



AmericanPacific

BORATES LIMITED

American Pacific Borates Limited
ACN 615 606 114

Scheme Booklet

For a scheme of arrangement between American Pacific Borates Limited ACN 615 606 114 (**ABR**) and the holders of ordinary shares in ABR in relation to the proposed re-domiciliation of ABR to the United States.

The Board unanimously recommends that you vote in favour of the Scheme.

This is an important document and requires your immediate attention.

You should read it in its entirety before voting on the Scheme.

If you are in any doubt about how to deal with this document, please consult your financial, legal, taxation or other professional advisor.

**Baker
McKenzie.**

Legal Advisor

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Letter from the Chair of American Pacific Borates Limited

Dear Shareholder,

On 1 October 2021, American Pacific Borates Limited (**ABR** or the **Company**) announced its proposal to seek Shareholder approval of a scheme of arrangement (**Scheme**) under which the Company will re-domicile from Australia to the United States. This will occur through 5E Advanced Materials, Inc. (**Holdco**) (a newly-formed company incorporated in the State of Delaware) becoming the new holding company of ABR and the parent company of the ABR Group.

On behalf of the Board, I am pleased to invite you to take part in the Scheme Meeting that will be held via an online platform on 3 December 2021, commencing at 10.00 am (AEDT) to consider and vote on the Scheme.

Overview of the Proposed Transaction

If the necessary approvals for the Scheme (including the approval of the Scheme Resolution by the requisite majorities of Shareholders) are obtained and the Scheme becomes Effective, a series of transactions (collectively referred to as the **Proposed Transaction**) will occur. Under the Proposed Transaction:

- Holdco will acquire all of the Company's ordinary shares, and in exchange:
 - Eligible Shareholders will, by default, receive 1 Holdco CDI for every Share held by them on the Record Date;
 - Eligible Shareholders who elect to receive Holdco Shares instead of Holdco CDIs, will receive 1 Holdco Share for every 10 Shares held by them on the Record Date; and
 - the Holdco CDIs to which Ineligible Foreign Shareholders would otherwise have been entitled will be sold in accordance with the Sale Facility outlined in Section 4.12 of this Scheme Booklet, and the proceeds of that sale (free of any brokerage costs or stamp duty) will be remitted to Ineligible Foreign Shareholders.

Fractional entitlements will be rounded up to the nearest whole number. Accordingly if, pursuant to the calculation of your Scheme Consideration, you would be entitled to either a fraction of a Holdco Share, or a number of Holdco CDIs that do not equate to a whole number of Holdco Shares, your Scheme Consideration will be rounded up to the nearest whole number of Holdco Shares (or the number of Holdco CDIs that represent the nearest whole number of Holdco Shares).

Eligible Shareholders will hold an equivalent proportional interest in Holdco as they held in the Company prior to the implementation of the Proposed Transaction (subject to rounding and the Sale Facility).

- The Company will de-list from the ASX, and Holdco will maintain a listing on both NASDAQ (as its primary listing) and on the ASX (as its secondary listing). Holdco Shares will be quoted on NASDAQ under the code "FEAM" and Holdco CDIs will be quoted on ASX under the code "5EA". Holdco Shares and Holdco CDIs will be transmutable, so that Holdco Shareholders can convert their Holdco Shares (on NASDAQ) into Holdco CDIs (on ASX) (and vice versa).

Importantly, the Proposed Transaction will not result in any changes to the operations, management or strategy of the ABR Group.

Your vote is important

For the Proposed Transaction to be implemented, a requisite majority of Shareholders must vote to approve the Scheme Resolution at the Scheme Meeting (being a majority in number of those Shareholders voting and which votes must represent at least 75% of the votes cast on the Scheme Resolution). You will be entitled to vote at the Scheme Meeting if you are registered as a Shareholder on the Register at 7:00 pm (AEDT) on 1 December 2021. Your vote is important regardless of how many Shares you own.

The Notice of Meeting set out in Annexure E provides further information on voting at the Scheme Meeting.

ABR Board recommendation

For the reasons set out in this Scheme Booklet, the Board unanimously recommends that you vote **in favour** of the Scheme Resolution at the Scheme Meeting. Each Director intends to vote the Shares which they hold (or that are held on their behalf) in favour of the Scheme Resolution.

Advantages, disadvantages and risks of the Proposed Transaction

The Directors have considered the advantages and disadvantages of the Proposed Transaction and are of the unanimous view that the advantages significantly outweigh the disadvantages and risks.

The Board considers that the advantages of the Proposed Transaction are that it is likely to:

- position the ABR Group in a more appropriate capital market, given that all of its assets are located in the United States, thereby enabling investors to more clearly evaluate the performance and future prospects of the Company, as compared to its peers;
- increase the attractiveness of the ABR Group to a broader US investor pool that previously could not or were unlikely to invest in non-US securities, leading the ABR Group being more fully valued over time by a greater number of investors;
- improve access to lower-cost debt and equity capital in the US market, which is larger and more diverse than the Australian capital market, thus enabling future growth to be financed at a lower cost; and
- simplify the corporate structure of the ABR Group and reduce unnecessary overheads associated with having operations in two countries.

The Board believes that the potential disadvantages and risks of the Proposed Transaction include the following:

- additional fees and costs will need to be incurred by ABR to enable the Proposed Transaction to proceed;
- Shareholders in eligible jurisdictions (on the Record Date) will directly or indirectly become stockholders in a NASDAQ-listed corporation domiciled in the United States, as opposed to an ASX-listed company domiciled in Australia (which may be less desirable for those Shareholders based on their own personal circumstances);
- Shareholders in an ineligible jurisdiction (on the Record Date) will not be issued Holdco Shares or Holdco CDIs, but will instead have their entitlements sold pursuant to a sale facility, with those holders then to receive the relevant proceeds of that sale (which may be less desirable for those Shareholders based on their own personal circumstances);
- the ABR Group may be exposed to increased litigation as a result of its parent company being domiciled in the United States, as the United States legal environment is generally understood to be more litigious than that of Australia;
- there may be taxation implications for Shareholders if the Proposed Transaction is implemented and as a result of directly or indirectly becoming stockholders in a NASDAQ-listed corporation domiciled in the United States; and
- there may be a loss of demand for, and reduction of liquidity of, Holdco's securities in the Australian capital market without an offsetting demand for, and increase in liquidity of, Holdco's securities in the United States capital market.

You should carefully read this Scheme Booklet in full (including the advantages, disadvantages and risks of the Proposed Transaction outlined in Sections 1, 2 and 7) before making any decision as to whether and how to vote on the Scheme Resolution.

Independent Expert's conclusion

The Company has engaged Grant Thornton to prepare an Independent Expert's Report for inclusion in this Scheme Booklet. The Independent Expert has concluded that the Proposed Transaction is in the best interests of Shareholders as a whole.

The Independent Expert's Report is included at Annexure A to this Scheme Booklet.

Further information

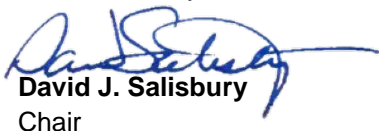
This Scheme Booklet contains important information regarding the Proposed Transaction and I strongly encourage you to consider it carefully and in its entirety.

If you require further information, you should consult your financial, legal, taxation or other professional advisor, or contact the Information Line on 1300 161 428 (within Australia) or +61 3 9415 4037 (outside Australia).

Conclusion

On behalf of the Board, I thank you for your continued support of the Company. The Board encourages you to vote in favour of the Scheme Resolution, which the Board considers to be in the best interests of Shareholders.

Yours sincerely,


David J. Salisbury
Chair

Overview of this Scheme Booklet

What is the purpose of this Scheme Booklet?

This Scheme Booklet contains information about the proposed re-domiciliation of American Pacific Borates Limited (**ABR** or the **Company**) to the United States by way of a Scheme under which all ordinary shares held by Shareholders will be transferred to Holdco, a newly-formed company incorporated in the State of Delaware, in exchange for the issue of Holdco Shares or Holdco CDIs to Shareholders, as further described in this Scheme Booklet (that is, the **Proposed Transaction**).

Following implementation of the Scheme, Holdco will become the ultimate parent company of the ABR Group. It is intended that:

- Holdco will maintain a primary listing on NASDAQ, with Holdco Shares being listed for trading promptly following the implementation of the Scheme (subject to authorisation for listing being obtained from NASDAQ and official notice of issuance of Holdco Shares from Holdco); and
- Holdco will maintain a secondary listing on ASX, with Holdco CDIs to commence trading on a deferred settlement basis on the Business Day after the Effective Date (subject to approval for listing being obtained from ASX approval and the satisfaction of customary conditions).

This Scheme Booklet provides Shareholders with information to consider before voting on the Scheme Resolution at the Scheme Meeting to be held at 10.00 am (AEDT) on 3 December 2021 via an online platform.

This Scheme Booklet also comprises an information memorandum for the listing of Holdco on the ASX.

Why you should vote?

If you are a Shareholder, you will have a say on whether the Scheme is implemented. Your vote is important to ensure that the Scheme is successful.

Is the Scheme in the best interests of Shareholders?

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Scheme Resolution. The reasons supporting this recommendation are set out in Section 1 of this Scheme Booklet.

The Independent Expert has concluded that **the Scheme is, on balance, in the best interests of Shareholders.**

However, you are not obliged to follow the recommendation of the Board or the conclusions of the Independent Expert. There are certain factors that may lead you to vote against the Scheme Resolution. Some of these factors are set out in Section 2 of this Scheme Booklet.

What if I have questions in relation to the Scheme?

If you have questions in relation to the Scheme, you should refer to Section 3 (Frequently asked questions), visit the ABR website at www.americanpacificborates.com or contact the Information Line on 1300 161 428 (within Australia) or +61 3 9415 4037 (outside Australia).

Alternatively, you can contact your financial, legal, taxation or other professional advisor.

What should you do?

Read this Scheme Booklet

You should read and carefully consider the information contained in this Scheme Booklet to help you make an informed decision in relation to your Shares and on how to vote at the Scheme Meeting.

It is important that you consider the information disclosed in this Scheme Booklet in light of your own particular investment needs, objectives and financial circumstances.

Decide on your preferred Scheme Consideration

Under the Scheme, Eligible Shareholders are entitled to receive, as Scheme Consideration, either:

- Holdco CDIs (by default), which will be listed on ASX (in the ratio of 1 Holdco CDI for every Share held on the Record Date), with each Holdco CDI representing a beneficial interest in 1/10th of a Holdco Share; or
- Holdco Shares (if elected), which will be listed on NASDAQ (in the ratio of 1 Holdco Share for every 10 Shares held on the Record Date).

Fractional entitlements will be rounded up to the nearest whole number. Accordingly if, pursuant to the calculation of your Scheme Consideration, you would be entitled to either a fraction of a Holdco Share, or a number of Holdco CDIs that do not equate to a whole number of Holdco Shares, your Scheme Consideration will be rounded up to the nearest whole number of Holdco Shares (or the number of Holdco CDIs that represent the nearest whole number of Holdco Shares).

Eligible Shareholders may elect to receive Holdco Shares (which will be listed on NASDAQ). If no such election is made, an Eligible Shareholder will, by default, receive Holdco CDIs (which will be listed on ASX).

If you wish to make an election to receive Holdco Shares, you must request an Election Form from the Information Line and complete and return the Election Form in accordance with the instructions on the Election Form so that it is received by the Registry by no later than 5:00 pm (AEDT) on 10 December 2021.

Ineligible Foreign Shareholders will not receive Holdco Shares or Holdco CDIs. Instead, the Holdco CDIs to which they otherwise would have been entitled will be issued to the Sale Agent and sold in accordance with the Sale Facility, and the Sale Facility Proceeds will be remitted to relevant Ineligible Foreign Shareholders. See Section 4.11 for further details.

