 38% of the Shares on issue at the date of this Notice. These Shares will be immediately cancelled after the completion of the Buy-Back pursuant to the Buy-Back Agreement.

(d) **Terms of the Buy-Back**

On 20 January 2023, the Company and Mrs Julie Zohar entered into the conditional Buy-Back Agreement on the following material terms and conditions:

- **(Conditions Precedent):** the Conditions Precedent to completion of the Buy-Back are:
  - the Company obtaining Shareholder approval in respect of the terms and conditions of the Buy-Back Agreement by a special resolution passed at a general meeting; and
  - ASIC reviewing the Buy-Back Agreement in the compulsory 14-day ASIC review window pursuant to section 257F of the Corporations Act and not providing any comments on the Buy-Back;
- **(Consideration):** the Buy-Back Shares will be transferred back to the Company for a total purchase price of \$1.00;
- **(Completion):** completion of the Buy-Back is to occur within five (5) Business Days from the date that all of the Conditions Precedent have been satisfied or such other date as agreed in writing by the parties;
- **(Cancellation of Buy-Back Shares):** immediately after the registration of the transfer of the Buy-Back Shares to the Company, the Buy-Back Shares will be cancelled; and
- **(Representations and Warranties):** Mrs Julie Zohar has represented and warranted that she is the registered holder of her Shares, has the right to sell the legal and beneficial title to her Shares and at completion, her Shares will be free from all encumbrances (amongst other representations and warranties customarily found in documents relating to transactions of the nature of the Buy-Back).

The Buy-Back Agreement is otherwise on terms and conditions considered standard for agreements of this nature.

(e) **Interest of any Director who may participate in the Buy-Back**

No Directors will participate in the Buy-Back and the Directors have no material personal interest in the outcome of Resolution 1.



**(f) Financial effect of the Buy-Back on the Company**

There will be no financial effect of the Buy-Back on the Company. There is no effect on the level of franking credits expended as the Company does not have any franking credits.

**(g) Source of funds for the Buy-Back**

There is no source of funds to affect the Buy-Back as there is only nominal consideration that is payable by the Company for the Buy-Back Shares.

**(h) Advantages of the Buy-Back**

The Directors have identified the following advantages of carrying out the Buy-Back:

- the percentage ownership of Shareholders not subject to the Buy-Back will increase;
- the total number of Shares on issue will be reduced with no cost to Shareholders or the Company;
- the Company's major shareholder Mrs Julie Zohar will have a reduced level of control in the Company; and
- the Buy-Back will not materially prejudice the Company's ability to pay its creditors.

**(i) Disadvantages of the Buy-Back**

The Company does not consider that there are any material disadvantages to the Company undertaking the Buy-Back.

**(j) Effect the Buy-Back will have on the control of the Company**

As at the date of this Notice, Mrs Julie Zohar is the only Shareholder holding an interest in 5% or more of the Shares on issue. Mrs Julie Zohar's interest in the Company as a result of the Buy-Back is as set out in the table below:

<b>Substantial holder</b>	<b>Shares at the date of this Notice</b>	<b>Shareholding (pre Buy-Back)</b>	<b>Shareholding (post Buy-Back)</b>
Julie Zohar (and her associates)	31,925,010	76%	38%

## **1.6 Other Material Information**

ASIC guidance provides that an expert report should be provided when a company is buying-back a significant portion of shares from a majority shareholder, however, as the consideration payable by the Company pursuant to the Buy-Back is nominal, the Board does not consider that an independent report is required.

There is no other information material to the making of a decision by Shareholders whether or not to vote in favour of Resolution 1 being information that is known to the Directors which has not previously been disclosed to Shareholders, other than as set out in this Notice.

#### **1.7 Directors' recommendations and interests**

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

The Chair intends to exercise all available proxies in favour of Resolution 1.

## DEFINITIONS

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In this Notice and Explanatory Statement, the following terms have the following meanings:

“**ASIC**” means the Australian Securities and Investments Commission.

“**AWST**” means Australian Western Standard Time, being the time in Perth, Western Australia.

“**Board**” means the board of Directors.

“**Business Day**” means a day on which banks are open for business in Perth, Western Australia, excluding Saturday, Sunday or a public holiday;

“**Buy-Back**” means the selective Share buy-back of the Buy-Back Shares by the Company from Mrs Julie Zohar.

“**Buy-Back Agreement**” means the Share buy-back agreement entered into between the Company and Mrs Julie Zohar in relation to the Buy-Back of the Buy-Back Shares.

“**Buy-Back Shares**” means 16,000,000 Shares held by Julie Zohar.

“**Chair**” means the chairperson of the Meeting.

“**Company**” means Lithium Lakes Limited (ACN 637 002 692).

“**Condition Precedent**” means a condition to the completion of the Buy-Back pursuant to the Buy-Back Agreement.

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

“**COVID-19**” means the coronavirus disease COVID-19.

“**Director**” means a director of the Company.

“**Explanatory Statement**” means this explanatory statement incorporated in this Notice.

“**General Meeting**” or “**Meeting**” means the general meeting of Shareholders to be held at Level 24, 44 St Georges Terrace, Perth WA 6000 on 15 February 2023, commencing at 10:00am (AWST).

“**Notice of Meeting**” or “**Notice**” means the notice of general meeting incorporating this Explanatory Statement.

“**NSX**” means The National Stock Exchange of Australia Limited (ACN 000 902 063).

“**Proxy Form**” means the proxy form attached to this Notice.

“**Resolution**” means a resolution to be put to the Shareholders as set out in the Notice.

“**Share**” means an ordinary fully paid share in the Company.

“**Shareholder**” means a holder of one or more Shares.

# PROXY FORM

## LITHIUM LAKES LIMITED (ACN 637 002 692)

I/We

Of

being a member of Lithium Lakes Limited (ACN 637 002 692) entitled to attend and vote at the Meeting, hereby

Appoint

Name of Proxy

**OR** the Chair of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Meeting, 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 **10:00am** (AWST) on **15 February 2023**, at **Level 24, 44 St Georges Terrace, Perth WA 6000** and at any adjournment thereof.

**The Chair intends to vote all available proxies in favour of all Resolutions.** If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (directing the Chair to vote for, against or to abstain from voting).

**Important:** Each Resolution is subject to, and conditional on, each of the other Resolutions being passed. Accordingly, the Resolutions should be considered collectively as well as individually.

**OR**

### Voting on business of the Meeting

**For**

**Against**

**Abstain**

Resolution 1

Selective Share Buy-Back

**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 to be counted in computing the required majority.

If two (2) proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%.

**Signature of Member(s):**

**Date:**

**Individual or Member 1**

**Member 2**

**Member 3**

Sole Director/Company Secretary

Director

Director/Company Secretary

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

## Instructions for Proxy Form

### 1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

### 2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chair of the Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Meeting, the Chair will be your proxy. A proxy need not be a Shareholder.

### 3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

### 4. Signing instructions

You must sign this form as follows in the spaces provided:

- **(Individual)** Where the holding is in one name, the holder 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 lodged the power of attorney with the Company's share registry, please attach a certified photocopy of the power of attorney to this form when you return it.
- **(Companies)** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, as sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

### 5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any power of attorney and/or second Proxy Form) and return by:

- post to the Company Secretary at PO Box 902, West Perth 6872 or
  - email to the Company Secretary at [Hmiller@ventnorcompliance.com](mailto:Hmiller@ventnorcompliance.com),
- so that it is received by no later than 10:00am (AWST) on 13 February 2023.

Proxy Forms received later than this time will be invalid.