Vote on the Scheme

The Scheme Meeting will be held on 3 December 2021 at 10.00 am (AEDT) via an online platform.

The business of the Scheme Meeting is to consider and, if thought fit, pass the Scheme Resolution to approve the Scheme. The Scheme Resolution must be approved by:

- a majority in number (more than 50%) of Shareholders present and voting at the Scheme Meeting; and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Shareholders entitled to vote on the Scheme Resolution.

Please refer to Section 4.3 and the Notice of Meeting set out in Annexure E for further information.

Following approval of the Scheme by Shareholders, the Court must also approve the Scheme and has discretion as to whether or not the Scheme is approved.

Entitlement to vote

If you are registered as a Shareholder at 7.00 pm (AEDT) on 1 December 2021, you are entitled to vote at the Scheme Meeting. Refer to the Notice of Meeting set out in Annexure E for further details of voting entitlements at the Scheme Meeting.

How to vote

Your vote is important.

In order to minimise the public health risks associated with the COVID-19 pandemic, and in accordance with restrictions imposed by Australian Federal and State Governments, the Scheme Meeting will be held virtually via an online platform. There will be no physical meeting.

Shareholders can attend the Scheme Meeting via the online platform which will allow Shareholders to view and participate in the Scheme Meeting, ask questions and vote. Details with respect to the Scheme Meeting, including how to attend and participate via the online platform, are included in the Notice of Meeting set out in Annexure E.

Voting at the Scheme Meeting will be conducted by poll.

Shareholders entitled to attend and vote at the Scheme Meeting may vote in one of the following ways:

- **online:** during the Scheme Meeting via the online platform.
- **by proxy:** by lodging a proxy online or by completing, signing and lodging a Proxy Form in accordance with the instructions set out in the Proxy Form. To be valid, online proxies and Proxy Forms must be received by the Registry by 10.00 am (AEDT) on 1 December 2021.
- **by attorney:** by appointing an attorney to attend the Scheme Meeting on their behalf and providing a duly executed power of attorney to the Registry by 10.00 am (AEDT) on 1 December 2021.
- **by corporate representative:** in the case of a body corporate, by appointing a corporate representative to vote at the Scheme Meeting on their behalf and providing a duly executed appointment of corporate representative (in accordance with sections 250D and 253B of the Corporations Act) prior to the Scheme Meeting.

Further detail on how to vote using each of these methods is contained in the Notice of Meeting set out in Annexure E.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Scheme Resolution.

Important Notices

General

This Scheme Booklet is important.

You should read this Scheme Booklet in full before making any decision as to how to vote at the Scheme Meeting.

Purpose of Scheme Booklet

This Scheme Booklet provides Shareholders with information about the Proposed Transaction and the Scheme and is an explanatory statement for the Scheme as required by section 412(1) of the Corporations Act.

This Scheme Booklet is also an information memorandum for the purposes of the listing of Holdco on the ASX and the official quotation of Holdco CDIs on the ASX.

Defined terms

A number of defined terms are used in this Scheme Booklet. These terms are explained in Section 12.

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, tax position and particular needs of any individual Shareholder.

It is important that you read this Scheme Booklet in its entirety before making any investment decision, and any decision as to whether or not to vote in favour of the Scheme. If you are in doubt in relation to these matters, you should consult your financial, legal, tax or other professional advisor.

Regulatory information

This Scheme Booklet contains the explanatory statement for the Scheme for the purposes of section 412(1) of the Corporations Act.

A copy of this Scheme Booklet has been registered with ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given an opportunity review and comment on this Scheme Booklet in accordance with section 411(2) of the Corporations Act. Neither ASIC nor any of its officers is responsible for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, then it will be produced to the Court at the Second Court Hearing to approve the Scheme.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor its officers take any responsibility for the contents of this Scheme Booklet.

Neither NASDAQ nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Meeting

The Notice of Meeting in respect of the Scheme is set out in Annexure E.

In order to minimise the public health risks associated with the COVID-19 pandemic, and in accordance with restrictions imposed by Australian Federal and State Governments, the Scheme Meeting will be held virtually via an online platform.

Further details with respect to the conduct of the Scheme Meeting, including how to attend and participate via the online platform, are included in the Notice of Meeting set out in Annexure E.

Notice of Second Court Hearing

At the Court hearing on the Second Court Date (the **Second Court Hearing**), the Court will consider whether to approve the Scheme.

Any Shareholder may appear at the Second Court Hearing, expected to be held at 2.15 pm (AEDT) on 8 December 2021 at the Federal Court of Australia, 305 William Street, Melbourne.

Any Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on ABR a notice of appearance in the prescribed form, together with any affidavit that the Shareholder proposes to rely on.

Due to restrictions imposed in response to the COVID-19 pandemic, the Second Court Hearing may be conducted by remote access technology. Shareholders seeking to view the Second Court Hearing should review the Court list available from the Federal Court website for details.

Any changes to the date or arrangements for the conduct of the Second Court Hearing will be announced to the ASX at www.asx.com.au and on the Company's website at www.americanpacificborates.com.

Important notice associated with Court order under subsection 411(1) of Corporations Act

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has directed that this explanatory statement accompany the Notice of Meeting does not mean that the Court:

- (a) **has formed any view as to the merits of the proposed Scheme or as to how Shareholders should vote (on this matter Shareholders must reach their own decision); or**
- (b) **has prepared, or is responsible for the content of, the explanatory statement.**

Forward-looking statements

Certain statements in this Scheme Booklet relate to the future. The forward looking statements in this Scheme Booklet reflect the current expectations of ABR, or in relation to the Holdco Information, Holdco. These forward looking statements involve known and unknown risks, uncertainties, assumptions (including without limitation assumptions regarding the present and future business strategies of ABR, Holdco and the environment in which the ABR Group will operate in the future) and other important factors that could cause the actual results, performance or achievements to be materially different from expected future results, performance or achievements expressed or implied by those statements. Forward looking statements should, therefore, be construed in light of such factors and you are cautioned not to place undue reliance on any such statement. Shareholders should also note that the historical financial performance of ABR is no assurance of the future performance of Holdco.

Other than as required by law, neither ABR nor Holdco, nor any director of those entities nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. The forward looking statements in this Scheme Booklet reflect the views held only at the date of this Scheme Booklet. Subject to any continuing obligation under law or the ASX Listing Rules, ABR, Holdco and their respective directors disclaim any responsibility, obligation or undertaking to disseminate after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect any change in expectations in relation to those statements of any change in events, conditions or circumstances on which any such statement is based.

Responsibility for information

ABR has provided, and is responsible for, the ABR Information in this Scheme Booklet.

Holdco has provided, and is responsible for, the Holdco Information in this Scheme Booklet.

Grant Thornton has prepared and is responsible for the Independent Expert's Report and the summary of the Independent Expert's Report. None of ABR, Holdco and their respective related bodies corporate, directors, officers, employees and advisors assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, or its summary, except, in the case of ABR and Holdco, in relation to the information given by them respectively to the Independent Expert.

A summary of the Independent Expert's Report is set out in Section 9, and a copy of the complete Independent Expert's Report is included as Annexure A.

The information in this Scheme Booklet that relates to exploration targets, exploration results and mineral resources in relation to the Fort Cady Project is based on information prepared by Mr Louis Fourie, P.Geo of Terra Modelling Services. Mr Fourie is a licensed Professional Geoscientist registered with APEGS (Association of Professional Engineers and Geoscientists of Saskatchewan) in the Province of Saskatchewan, Canada and a Professional Natural Scientist (Geological Science) with SACNASP (South African Council for Natural Scientific Professions). APEGS and SACNASP are a Joint Ore Reserves Committee (JORC) Code 'Recognized Professional Organization' (RPO). An RPO is an accredited organization to which the Competent Person (CP) under JORC Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, or Ore Reserves. Mr Fourie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a CP as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fourie consents to the inclusion in this Scheme Booklet of the matters based on their information in the form and context in which it appears.

Data, time and currency

Unless otherwise specified, all data contained in charts, graphs and tables is based on information available at the date of this Scheme Booklet.

All references to time in this Scheme Booklet are to time in Sydney, Australia.

All references to A\$ or AUD in this Scheme Booklet are to Australian dollars and all references to US\$ or USD in this Scheme Booklet are to United States dollars, unless otherwise specified.

Effect of rounding

A number of figures, amounts, percentages, estimates and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

Ineligible Foreign Shareholders

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements and Australian accounting standards which may be different from those applicable in other jurisdictions. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Shareholders who are Ineligible Foreign Shareholders (which, as at the date of this Scheme Booklet, are expected to comprise those Shareholders with registered addresses in jurisdictions outside Australia, New Zealand,

Canada, Hong Kong, Ireland, Papua New Guinea, Singapore, Malaysia, Thailand or the United States) will not receive Holdco Shares or Holdco CDIs. Instead, the Holdco CDIs to which Ineligible Foreign Shareholders would otherwise be entitled to under the Scheme will be issued to the Sale Agent and sold under the Sale Facility, with the Sale Facility Proceeds being remitted to those Ineligible Foreign Shareholders.

Ineligible Foreign Shareholders should refer to Section 4.11 of this Scheme Booklet for more information.

Shareholders resident outside Australia for tax purposes should seek specific taxation advice in relation to the Australian and overseas taxation implications of the Scheme.

Important Notice to Shareholders in the United States

Holdco Shares and Holdco CDIs have not been registered under the US Securities Act of 1933 (the **US Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. Instead, Holdco intends to rely on an exemption from the registration requirements provided by Section 3(a)(10) of the US Securities Act in connection with the consummation of the Scheme and the issuance of Holdco Shares and Holdco CDIs. Approval of the Scheme by the Court will be relied upon by ABR and Holdco for the purposes of qualifying for the Section 3(a)(10) exemption.

Shareholders in the United States should note that the Scheme will be conducted in accordance with the laws of Australia and the ASX Listing Rules. As a result, it may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, as ABR is presently located outside of the United States, and some of its officers and directors are residents of Australia. As such, you may not be able to take legal action against ABR or its officers and directors in Australia for violations of US securities laws, and it may be difficult to compel ABR and its officers and directors to subject themselves to a judgement of a court of the United States.

You should be aware that Holdco may, subject to the requirements of the Corporations Act, purchase securities otherwise than under the Scheme, such as in open market or privately negotiated purchases.

This Scheme Booklet has not been filed with or reviewed by the SEC or any securities authority of any state of the United States, and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Scheme Booklet. Any representation to the contrary is a criminal offence.

ABR website

The content of ABR's website does not form part of this Scheme Booklet and investors should not rely on any such content.

Privacy

ABR and Holdco may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of Shareholders and the name of persons appointed by those persons to act as proxy, attorney or corporate representative at the Scheme Meeting. The primary purpose of collecting this personal information is to assist ABR and Holdco to conduct the Scheme Meeting and implement the Scheme in the manner described in this Scheme Booklet. The collection of this personal information is authorised by the Corporations Act.

Personal information may be disclosed to the Registry, to the Holdco Registry, print and mail service providers, authorised securities brokers, Related Bodies Corporate of ABR and Holdco, and ABR and Holdco's advisors and service providers.

Shareholders have certain rights to access personal information that has been collected. Shareholders should contract the Registry if they wish to access their personal information. Shareholders who appoint a named person to act as their proxy, corporate representative or attorney at the Scheme Meeting should ensure that they inform that person of the matters outlined above.

Date of this Scheme Booklet

This Scheme Booklet is dated 27 October 2021.

Important Dates

Event	Date
Scheme Meeting Proxies Last date for receipt of Proxy Forms for the Scheme Meeting	10.00 am (AEDT) on 1 December 2021
Voting Entitlement Record Date Time and date for determining eligibility to vote at the Scheme Meeting	7:00 pm (AEDT) on 1 December 2021
Scheme Meeting The Scheme Meeting will be held virtually via an online platform. There will be no physical meeting. Further details relating to the Scheme Meeting are set out in the Notice of Meeting set out at Annexure E	10.00 am (AEDT) on 3 December 2021

If the Scheme is approved by Shareholders

Event	Date
Second Court Hearing To approve the Scheme	8 December 2021
Effective Date The date on which the Scheme comes into effect and is binding on Shareholders. The Court orders will be lodged with ASIC and announced to the ASX Shares will be suspended from trading at the close of trading on ASX	8 December 2021
Commencement of Trading of Holdco CDIs on a Deferred Settlement Basis Trading in Holdco CDIs commences on a deferred settlement basis on ASX (subject to confirmation from ASX)	9 December 2021
Holdco Share Election Date Last date by which the Registry must receive an Election Form for Shareholders who wish to receive Holdco Shares, or withdraw an election previously made	5:00 pm (AEDT) on 10 December 2021
Record Date Shareholders who hold Shares on the Record Date will be entitled to receive the Scheme Consideration	7:00 pm (AEDT) on 10 December 2021
Scheme Implementation Date Issue of Holdco Securities to Scheme Shareholders	17 December 2021
Conversion of Holdco Securities, Despatch of Holding Statements and Commencement of Trading of Holdco CDIs on a Normal Settlement Basis Holders of Holdco Securities can request to convert their Holdco CDIs into Holdco Shares (and vice versa) Commencement of despatch to Scheme Shareholders of statements and confirmation notices confirming the issue of Holdco CDIs Trading of Holdco CDIs commences on a normal settlement basis	20 December 2021

Event	Date
Despatch of Direct Registration System Statement Commencement of despatch of Direct Registration System Statements to Scheme Shareholders who elected to receive Holdco Shares	22 December 2021
NASDAQ Trading Trading of Holdco Shares commences on NASDAQ	23 December 2021

This timetable is indicative only and, among other things, is subject to the satisfaction of or, where applicable, waiver of the Conditions Precedent, and to all necessary Court and regulatory approvals. Any variation to the timetable set out above will be announced to ASX and published on the ABR website at www.americanpacificborates.com.

All references to time in this Scheme Booklet are references to AEDT unless otherwise stated. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

Summary of the Proposed Transaction

This summary sets out selected information that is described in greater detail elsewhere in this Scheme Booklet. It does not include all of the important information contained in this Scheme Booklet and Shareholders should ensure they carefully read the entire Scheme Booklet and other documents referred to in this Scheme Booklet for a complete understanding of the Proposed Transaction.

The Proposed Transaction

The Proposed Transaction will be effected by way of a Scheme, under which all Shares held by Scheme Shareholders will be transferred to Holdco, a newly-formed company incorporated in the State of Delaware, in exchange for the issue of Holdco Shares or Holdco CDIs.

Following implementation of the Scheme, Holdco will become the ultimate parent company of the ABR Group. It is intended that:

- Holdco will maintain a primary listing on NASDAQ, with Holdco Shares being listed for trading promptly following the implementation of the Scheme (subject to authorisation for listing being obtained from NASDAQ and official notice of issuance of Holdco Shares from Holdco); and
- Holdco will maintain a secondary listing on ASX, with Holdco CDIs being listed for trading promptly following the implementation of the Scheme (subject to necessary ASX approvals).

Ineligible Foreign Shareholders will not receive Holdco Shares or Holdco CDIs. Instead, the Holdco CDIs to which they otherwise would have been entitled will be issued to the Sale Agent and sold in accordance with the Sale Facility for their benefit (and at their risk), and the Sale Facility Proceeds will be remitted to them.

Approvals required to implement the Proposed Transaction

To implement the Proposed Transaction, the Scheme needs to be approved by:

- Shareholders at the Scheme Meeting, which will be held on 3 December 2021 at 10.00 am (AEDT); and
- the Court, if Shareholders approve the Scheme.

In addition, implementation of the Scheme is subject to a number of Conditions Precedent, including that each of NASDAQ and ASX have authorised the Holdco Shares and Holdco CDIs (respectively) for quotation, subject to customary conditions and to the Scheme becoming Effective.

Scheme Consideration

If the Scheme is approved and implemented, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive, as Scheme Consideration, either:

- Holdco CDIs (by default), which will be listed on ASX (in the ratio of 1 Holdco CDI for every Share held on the Record Date), with each Holdco CDI representing a beneficial interest in 1/10th of a Holdco Share; or
- Holdco Shares (if elected), which will be listed on NASDAQ (in the ratio of 1 Holdco Share for every 10 Shares held on the Record Date).

Fractional entitlements will be rounded up to the nearest whole number. Accordingly if, pursuant to the calculation of your Scheme Consideration, you would be entitled to either a fraction of a Holdco Share, or a number of Holdco CDIs that do not equate to a whole number of Holdco Shares, your Scheme Consideration will be rounded up to the nearest whole number of Holdco Shares (or the number of Holdco CDIs that represent the nearest whole number of Holdco Shares).

Eligible Shareholders may elect to receive Holdco Shares (which will be listed on NASDAQ). If no such election is made, an Eligible Shareholder will receive, by default, Holdco CDIs (which will be listed on ASX).

If you wish to make an election for Holdco Shares, you must request an Election Form from the Information Line and complete and return the Election Form in accordance with the instructions on the Election Form so that it is received by the Registry (and not withdrawn) by no later than 5:00 pm (AEDT) on 10 December 2021.

The Record Date for the Scheme is currently expected to be 7.00 pm (AEDT) on 10 December 2021.

Scheme Shareholders will hold an equivalent proportional interest in Holdco as they held in ABR prior to the implementation of the Proposed Transaction (subject to rounding and the Sale Facility).

The value of the Scheme Consideration will depend on the price of Holdco Securities.

Ineligible Foreign Shareholders

You are an Ineligible Foreign Shareholder if your address as shown on the Register as at the Record Date is a place outside Australia, New Zealand, Canada, Hong Kong, Ireland, Papua New Guinea, Singapore, Malaysia, Thailand or the United States unless Holdco determines that it is lawful and not unduly onerous or impracticable to issue Holdco Securities in that jurisdiction if the Scheme becomes Effective.

Ineligible Foreign Shareholders will not receive Holdco Shares or Holdco CDIs. Instead, the Holdco CDIs to which they otherwise would have been entitled will be issued to the Sale Agent and sold in accordance with the Sale Facility, and the Sale Facility Proceeds will be remitted to the relevant Ineligible Foreign Shareholders.

See Section 4.11 for further details.

Sale Facility

Under the Sale Facility, Holdco CDIs to which Ineligible Foreign Shareholders would otherwise be entitled will be issued to a broker appointed by ABR (the **Sale Agent**). The Sale Agent will:

- sell all Holdco CDIs issued to it in such manner, at such price and on such other terms as the Sale Agent determines in good faith (and at the risk of Ineligible Foreign Shareholders); and
- remit the Sale Facility Proceeds of the sale to Ineligible Foreign Shareholders in the amount to which they are entitled (on an averaged basis so that each Ineligible Foreign Shareholder receives the same price per Holdco CDI, subject to rounding to the nearest whole cent).

See Section 4.12 for further details.

CHESS Depositary Interests (CDIs)

CHESS Depositary Interests (or CDIs) are instruments that are used to enable the securities of foreign companies, such as Holdco, to be traded on ASX and settled via CHESS (the electronic transfer system used by ASX).

Scheme Shareholders (other than Ineligible Foreign Shareholders) will, by default, receive their Scheme Consideration in the form of Holdco CDIs, which will be listed on ASX (rather than Holdco Shares). Holdco CDIs can be converted into Holdco Shares at any time following implementation of the Scheme (and vice versa) on the basis that 10 Holdco CDIs will be equivalent to 1 Holdco Share.

The main difference between holding Holdco CDIs and Holdco Shares is that Holdco CDIs will confer the economic and beneficial interest in Holdco Shares on the CDI holder, whilst the legal title, or beneficial ownership, to the underlying Holdco Shares will be held by CHESS Depositary Nominees Pty Limited, a wholly-owned subsidiary of ASX.

Further information regarding CDIs, including the rights and entitlements attaching to CDIs generally, is set out in Annexure F.

Board recommendation and Independent Expert's Report

The Board unanimously recommends that Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting. Each Director intends to vote the Shares which they hold (or that are held on their behalf) in favour of the Scheme Resolution.

The Independent Expert commissioned by ABR to opine on the merits of the Proposed Transaction has concluded that the Scheme is, on balance, in the best interests of Shareholders.

Effect of the Proposed Transaction

- ABR will re-domicile to the United States by way of a Scheme. Under the Scheme, ABR will be acquired by Holdco and all of the Shares will be transferred to Holdco, with the result that ABR will become a wholly-owned subsidiary of Holdco.
- As consideration for transferring their Shares to Holdco under the Scheme, Eligible Shareholders will be entitled to receive either:
 - by default, 1 Holdco CDI for every Share held by them on the Record Date; or
 - if elected, 1 Holdco Share for every 10 Shares held by them on the Record Date.

Fractional entitlements will be rounded up to the nearest whole number. Accordingly if, pursuant to the calculation of your Scheme Consideration, you would be entitled to either a fraction of a Holdco Share, or a number of Holdco CDIs that do not equate to a whole number of Holdco Shares, your Scheme Consideration will be rounded up to the nearest whole number of Holdco Shares (or the number of Holdco CDIs that represent the nearest whole number of Holdco Shares).

Eligible Shareholders will hold an equivalent proportional interest in Holdco as they held in the Company prior to the implementation of the Proposed Transaction (subject to rounding and the Sale Facility).

- Following implementation of the Scheme, 1 Holdco Share (which will be traded on NASDAQ under the code "FEAM") will be equivalent to 10 Holdco CDIs (which will be traded on ASX under the code "5EA").
- Holdco Shares and Holdco CDIs will be transmutable - so that holders can convert their Holdco Shares into Holdco CDIs (and vice versa).
- Ineligible Foreign Shareholders will have the Holdco CDIs to which they otherwise would be entitled issued to the Sale Agent and sold in accordance with the Sale Facility, and they will receive the relevant Sale Facility Proceeds.
- Holdco will be listed on NASDAQ (as its primary listing) and on the ASX (as its secondary listing) to effectively replace ABR's current listing on the ASX.
- The existing options issued by ABR (**Options**) will be cancelled in consideration of the grant of equivalent rights to acquire Holdco Shares (**Holdco Options**) on the basis of 1 Holdco Option for every 10 existing ABR Options held (**Option Exchange**).

Summary of reasons to vote in favour or against the Scheme

This Section should be read in conjunction with Section 2 which sets out a summary of the reasons why you may consider voting against the Scheme and Section 7 which sets out the risks associated with the Scheme.

Summary of reasons to vote IN FAVOUR of the Scheme

- The Board believes that re-domiciling ABR to the United States will position the ABR Group in a more appropriate capital market, given that all of its assets are located in the United States, thereby enabling investors to more clearly evaluate the performance and future prospects of the Company, as compared to its peers.
- The Board believes that the Proposed Transaction may increase the attractiveness of the ABR Group to a broader US investor pool that previously could not, or were unlikely to, invest in non-US securities, leading to the ABR Group being more fully valued over time by a greater number of investors.
- The Board believes that Holdco may have increased access to lower-cost debt or equity capital in the US market, which is larger and more diverse than the Australian capital market. This increased access to US capital may enable future growth to be financed at a lower cost.
- The Board believes that the Scheme will allow Holdco to streamline its business operations, as the corporate structure would be aligned with the core of its business operations. Currently, substantially all of the ABR Group's assets and management are in the United States.
- Eligible Shareholders will retain their existing exposure to the ABR Group.
- The Board considers that the Scheme is in the best interests of Shareholders, and unanimously recommend the Scheme.
- The Independent Expert has concluded that the advantages of the Scheme outweigh the disadvantages and, accordingly, the Scheme is in the best interests of Shareholders.

Summary of reasons to vote AGAINST the Scheme

- There will be a differences in Shareholders' rights as holders of Holdco Shares or Holdco CDIs, as Holdco is a company incorporated in the State of Delaware, as compared to Shareholders' existing rights as holders of shares in an Australian company.
- The ABR Group may be exposed to increased litigation as a result of its parent company being domiciled in the United States, as the United States legal environment is generally understood to be more litigious than that of Australia.
- There may be taxation implications for Shareholders if the Proposed Transaction is implemented, and as a result of directly or indirectly becoming stockholders in a NASDAQ-listed corporation domiciled in the United States.
- There may be a loss of demand for, and reduction of liquidity of, Holdco's securities in the Australian capital market without an offsetting demand for, and increase in liquidity of, Holdco's securities in the United States capital market.
- Shareholders may disagree with the recommendation of the Board and the Independent Expert's conclusion.
- Additional fees and costs will be incurred by ABR to enable the Proposed Transaction to proceed.

Other relevant considerations in relation to the Scheme

The Scheme may be implemented even if you vote against the Scheme or you do not vote at all

Even if you vote against the Scheme, or do not vote, the Scheme may still be implemented if it is approved by the required majorities of Shareholders and by the Court. If this happens, your Shares will be transferred to Holdco and you will receive the Scheme Consideration even though you voted against, or did not vote on, the Scheme.

No brokerage or stamp duty will be payable on the transfer of Shares pursuant to the Scheme

Eligible Shareholders will not incur any brokerage or stamp duty costs on the transfer of their Shares to Holdco pursuant to the Scheme.

Similarly, Ineligible Foreign Shareholders will not incur any brokerage or stamp duty costs in connection with the sale of Holdco CDIs by the Sale Agent pursuant to the Sale Facility.

Deemed warranties by Scheme Shareholders about their Scheme Shares

If the Scheme is implemented, each Scheme Shareholder will be deemed to have warranted to Holdco that:

- their Scheme Shares are transferred to Holdco on the Scheme Implementation Date free from all mortgages, charges, security interests, liens, encumbrances, pledges, security interests and other interests of third parties of any kind (whether legal or otherwise), and restrictions on transfer of any kind; and
- they have full power and capacity to sell and transfer their Scheme Shares (including all rights and entitlements attaching to them) to Holdco. See Section 4.16 for further details.

1. Reasons to vote in favour of the Scheme

1.1 Re-domiciling ABR to the United States may position the ABR Group in a more appropriate capital market.

The Board considers that US market participants can be more knowledgeable regarding US industrial minerals miners and producers of advanced materials. As a result, they may be able to more clearly evaluate the performance and future prospects of the Company, as compared to its peers.

The Board believes that changing ABR's primary listing from the ASX to NASDAQ may result in an increased valuation.

1.2 The Proposed Transaction may increase the attractiveness of the ABR Group to a broader US investor pool.

Re-domiciling the ABR Group to the United States, and changing ABR's primary listing from ASX to NASDAQ may broaden and diversify the ABR Group's shareholder base and enhance its visibility in the United States, where all of its assets and operations are located. This may attract further investments and provide increased funding opportunities.

Further, some US investors are unable or unlikely to invest in non-US securities. By enabling a greater number of US investors to invest, as well as increasing the visibility of ABR in the United States, there may be an increased demand for Holdco Shares.

1.3 Holdco may have increased access to lower-cost debt or equity capital, which may enable future growth to be financed at a lower cost.

The Board believes that the future growth and development of the ABR Group may benefit from greater access to US debt and equity capital markets. This access may provide funding in a more cost-effective way. Generally, US investors are more familiar with the structure of US debt issues. The Board believes that capital markets in the United States are broader and deeper than equivalent markets in Australia for projects located in the United States.

Changing ABR's primary listing from the ASX to NASDAQ (via the Proposed Scheme) may potentially attract further investments, and provide increased funding for projects on more attractive terms to a US domiciled company.

1.4 The Scheme will allow Holdco to streamline its business operations, as the corporate structure would be aligned with the core of its business operations.

The Board believes that the re-domiciliation will align the corporate structure of the ABR Group with its current operating assets, management and businesses, which are substantially all located in the United States. The Board also believes that the re-domiciliation will reduce overall costs associated with maintaining an Australian domicile.

US investors and US-based employees would likely better understand a US corporate structure and primary NASDAQ listing, which should increase their attraction and retention.

1.5 Eligible Shareholders will retain their existing exposure to the ABR Group.

If the Scheme is implemented, Eligible Shareholders will receive, by default, Holdco CDIs or, if elected, Holdco Shares, and will hold an equivalent proportional interest in Holdco as they held in the Company prior to the implementation of the Proposed Transaction (subject to rounding and the Sale Facility).

1.6 The Board considers that the Scheme is in the best interests of Shareholders, and unanimously recommend the Scheme.

The Board has unanimously recommended that Shareholders vote in favour of the Scheme Resolution, having considered the advantages and disadvantages and risks associated with the

Scheme. Each Director intends to vote the Shares which they hold (or that are held on their behalf) in favour of the Scheme Resolution.

1.7 The Independent Expert has concluded that the Scheme is in the best interests of Shareholders.

The Independent Expert, Grant Thornton, has concluded that the Scheme is, on balance, in the best interests of Shareholders and has concluded that:

- The Proposed Transaction may enable the Company to access a broader investor base and enhance the ability of the Company to raise capital.
- The Proposed Transaction should result in an improved ease of doing business.
- The Proposed Transaction may result in a better alignment of the corporate structure of the Company with key business stakeholders and a reduction in operating and administrative costs.
- A United States domicile and primary listing in the United States may raise the profile of the Company, thereby increasing its potential attractiveness as a takeover target.
- The Proposed Transaction is likely to promote the acceleration of product commercialisation, and the Company will be better positioned to capture opportunities as a local producer.
- Scheme Shareholders will have the option of being able to continue trading their shares on ASX (in Australian dollars) through Holdco CDIs, or trade their Holdco Shares on the NASDAQ (in US dollars).
- The Proposed Transaction will result in the Company's reporting currency (US dollars) being aligned with its trading currency, removing volatility in its financial statements caused by exchange rate fluctuations.

A summary of the Independent Expert's Report is set out in Section 9, and a copy of the report is included as Annexure A. Shareholders are encouraged to read the Independent Expert's Report carefully, including the assumptions, qualifications and disclaimers on which the Independent Expert's conclusions are based.

2. Reasons why you may consider voting against the Scheme

The Scheme has some potential disadvantages and risks that Shareholders should consider in deciding whether to vote in favour of the Scheme Resolution, as set out in this Section 2. The Board believes the benefits of the Scheme outweigh the disadvantages and unanimously recommend that Shareholders vote in favour of the Scheme Resolution. In addition, the Independent Expert has concluded that the Scheme is, on balance, in the best interests of Shareholders.

However, Shareholders are not obliged to follow the recommendation of the Board, or the conclusions of the Independent Expert. Set out below are some of the reasons that may lead you to vote against the Scheme Resolution. This Section should be read in conjunction with Section 7, which sets out some the risks associated with the Scheme.

2.1 The rights attached to Holdco Securities may not be the same as those attaching to Shares.

On implementation of the Scheme, Eligible Shareholders will become holders of Holdco Shares or Holdco CDIs. Holdco, a company incorporated in the State of Delaware, will not be subject to all of the provisions of the Corporations Act (to which ABR is currently subject and with which Shareholders may be more familiar). The rights of holders of Holdco Securities will instead be governed by the laws of the State of Delaware, including the Delaware General Corporation Law (**Delaware Corporation Law**), US federal securities laws, the NASDAQ Listing Rules and Holdco's certificate of incorporation and bylaws.

Shareholders receiving Holdco Securities in exchange for their Shares may also have reduced takeover protection under Delaware and US laws, compared to the protection available under Australian law.

Currently, Australian-resident Shareholders may take action to enforce the provisions of the ABR Constitution or securities laws applicable to ABR in Australian courts, applying Australian law. After implementation of the Scheme, such actions with respect to Holdco will be determined in accordance with US law, and the courts of the State of Delaware.

A non-exhaustive comparison of the rights of holders of Shares and the rights of holders of Holdco Shares (which each Eligible Shareholder will have an interest in either directly or via Holdco CDIs) is set out in Annexure G.

2.2 There will be increased exposure to US law and a more litigious environment.

Holdco may be exposed to increased litigation as a US public company, as the US legal environment is generally more litigious compared to Australia.

Shareholders in the US are entitled to commence class action suits on their own behalf and on behalf of any other similarly situated shareholders to enforce an obligation owed to the shareholders directly where the requirements for maintaining a class action under Delaware law have been met. There is a risk that any material or costly dispute or litigation could adversely affect Holdco's reputation, financial performance or value.

2.3 There may be taxation implications for Shareholders.

Depending on each Shareholder's individual circumstances, implementation of the Scheme and related transactions may trigger US federal income and Australian tax consequences, as described in more detail in Section 10.

Shareholders should seek independent professional advice about their particular circumstances and the tax consequences of the Scheme, including the applicability of US state, local and other tax laws, as well as any non-US tax laws.

2.4 There may be a loss of demand for Holdco Securities from Australian investors without an offsetting demand for Holdco Securities from US investors.

Some Shareholders, particularly those who are residents of Australia, may not wish to have exposure to Holdco (either directly or via Holdco CDIs), which is a US corporation regulated under US laws and which is expected to maintain a primary listing on NASDAQ.

This may result in a loss of demand for, and a reduction of liquidity of, Holdco's Securities in the Australian capital market without an offsetting demand for, and increase in liquidity of, Holdco's Securities in the United States Capital market.

Such a loss of demand for, and a reduction in liquidity of, Holdco Securities may result in a decrease in the value of Holdco Securities.

2.5 Shareholders may disagree with the recommendation of the Board and the Independent Expert's conclusion.

Shareholders may disagree with the recommendation of the Board and the Independent Expert's conclusion, and may consider that the Scheme is not in their best interests. Although both the Board and the Independent Expert consider that the advantages outweigh the disadvantages, Shareholders may not reach the same conclusion. In particular, the Independent Expert noted that:

- Shareholders may be exposed to increased litigation, as the US legal environment is generally more litigious compared to Australia.
- Holdco's ability to issue preferred stock, without the approval of Holdco Shareholders could negatively impact ordinary shareholders' voting power and the residual value of Holdco Securities.
- Australian based Shareholders may not be able to benefit from franking credits going forward.
- Shareholder rights and protections of Holdco Shares are different to the rights and protections of the existing Shares.
- Ineligible Foreign Shareholders will not receive Holdco Securities, and there may be tax consequences for them as a result of the Proposed Transaction.
- The Proposed Transaction will cause ABR to incur various costs.

Shareholders may believe that the ABR Group will deliver greater returns over the long term, and their rights as a shareholder will be better protected, if ABR remains a company domiciled in Australia.

2.6 Costs of implementing the Proposed Transaction.

ABR estimates that the cost of implementing the re-domiciliation as being approximately A\$2.2 million. These are one-off costs that have mostly been incurred by ABR.

3. Frequently asked questions

This Section answers some frequently asked questions about the Scheme. It is not intended to address all relevant issues for Shareholders. This section should be read together with all other parts of this Scheme Booklet.

Question	Answer	More Information
QUESTIONS ABOUT THE PROPOSED TRANSACTION		
What is the Proposed Transaction?	<p>The Proposed Transaction is a transaction to re-domicile ABR to the United States so that the new ultimate parent company of the ABR Group will be a US corporation.</p> <p>The Proposed Transaction will be implemented by a Scheme pursuant to which a new US corporation, Holdco, will acquire all of the Shares from Shareholders in exchange for the issue of Holdco Shares or Holdco CDIs.</p> <p>It is intended that the Company will de-list from the ASX and that Holdco will maintain a listing on both NASDAQ (as its primary listing) and on the ASX (as its secondary listing).</p>	<p>A summary of the Proposed Transaction is set out in Section 4.</p> <p>The terms of the Scheme are set out in full in Annexure C.</p>
What is a scheme of arrangement?	A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire another company, including to effect an internal reconstruction or re-domiciliation. It requires a vote in favour of the scheme by certain majorities of ordinary shareholders at a scheme meeting and also requires court approval.	<p>A summary of the Proposed Transaction is set out in Section 4.</p> <p>The terms of the Scheme are set out in full in Annexure C.</p>
Why is ABR re-domiciling to the United States?	The Board believes that the re-domiciliation to the US is in the best interests of Shareholders.	Further information regarding the reasons for the re-domiciliation is set out in Section 1.
Who is Holdco?	Holdco is a newly formed company incorporated in the State of Delaware for the specific purpose of becoming the new ultimate parent company of the ABR Group.	Refer to Section 6 for further information about Holdco.
Who will be the directors of Holdco?	<p>The board of Holdco will initially comprise:</p> <ul style="list-style-type: none"> David J. Salisbury; Henri Tausch; Aaron Bertolatti; and Jimmy Lim. 	Refer to Section 6 for further information about Holdco.
Will there be changes to the strategy of the ABR Group following the Proposed Transaction?	Immediately following the Proposed Transaction, the ABR Group will continue to have materially the same assets and liabilities as immediately prior to the Proposed Transaction.	Refer to Section 6 for further information.
QUESTIONS ABOUT THE SCHEME		
Who is entitled to participate in the Scheme?	Shareholders as at the Record Date are Scheme Shareholders and are entitled to participate in the Scheme.	Refer to Sections 4.8, 4.9, 4.10 and 4.11 for further information.
What is the effect of approving the Scheme?	If the Scheme is approved by the requisite majorities of Shareholders and by the Court, the Scheme will be implemented and ABR will re-domicile to the United States, with Holdco becoming the ultimate parent company of the	Refer to Section 4.8 for further information.

Question	Answer	More Information
	<p>ABR Group. Scheme Shareholders (other than Ineligible Foreign Shareholders) will, by default, receive Holdco CDIs (which will be listed on ASX) or, if elected, Holdco Shares (which will be listed on NASDAQ).</p> <p>Following implementation of the Scheme, it is intended that Holdco will maintain a listing on both NASDAQ (as its primary listing) and on the ASX (as its secondary listing).</p>	
Why should I vote in favour of the Scheme?	<p>The Board considers that the Scheme is in the best interests of Shareholders.</p> <p>In addition, the Independent Expert has concluded that the Scheme is in the best interests of Shareholders.</p>	<p>Further information regarding the reasons to vote in favour of the Scheme are set out in Section 1.</p> <p>A summary of the Independent Expert's Report is contained in Section 9 and a copy of the Independent Expert's Report is set out in Annexure A.</p>
What do the Directors recommend?	<p>The Board unanimously recommends that you vote in favour of the Scheme.</p> <p>Additionally, each Director who holds Shares, or on whose behalf Shares are held at the time of the Scheme Meeting, intends to vote in favour of the Scheme.</p>	<p>Section 4.5 provides further information as to the recommendation of the Board.</p>
What is the opinion of the Independent Expert?	<p>The Independent Expert considers that the Scheme is, on balance, in the best interests of Shareholders.</p> <p>A summary of the Independent Expert's Report is contained in Section 9 and you are encouraged to read that summary in its entirety, including the assumptions, qualifications and disclaimers on which the Independent Expert's conclusions are based.</p> <p>A copy of the Independent Expert's Report is set out in Annexure A.</p>	<p>A summary of the Independent Expert's Report is contained in Section 9 and a copy of the Independent Expert's Report is set out in Annexure A.</p>
Am I obliged to follow the recommendation of the Board or the conclusions of the Independent Expert?	<p>No. Whilst the Board and Independent Expert consider that the Scheme is in the best interests of Shareholders, Shareholders are not obliged to follow the recommendation of the Board or the conclusions of the Independent Expert.</p>	<p>Further information regarding the reasons why Shareholders may consider voting against the Scheme are set out in Section 2.</p> <p>That Section should be read in conjunction with Section 7, which sets out a number of risks associated with Scheme.</p>
QUESTIONS ABOUT THE SCHEME CONSIDERATION		
What will I receive if the Scheme proceeds?	<p>If the Scheme becomes Effective and you are an Eligible Shareholder, you will receive:</p> <ul style="list-style-type: none"> by default, 1 Holdco CDI for every Share held on the Record Date as your Scheme Consideration; or if you have elected to receive Holdco Shares as your Scheme Consideration, 1 Holdco Share for every 10 Shares held on the Record Date. 	<p>Sections 4.9 and 4.10 provide further information regarding Scheme Consideration.</p>

Question	Answer	More Information
	<p>Fractional entitlements will be rounded up to the nearest whole number. Accordingly if, pursuant to the calculation of your Scheme Consideration, you would be entitled to either a fraction of a Holdco Share, or a number of Holdco CDIs that do not equate to a whole number of Holdco Shares, your Scheme Consideration will be rounded up to the nearest whole number of Holdco Shares (or the number of Holdco CDIs that represent the nearest whole number of Holdco Shares).</p> <p>If you are an Ineligible Foreign Shareholder, your entitlement to receive the Scheme Consideration will be issued to the Sale Agent (in the form of Holdco CDIs) and sold in accordance with the Sale Facility. Ineligible Foreign Shareholders should refer to Section 4.11 for further details about the consideration they will receive.</p>	
What are Holdco CDIs?	<p>Holdco CDIs are a CHESS Depositary Interest, representing a beneficial interest in 1/10th of a Holdco Share. Legal title, or beneficial ownership, to the underlying Holdco Shares will be held by CDN.</p> <p>Holders of Holdco CDIs will receive all of the economic benefits of actual ownership of the underlying Holdco Shares.</p>	Refer to Annexure F for a more detailed description of the rights attaching to CDIs.
Can I elect to receive Holdco Shares rather than Holdco CDIs as my Scheme Consideration?	<p>Yes. Eligible Shareholders can elect to receive Holdco Shares as their Scheme Consideration. If no such election for Holdco Shares is made, an Eligible Shareholder will receive Holdco CDIs.</p> <p>If you wish to make an election for Holdco Shares, you must request an Election Form from the Information Line and complete and return the Election Form in accordance with the instructions on the Election Form so that it is received by the Registry (and not withdrawn) by no later than 5:00 pm (AEDT) on 10 December 2021.</p>	<p>Refer to Section 4.9 for further information.</p> <p>An Election Form can be requested by contacting the Information Line.</p>
Can I change my election?	<p>Yes. If you have elected to receive Holdco Shares as your Scheme Consideration, but wish to instead receive Holdco CDIs, you can withdraw your election by requesting an Election Withdrawal Form from the Information Line and completing and returning the Election Withdrawal Form in accordance with the instructions on the Election Withdrawal Form so that it is received by the Registry by no later than 5:00 pm (AEDT) on 10 December 2021.</p>	<p>Refer to Section 4.9 for further information.</p> <p>An Election Withdrawal Form can be requested by contacting the Information Line.</p>
Are there differences between my Shares and the Holdco Shares or Holdco CDIs?	<p>Yes. While the rights attaching to Holdco Shares are similar to the rights attaching to Shares, they are securities in a United States company governed by the laws and regulations of the United States and, in particular, the laws and regulations of Delaware.</p> <p>The rights attaching to Holdco Shares are discussed in Section 6.7 and Annexure G of this Scheme Booklet.</p> <p>A summary of the rights attaching to Holdco CDIs is set out in Annexure F.</p> <p>Following implementation of the Scheme, Holdco CDIs may be converted into Holdco Shares in the ratio of 10 Holdco CDIs</p>	Refer to Section 6.7 and Annexure F and Annexure G for further information.

Question	Answer	More Information
	to 1 Holdco Share (and vice versa).	
When will I receive my Scheme Consideration?	<p>If the Scheme is implemented, Eligible Shareholders will receive the Scheme Consideration on the Scheme Implementation Date, expected to be 17 December 2021.</p> <p>Holding statements and confirmation notices are expected to be despatched within 5 Business Days after the Scheme Implementation Date.</p> <p>Ineligible Foreign Shareholders should refer to Section 4.11 for further details about the timing for payment of the consideration they will receive.</p>	<p>Eligible Shareholder should refer to Section 4.10 for further information.</p> <p>Ineligible Foreign Shareholders should refer to Section 4.11 for further information.</p>
What is the Holdco Share to Holdco CDI conversion ratio and why has it been selected?	<p>The conversion ratio between Holdco CDIs and Holdco Shares is 10 to 1 (that is, 10 Holdco CDIs represent 1 Holdco Share).</p> <p>This ratio has been selected so that the theoretical price of Holdco Shares are in line with the minimum price requirements of NASDAQ and that the theoretical price of Holdco CDIs is in line with the trading price of Shares on ASX.</p>	-
What is the Sale Facility?	<p>The Sale Facility will be used to sell the Holdco CDIs that would otherwise have been received by Ineligible Foreign Shareholders.</p> <p>Under the Sale Facility, following the Scheme Implementation Date, the Sale Agent will sell the Holdco CDIs issued to it on ASX. The Sale Agent will be instructed to sell the Holdco CDIs as soon as reasonably practicable and, in any event, within 1 month after the Scheme Implementation Date.</p> <p>The Sale Facility Proceeds will be distributed, in Australian dollars, to Ineligible Foreign Shareholders within 10 Business Days after the settlement of the sale of the last of the Holdco CDIs by the Sale Agent. The amount payable to each Ineligible Foreign Shareholder will be determined on an averaged basis, so that each Ineligible Foreign Shareholder receives the same price per Holdco CDI (subject to rounding to the nearest whole cent).</p>	Refer to Section 4.12 for further details of the Sale Facility.
Will I have to pay brokerage fees or stamp duty?	<p>Eligible Shareholders will not have to pay brokerage fees or stamp duty in connection with the transfer of the Shares to Holdco under the Scheme.</p> <p>Ineligible Foreign Shareholders will also not have to pay brokerage fees or stamp duty in connection with the sale of their Holdco CDIs by the Sale Agent pursuant to the Sale Facility.</p>	
When can I start trading my Holdco Shares or Holdco CDIs?	<p>Trading of Holdco CDIs on ASX is expected to commence on a deferred settlement basis on the Business Day after the Effective Date.</p> <p>Trading of Holdco Shares on NASDAQ is expected to commence promptly following the Scheme Implementation Date.</p> <p>It is the responsibility of each holder of Holdco Securities to confirm their holding before trading in Holdco Shares or Holdco CDIs (as applicable).</p>	Section 4.15 provides further information about the trading of Holdco Shares and Holdco CDIs.

Question	Answer	More Information
QUESTIONS ABOUT THE SCHEME MEETING, AGREEMENT AND APPROVAL		
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held on 3 December 2021 commencing at 10.00 am (AEDT). The Scheme Meeting will be held virtually via an online meeting platform.	The Notice of Meeting set out in Annexure E contains further information on the Scheme Meeting.
Am I entitled to vote at the Scheme Meeting?	If you are registered as a Shareholder on the Register as at 7.00 pm (AEDT) on 1 December 2021, you will be entitled to vote at the Scheme Meeting.	The Notice of Meeting set out in Annexure E contains further information on the Scheme Meeting.
Is voting compulsory?	Voting is not compulsory. However, the Board considers that the Scheme is an important opportunity for all Shareholders and encourage you to read this Scheme Booklet carefully and to vote in favour of the Scheme.	Sections 1 and 4.5 contain details on the Board's recommendation and the reasons for it.
What vote is required to approve the Scheme?	For the Scheme to proceed, votes "in favour" must be received from: <ul style="list-style-type: none"> a majority in number (more than 50%) of Shareholders present and voting at the Scheme Meeting; and at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Shareholders entitled to vote on the Resolution. It is also necessary for the Court to approve the Scheme before it can become Effective.	Section 4.4 and the Notice of Meeting in Annexure E contains further details with regards to voting requirements under the Scheme Meeting.
How do I vote at the Scheme Meeting?	You can vote at the Scheme Meeting online or by proxy, attorney or corporate representative. Instructions on how to attend and participate at the Scheme Meeting are set out in the Notice of Meeting. Proxy Forms must be received by the Registry by no later than 10.00 am (AEDT) on 1 December 2021.	The Notice of Meeting set out in Annexure E contains further information on the Scheme Meeting.
How will the Scheme be implemented?	Section 8 provides further information on how the Scheme will be implemented.	
Are there any conditions to the Scheme?	The Scheme is subject to a number of conditions, as set out in the Scheme Implementation Agreement. If the conditions are not satisfied (or, if capable of being waived in accordance with the Scheme Implementation Agreement, waived) then the Scheme will not proceed.	Further details of the conditions of the Scheme are set out in Section 8.2. A copy of the Scheme Implementation Agreement is set out in Annexure B.
When will the result of the Scheme Meeting be known?	The result of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX as soon as practicable. The results will be available online at www.americanpacificborates.com and www.asx.com.au .	
What happens if the Scheme does not proceed?	If the Scheme is not approved at the Scheme Meeting (or is approved at the Scheme Meeting but is not subsequently approved by the Court), the Scheme will not become Effective and will not proceed. Shareholders will not receive the Scheme Consideration, but	Section 4.14 provides further information on the implications for Shareholders if the Scheme does not proceed.

Question	Answer	More Information
	will retain their Shares, and ABR will continue to operate as a company domiciled in Australia.	
What happens to my Shares if I do not vote, or if I vote against the Scheme and the Scheme proceeds?	<p>If the Scheme proceeds and you are an Eligible Shareholder, you will receive the Scheme Consideration for your Shares. This will occur even if you did not vote, or voted against the Scheme.</p> <p>You will, by default, receive Holdco CDIs as your Scheme Consideration, unless you have made a valid election to receive Holdco Shares as your Scheme Consideration.</p> <p>Ineligible Foreign Shareholders should refer to Section 4.11 for details about the consideration they will receive.</p>	Sections 4.9, 4.10 and 8.8 provides further information regarding the Scheme Consideration.
OTHER QUESTIONS		
What should I do?	You should read this Scheme Booklet carefully in its entirety and then vote by attending the Scheme Meeting, or by appointing a proxy to vote on your behalf.	
What will happen to ABR if the Scheme proceeds?	<p>If the Scheme proceeds, ABR will be acquired by Holdco, delisted from the ASX and will become a wholly-owned subsidiary of Holdco.</p> <p>It is intended that Holdco Shares will be listed on NASDAQ and Holdco CDIs will be listed on ASX promptly following implementation of the Scheme, subject to the satisfaction of customary approvals.</p>	<p>Section 4.8 provides further information about the effect of the Scheme on Shareholders.</p> <p>Holdco's intentions for ABR if the Scheme proceeds are set out in Section 6.6.</p>
Can I sell my Shares now?	<p>You can sell your Shares on market at any time before the close of trading on ASX on the Effective Date at the prevailing market price.</p> <p>The Effective Date is expected to be 8 December 2021.</p>	Section 8.8 provides further information regarding the sale of Shares.
What are the taxation implications of the Scheme?	<p>This Scheme Booklet contains a discussion of the main Australian and U.S. taxation implications for Shareholders.</p> <p>Your decision on how to vote on the Scheme should be made only after consultation with a financial, legal, taxation or other professional advisor based on your own investment objectives, financial situation, taxation position and particular needs.</p>	Section 10 contains a summary of the main Australian and U.S. taxation implications for Scheme Shareholders.
Where can I get further information?	<p>For further information, you can call the Information Line on 1300 161 428 (within Australia) or +61 3 9415 4037 (outside Australia).</p> <p>If you are in any doubt about anything in this Scheme Booklet, please contact your financial, legal, taxation or other professional advisor.</p>	

4. Overview of the Proposed Transaction

4.1 Background

On 1 October 2021, ABR announced a proposal to re-domicile to the United States by way of a scheme of arrangement, involving Holdco as the proposed acquirer and new ultimate parent company for the ABR Group. Immediately prior to that announcement, ABR and Holdco entered into an agreement containing the key terms of the proposal (the **Scheme Implementation Agreement**). A copy of the Scheme Implementation Agreement is included as Annexure B.

If the Scheme is approved and implemented, all of the existing Shares will be transferred to Holdco in exchange for the Scheme Consideration, and ABR will become a wholly-owned subsidiary of Holdco. ABR will then be de-listed from ASX.

In conjunction with the Scheme, Holdco is seeking a listing on NASDAQ (as its primary listing) and on ASX (as its secondary listing). If these listings are approved, following implementation of the Scheme:

- Holdco Shares will be traded on NASDAQ; and
- Holdco CDIs will be traded on ASX.

This Scheme Booklet contains important information that you should consider before voting on the Scheme Resolution. The Board encourages you to read this Scheme Booklet in its entirety and recommends that you vote in favour of the Scheme Resolution.

4.2 Overview of Scheme implementation steps

The key steps to implement the Scheme are:

- Shareholders will vote on whether to approve the Scheme Resolution at the Scheme Meeting.
- If Shareholders approve the Scheme, and all Conditions Precedent to the Scheme (other than Court approval) have been satisfied or waived, ABR will apply to the Court for approval of the Scheme.
- If the Court approves the Scheme, ABR will lodge with ASIC a copy of the court orders approving the Scheme with ASIC. The date on which this occurs will be the Effective Date for the Scheme and will be the last day for trading of Shares on ASX.
- On the Scheme Implementation Date, Holdco will acquire all of the Shares and will issue the Scheme Consideration to Shareholders in accordance with the elections made by Eligible Shareholders or, in the case of Ineligible Foreign Shareholders, to the Sale Agent.
- The Sale Agent will sell all Holdco CDIs issued to it in accordance with the terms of the Sale Facility and will remit the Sale Facility Proceeds to Ineligible Foreign Shareholders.
- Following implementation of the Scheme, ABR will be removed from the official list of ASX.
- It is intended that Holdco will maintain a primary listing of Holdco Shares on NASDAQ and a secondary listing of Holdco CDIs on ASX.

These steps are discussed further below and in Section 8. The expected dates for the key steps are set out in the Important Dates section of this Scheme Booklet (but those dates are indicative only and subject to change).

4.3 Scheme Meeting

On 27 October 2021, the Court ordered that the Scheme Meeting be convened in accordance with the Notice of Meeting and conducted virtually via an online platform. David J. Salisbury has been nominated to chair the Scheme Meeting. The Notice of Meeting is set out as Annexure E to this

Scheme Booklet. The Court order does not constitute an endorsement of, or any other expression of opinion on, the Scheme or this Scheme Booklet.

The purpose of the Scheme Meeting is for Shareholders to consider whether to approve the Scheme Resolution. Shareholders who are registered on the Register at 7.00 pm (AEDT) on 1 December 2021 are entitled to vote at the Scheme Meeting.

Further details on how to vote are provided in the Notice of Meeting included as Annexure E.

4.4 Approvals required by Shareholders and the Court

The Scheme will only become Effective if it is approved by:

- the requisite majorities of Shareholders at the Scheme Meeting; and
- the Court on the Second Court Date (expected to be 8 December 2021).

Approval by the requisite majorities of Shareholders requires the Scheme Resolution to be passed at the Scheme Meeting by:

- a majority in number (more than 50%) of Shareholders present and voting at the Scheme Meeting; and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Shareholders.

4.5 Recommendation of the Board

The Board has evaluated the re-domiciliation proposal and other strategic alternatives to enhance Shareholder value. This evaluation has included engagement with existing and prospective Shareholders, bankers, analysts and other professional advisors to gauge the likely long term impact of the various alternatives on Shareholders.

Have considered various options, the Board considers that proposed re-domiciliation is the most appropriate way forward, and considers that the Scheme is in the best interests of Shareholders. Accordingly the Board unanimously recommends that Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting for the reasons set out in Section 1.

The Proposed Transaction is non-dilutive for Shareholders and does not result in an effective change in control, as Shareholders' proportional ownership in Holdco (subject to the rounding of fractional entitlements and the Sale Facility) will be essentially the same as in ABR prior to the implementation of the Scheme.

The Board considers that the reasons for Shareholders to vote in favour of the Scheme Resolution outweigh the reasons to vote against the Scheme. In making their recommendation and determining how to vote on the Scheme Resolution, the Board has considered the following:

- the reasons for Shareholders to vote in favour of the Scheme Resolution, as set out in Section 1;
- the reasons for Shareholders to vote against the Scheme Resolution, as set out in Section 2;
- the risks associated with the Scheme, as set out in Section 7; and
- the report of the Independent Expert (which has concluded that the Scheme is in the best interests of Shareholders), a summary of which is set out in Section 9.

Before making your decision in relation to the Scheme, the Board encourages you to:

- read this Scheme Booklet in its entirety;

- have regard to your investment objectives, financial situation, tax position or particular needs; and
- obtain independent financial, legal, taxation or other professional advice if required.

4.6 Voting intentions of the Directors

The interests of Directors are disclosed in Section 11.1.

Each Director intends to vote in favour of the Scheme Resolution in respect of their personal holdings of Shares and any proxies placed at their discretion.

4.7 Independent Expert

The Board engaged the Independent Expert, Grant Thornton, to consider whether the Scheme is in the best interests of Shareholders and prepare a report with its findings and conclusions. The Independent Expert has concluded that the Scheme is in the best interests of Shareholders.

A summary of the Independent Expert's Report is set out in Section 9. Shareholders are encouraged to read this summary in its entirety, including any assumptions and qualifications on which the Independent Expert's conclusions are based.

A copy of the complete Independent Expert's Report is included as Annexure A.

4.8 Effect on Shareholders if the Scheme proceeds

If approved by Shareholders and the Court, and subject to the Conditions Precedent being satisfied (or, if capable of being waived, waived), all Shareholders (whether a Shareholder did not vote, or voted against the Scheme Resolution) who hold Shares as at the Record Date (being the **Scheme Shareholders**) will participate in the Scheme, regardless of their voting decision.

If approved and implemented, the Scheme will result in:

- Holdco acquiring all Shares, and in exchange:
 - Eligible Shareholders who have not made an election to receive Holdco Shares as their Scheme Consideration will receive, by default, 1 Holdco CDI for every Share held by them on the Record Date;
 - Eligible Shareholders who have elected to receive Holdco Shares as their Scheme Consideration will receive 1 Holdco Share for every 10 Shares held by them on the Record Date; and
 - the Holdco CDIs to which Ineligible Foreign Shareholders would otherwise have been entitled will be issued to the Sale Agent (in the form of Holdco CDIs) and sold in accordance with the Sale Facility, with the Sale Facility Proceeds being remitted to the Ineligible Foreign Shareholders,

in each case, with any fractional entitlements to be rounded up to the nearest whole number of Holdco Shares (or Holdco CDIs that represent the nearest whole number of Holdco Shares);

- ABR being de-listed from the ASX and becoming a wholly-owned subsidiary of Holdco; and
- Holdco maintaining a listing on both NASDAQ (as its primary listing) and on the ASX (as its secondary listing).

Eligible Shareholders will hold an equivalent proportional interest in Holdco as they held in the Company prior to the implementation of the Proposed Transaction (subject to rounding and the Sale Facility).

It is proposed that Holdco Shares will be quoted on NASDAQ under the code "FEAM" and Holdco CDIs will be quoted on ASX under the code "5EA". Holdco Shares and Holdco CDIs will be transmutable, so that Holdco Shareholders can convert their Holdco Shares (on NASDAQ) into Holdco CDIs (on ASX) (and vice versa).

4.9 Scheme Consideration

Under the terms of the Scheme, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive the Scheme Consideration in respect of each Share held at the Record Date. In particular, each Eligible Shareholder will receive either:

- by default, 1 Holdco CDI for every Share held on the Record Date; or
- if elected, 1 Holdco Share for every 10 Shares held on the Record Date (which will be issued in book-entry form in the Direct Registration System).

Eligible Shareholders who do not make a valid election will receive their Scheme Consideration in the form of Holdco CDIs. Holdco CDIs can be converted into Holdco Shares at any time following implementation of the Scheme (and vice versa) on the basis that 10 Holdco CDIs will be equivalent to 1 Holdco Share.

If you wish to make an election, you must request an Election Form from the Information Line and complete and return the Election Form in accordance with the instructions on the Election Form so that it is received by the Registry (and not withdrawn) by no later than 5:00 pm (AEDT) on 10 December 2021.

Not all Australian brokers have arrangements that allow them to trade securities on NASDAQ. It is the responsibility of Scheme Shareholders to ensure that appropriate arrangements are in place if they wish to elect to receive Holdco Shares as their Scheme Consideration and trade them on NASDAQ.

Scheme Shareholders can only make an election to receive Holdco Shares as their Scheme Consideration in relation to all (not only some) of the Shares held by them on the Record Date. A Scheme Shareholder who holds one or more parcels of Shares as trustee or nominee for, or otherwise on account of, another person, may not make separate elections in relation to each of those parcels of Shares. If only some of the underlying beneficiaries wish to receive the Scheme Consideration in the form of Holdco CDIs, the trustee or nominee must, prior to an Election Form being submitted, establish separate and distinct holdings in the Register in respect of each parcel of Shares in order to allow the trustee or nominee to make separate elections for Holdco Shares respect of each such parcel. Trustees and nominees should only provide one Election Form for each registered shareholding.

Eligible Shareholders may withdraw an election to receive Holdco Shares (for all and not only some) of their Shares by requesting an Election Withdrawal Form from the Information Line and completing and returning the Election Withdrawal Form in accordance with the instructions on the Election Withdrawal Form so that it is received by the Registry by no later than 5:00 pm (AEDT) on 10 December 2021.

ABR will determine, in its sole discretion, all questions as to the correct completion of an Election Form or Election Withdrawal Form, and time of receipt of such forms. ABR will not be required to communicate with any Eligible Shareholder prior to making any such determination. Any determination made by ABR will be final and binding on the relevant Shareholder.

Ineligible Foreign Shareholders will not receive Holdco Shares or Holdco CDIs. Instead, the Holdco CDIs to which they otherwise would have been entitled will be issued to the Sale Agent and sold in accordance with the Sale Facility, and the Sale Facility Proceeds will be remitted to relevant Ineligible Foreign Shareholders. See Section 4.12 for further details.

Any fractional entitlements will be rounded up to the nearest whole number. Accordingly if, pursuant to the calculation of your Scheme Consideration, you would be entitled to either a fraction of a Holdco

Share, or a number of Holdco CDIs that do not equate to a whole number of Holdco Shares, your Scheme Consideration will be rounded up to the nearest whole number of Holdco Shares (or the number of Holdco CDIs that represent the nearest whole number of Holdco Shares).

4.10 Payment of the Scheme Consideration

Holdco Securities to be issued as Scheme Consideration under the Scheme will be issued on the Scheme Implementation Date. It is currently expected that:

- Holdco Shares will commence trading on NASDAQ; and
- Holdco CDIs will commence trading on ASX,

promptly following the implementation of the Scheme, subject to approval for listing being obtained from both NASDAQ and ASX, and satisfaction of customary conditions.

It is the responsibility of each holder of Holdco Securities to confirm their holding of either Holdco Shares or Holdco CDIs before trading to avoid the risk of selling securities they do not own. Holders of Holdco Securities who sell their Holdco Securities before they receive their holding statement do so at their own risk. ABR, Holdco and the Holdco Registry disclaim all liability (to the maximum extent permitted by law) to persons who trade Holdco Securities before receiving their holding statements, whether on the basis of the allocation provided by the Holdco Registry or otherwise.

Holding statements are expected to be despatched to Scheme Shareholders within 5 Business Days after the Scheme Implementation Date.

Ineligible Foreign Shareholders will receive a cash payment from the Sale Facility Proceeds of the Holdco CDIs they would otherwise have been entitled to receive under the Scheme, as outlined in Section 4.12.

4.11 Ineligible Foreign Shareholders

Shareholders whose address as shown on the Register as at the Record Date is a place outside Australia, New Zealand, Canada, Hong Kong, Ireland, Papua New Guinea, Singapore, Malaysia, Thailand or the United States will be Ineligible Foreign Shareholders and will not be entitled to receive any Holdco Shares or Holdco CDIs under the Scheme, unless Holdco determines that it is lawful and not unduly onerous or impracticable to issue Holdco Securities in that jurisdiction if the Scheme becomes Effective.

Ineligible Foreign Shareholders will not receive Holdco Shares or Holdco CDIs under the Scheme. Instead, the Scheme Consideration that would otherwise have been issued to them under the Scheme will be issued to the Sale Agent (in the form of Holdco CDIs) and sold under the Sale Facility.

Any brokerage fees or stamp duty payable in respect of the sale of Holdco CDIs under the Sale Facility will be paid by Holdco. Accordingly, Ineligible Foreign Shareholders will not pay brokerage fees or stamp duty in connection with the sale of Holdco CDIs under the Sale Facility.

4.12 Sale Facility

The Sale Facility will be established to sell the Scheme Consideration (in the form of Holdco CDIs) that would have otherwise been issued to Ineligible Foreign Shareholders.

Holdco CDIs representing the Scheme Consideration of Ineligible Foreign Shareholders will be issued to the Sale Agent and sold on behalf of Ineligible Foreign Shareholders under the Sale Facility.

The Sale Agent will be instructed to sell the Holdco CDIs issued to it on ASX as soon as reasonably practicable and, in any event, within 1 month after the Scheme Implementation Date. Holdco CDIs will be sold in such manner, at such price and on such other terms as the Sale Agent determines in good faith, and at the risk of Ineligible Foreign Shareholders.

The Sale Facility Proceeds will be distributed by ABR, in Australian dollars, to Ineligible Foreign Shareholders within 10 Business Days after the settlement of the sale of the last of the Holdco CDIs by the Sale Agent. The amount payable to each Ineligible Foreign Shareholder will be determined on an averaged basis, so that each Ineligible Foreign Shareholder receives the same price per Holdco CDI (subject to rounding to the nearest whole cent).

ABR, Holdco and the Sale Agent give no assurance as to the price that may be received for the sale of Holdco CDIs under the Sale Facility. The proceeds that Ineligible Foreign Shareholders receive under the Sale Facility may be more or less than the market value of Shares as at the date of this Scheme Booklet. The sale of Holdco CDIs under the Sale Facility may result in a significant number of Holdco CDIs being offered for sale at the same time, which may have the effect of reducing the sale price of those Holdco CDIs.

The payment of the Sale Facility Proceeds will be in full and final satisfaction of the rights of Ineligible Foreign Shareholders under the Scheme, and will be made by:

- electronic funds transfer in Australian dollars to a bank account with any Australian “Authorised Deposit-taking Institution” (as defined in the Corporations Act) notified to ABR by the Ineligible Foreign Shareholder;
- Global Wire Payment Service, if a Shareholder who resides outside of Australia has elected to receive payments electronically in their local currency using the Registry’s Global Wire Payment Service; or
- if a bank account or Global Wire Payment instructions have not been notified to the Registry as at 7:00 pm on the Record Date, dispatching a cheque for the relevant amount in Australian dollars to the Ineligible Foreign Shareholder by prepaid post to their registered address (as at the Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder.

If Shareholders wish to update their direct credit instructions or Global Wire Payment details, please visit www.computershare.com.au/easyupdate/abr and update these details by 7:00 pm (AEDT) on the Record Date. For a list of currencies offered for the Global Wire Payment Service or for further information on how to subscribe to this service, please contact the Registry. Cheques, direct credit payment advices and Global Wire Payment advices will be mailed by ordinary pre-paid post, at the Ineligible Foreign Shareholders’ risk, to the address as shown on the Register at 7:00 pm (AEDT) on the Record Date.

Under the Scheme, each Ineligible Foreign Shareholder appoints ABR as its agent to receive any financial services guide or other notice which may be required to be issued to them by the Sale Agent in connection with the Sale Facility.

4.13 Tax implications of the Scheme

A general guide to potential Australian tax implications of the Scheme for certain Shareholders is set out in Section 10. The information in Section 10 is expressed in general terms and is not intended to provide tax advice in respect of the particular circumstances of any Shareholders.

Shareholders should seek their own tax advice.

4.14 If the Scheme does not proceed

If the Scheme Resolution is not approved at the Scheme Meeting, or not all of the Conditions Precedent are satisfied (or, if capable of being waived, waived), then the Scheme will not proceed, and ABR will continue to operate as a company domiciled in Australia and listed on the ASX. Shareholders will not receive the Scheme Consideration and will continue to hold their Shares.

The Board believes that the Scheme is likely to deliver benefits to Shareholders, and considers that the Scheme is in the best interests of Shareholders.

4.15 Admission of Holdco to NASDAQ and ASX

In conjunction with the implementation of the Proposed Transaction, Holdco is seeking:

- admission of the Holdco Shares to NASDAQ (under the code "FEAM"); and
- admission of the Holdco CDIs to ASX (under the code "5EA"),

in each case, subject to the satisfaction of customary conditions and subject to the Scheme becoming Effective.

If the Scheme is implemented.

- trading of Holdco CDIs is expected to commence on a deferred settlement basis on the Business Day after the Effective Date; and
- trading of Holdco Shares on NASDAQ is expected to commence promptly following the Scheme Implementation Date.

4.16 Deemed warranties by Scheme Shareholders

Shareholders should refer to the warranties that they will be deemed to have given in relation to their Shares to be transferred under the Scheme, if the Scheme becomes Effective. These warranties are contained in clause 8.4 of the Scheme. The Scheme is set out in full in Annexure C.

4.17 Arrangements with Option Holders

As at the date of this Scheme Booklet, ABR has 64,750,000 Options on issue, of which 46,200,000 have vested and are capable of being exercised and 18,550,000 are subject to various vesting conditions.

ABR and Holdco intend to enter into binding agreements with each Option Holder to cancel their unexercised Options in consideration for the grant of equivalent rights (as near as reasonably practicable) to acquire Holdco Shares instead of Shares (**Holdco Options**).

The number of Holdco Options to be issued to each Option Holder will be consolidated in the ratio of 1 Holdco Option for every 10 Options held by the relevant Option Holder. Each Holdco Option to be issued will:

- have an exercise price in US dollars adjusted from the exercise price per Option it replaces in an inverse proportion (converted from Australian dollars to US dollars at the prevailing Australian / US dollar exchange rate as reasonably determined by Holdco);
- have an exercise period equal to the unexpired exercise period of the relevant Option it replaces;
- be vested to the same extent, and have the same terms as to vesting, as the relevant Option it replaces; and
- otherwise be issued on the same terms as the relevant Option it replaces, with such changes as necessary to reflect Holdco being the issuer (rather than ABR).

To the extent that an Option Holder does not agree to replace their existing Options with Holdco Options and the Scheme proceeds, then Holdco will consider undertaking other courses of action available to it, including (if available) the compulsory acquisition or cancellation of the Options. Alternatively, Holdco may not take any action, in which case the Options will continue on their current terms.

The Proposed Transaction will not otherwise result in an acceleration or vesting or change in material terms of any Options.

4.18 Existing shareholder instructions

Except for a Shareholder's tax file number, all binding instructions or notifications given by a Shareholder to ABR or the Registry in relation to Shares (including, without limitation, any instructions relating to electronic communications, direct credit instructions, Global Wire instructions and bank account details) will, from the Scheme Implementation Date, be deemed (except to the extent determined by Holdco in its absolute discretion), by reason of the Scheme, to be a similar binding instruction or notification to and accepted by Holdco and the Holdco Registry in respect of the Holdco Shares or Holdco CDIs issued to the Scheme Shareholder, until that instruction or notification is revoked or amended in writing addressed to Holdco.

4.19 Obtaining further information

If you have questions in relation to the Scheme, you should refer to Section 3 (Frequently asked questions), visit the ABR website at www.americanpacificborates.com or contact the Information Line on 1300 161 428 (within Australia) or +61 3 9415 4037 (outside Australia).

Alternatively, you can contact your financial, legal, taxation or other professional advisor.

5. Information about ABR

5.1 Background

ABR is primarily focused on advancing its 100% owned Fort Cady integrated boron facility located in Southern California, United States.

The Company is seeking to become a fully integrated producer of boron speciality products and advanced materials. It is targeting boron applications in the field of clean energy transition, electric transportation and food security, amongst other high-performance, high-tech and high-margin applications.

5.2 Operations

The global shift from fossil based systems of energy production to renewable energy is increasingly important to investors, consumers and governments. The emergence of renewable energy, the onset of electrification and improvements in energy storage are all key drivers of clean energy transition. Boron is a key component in energy transition because it is highly versatile in chemical reactions and can be applied in processes for storing chemical and electrical energy, amongst other applications.

Global access to mined boron is rare and the Company's production is underpinned by an even more rare and large colemanite deposit. Colemanite is a conventional boron mineral that has been used to commercially produce boron for broad applications for centuries. The Fort Cady colemanite ore deposit is the largest known contained traditional borate occurrence in the world not owned by the two major borate producers Rio Tinto and Eti Maden. The JORC compliant Mineral Resource Estimate and Reserve comprises 13.93 million metric tonnes (**Mt**) of contained boric acid.

As part of the commercialisation strategy, the Company will produce boric acid, boron specialty products and advanced materials (and sulphate of potash (**SOP**) as a by-product credit) from Mannheim furnaces. SOP is a high value specialty fertiliser prized for its low chloride potassium and sulphur content. Large target markets exist on ABR's doorstep in California and Arizona (collectively known as the bread basket of the United States).

(a) Fort Cady Project

The Company's main operation is the Fort Cady borate mine project (the **Fort Cady Project**) located in the south-eastern desert region of San Bernardino County, California. The Fort Cady Project is located near the town of Newberry Springs, approximately 50 km east of the city of Barstow and 4 km south of Interstate 40 (I-40). The Fort Cady Project area occurs approximately 200 km from Los Angeles (California) and Las Vegas (Nevada) in the Barstow Trough of the central Mojave.

Fort Cady is a highly rare and large colemanite deposit and is the largest known conventional contained borate occurrence in the world not owned by the two major borate producers Rio Tinto and Eti Maden.

The Fort Cady Project and proposed operation is situated in an area with existing sealed roads, a gas pipeline, rail line and power lines. The Fort Cady Project sees the production of boric acid via solution mining of an ore body that is around 450 m beneath surface. SOP is produced as a by-product of the production of hydrochloric acid that is used in the solution mining process for boric acid.

The Fort Cady Project has a JORC mineral estimate of resource of 120.4 Mt at 6.5% boric oxide (**B₂O₃**) (11.6% boric acid equivalent (**H₃BO₃**)) and 340 parts per million (**ppm**) lithium (**Li**) (5% B₂O₃ cut-off) for 7.8 Mt contained B₂O₃ (13.9 Mt H₃BO₃).

JORC Compliant Mineral Resource Estimate and Reserve^{1 2}

Reserves	Mt	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ Mt	H ₃ BO ₃ Mt
Proven	27.21	6.70	11.91	379	1.82	3.24
Probable	13.80	6.40	11.36	343	0.88	1.57
Total Reserves	41.01	6.60	11.72	367	2.71	4.81
Resources	Mt	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ Mt	H ₃ BO ₃ Mt
Measured	38.87	6.70	11.91	379	2.61	4.63
Indicated	19.72	6.40	11.36	343	1.26	2.24
Total M&I	58.59	6.60	11.72	367	3.87	6.87
Inferred	61.85	6.43	11.42	322	3.98	7.07
Total M, I & I	120.44	6.51	11.57	344	7.84	13.93

(b) Salt Wells Projects

In addition to the flagship Fort Cady Project, the Company also has an earn-in agreement to acquire a 100% interest in the Salt Wells North and Salt Wells South projects (the **Salt Wells Projects**) in Nevada, United States on the incurrence of US\$3 million of project expenditures.

The Salt Wells Projects cover an area of 36 km² and are considered prospective for borates and lithium in the sediments, and lithium in the brines within the project area. Surface salt samples from the Salt Wells North project area were assayed in April 2018 and showed elevated levels of both lithium and boron, with several results of over 500 ppm lithium and over 1% boron.

¹ Refer to the Company's ASX announcement dated 3 December 2018 for full details of the Company's JORC compliant Resource Estimate and Reserve for the Fort Cady Project. ABR confirms that it is not aware of any new information or data that materially affects the Resource Estimate and Reserve and that all material assumptions and technical parameters underpinning the Resource Estimate and Reserve continue to apply and have not materially changed.

Refer also to the Company's ASX announcement dated 4 August 2021 in respect of the Exploration Targets for the Fort Cady Project.

² As part of the process for Holdco to seek admission to NASDAQ, it is required to provide Regulation S-K 1300 compliant resource estimates, which may differ from the JORC compliant mineral resource estimate and reserves. Going forward, Holdco will be required to report its resource estimates to the SEC and NASDAQ in accordance with Regulation S-K 1300 standards. Mineral resources estimates and reserves will continue to be reported to the ASX on a JORC compliant basis.

A copy of the Regulation S-K 1300 compliant resource estimates for the Fort Cady Project will, once available, be released to the ASX and available from the ASX website (at www.asx.com.au) and on the Company's website (at www.americanpacificborates.com.au).

5.3 Directors and senior management

(a) Directors

As at the date of this Scheme Booklet, the Board consists of the following persons:

- David J. Salisbury, Non-Executive Chair
- Anthony Hall, Executive Director
- Stephen Hunt, Non-Executive Director
- Jimmy Lim, Non-Executive Director

Further information about the Directors, their experience and qualifications can be obtained by visiting the Company's website at www.americanpacificborates.com.

(b) Senior Management

As at the date of this Scheme Booklet, the senior management team of the Company consists of the following persons:

- Henri Tausch, Chief Executive Officer
- Tyson Hall, Chief Operating Officer
- Dr. Dinakar Gnanamgari, Chief Commercial Officer / Chief Technical Officer
- Aaron Bertolatti, Company Secretary
- Chance Pipitone, Head of Corporate Development and Investor Relations
- Cindi Byrns, Environmental Manager

Further information about the Company's senior management team, their experience and qualifications can be obtained by visiting the Company's website at www.americanpacificborates.com.

5.4 Capital structure

(a) Securities on issue

As at the date of this Scheme Booklet, ABR has on issue:

- 389,932,903 Shares; and
- 64,750,000 Options.

ABR has also agreed to issue up to 17,000,000 Shares in exchange for the provision of services provided by its US-based advisory board. Refer to Section 6.3(a) for further details regarding the proposed arrangements with respect to these Shares.

There are no other convertible securities on issue.

(b) Substantial shareholders

As at 25 October 2021 ABR had the following substantial shareholders:

Name	Shares	%
Virtova Capital Management Limited	51,282,051	13.20
Atlas Precious Metals Inc	45,920,000	11.82
Mayfair Ventures Pte Ltd	38,339,532	9.78

5.5 Historical financial information

This Section 5.5 contains audited financial information relating to ABR for the financial years ended 30 June 2021 and 30 June 2020. The financial information in this Section 5.5 is a summary only, and has been prepared and extracted for the purposes of this Scheme Booklet only.

The historical financial information of ABR presented in this Scheme Booklet is in an abbreviated form and does not contain all the disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act.

The historical financial information in this Section 5.5 has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards. The historical financial information in this Scheme Booklet is presented on a stand-alone basis and accordingly does not reflect any impact of the Scheme.

Further detail regarding ABR's financial performance can be found in the audited financial statements for the years ended 30 June 2021 and 30 June 2020. Copies of these statements can be obtained from the ASX website at www.asx.com.au or the Company's website at www.americanpacificborates.com.

(a) Historical consolidated statement of profit or loss and other comprehensive income

The following table presents the historical consolidated statement of profit or loss and other comprehensive income for ABR for the financial years ended 30 June 2021 and 30 June 2020.

	30 June 2021 (A\$)	30 June 2020 (A\$)
Continuing Operations		
Interest income	4,672	11,470
Other income	66,298	196,851
Expenses		
Professional and consulting fees	(2,713,227)	(918,505)
Director and employee costs	(684,868)	(272,293)
Other expenses	(727,157)	(354,624)
Interest expense	(2,824)	(349,390)
Loss on foreign exchange	(2,205,366)	(145,991)
Borrowing costs	-	(337,051)
Marketing and promotional expenses	(376,338)	(145,602)
Share-based payments expense	(8,659,959)	(2,596,450)
Impairment expense	(218,490)	-
Travel and accommodation	(72,054)	(279,904)
Loss before income tax	(15,589,313)	(5,191,489)
Income tax expense	-	-
Net loss for the year	(15,589,313)	(5,191,489)
Other comprehensive income		
Items that may be reclassified to profit and loss		

	30 June 2021 (A\$)	30 June 2020 (A\$)
Exchange differences on translation of foreign operations	(2,307,638)	206,668
Other comprehensive income for the year, net of tax	(2,307,638)	206,668
Total comprehensive loss for the year	(17,896,951)	(4,984,821)

(b) Historical consolidated statement of financial position

The following table presents the historical consolidated statement of financial position for ABR for the financial years ended 30 June 2021 and 30 June 2020.

	30 June 2021 (A\$)	30 June 2020 (A\$)
Current Assets		
Cash and cash equivalents	54,369,319	38,742,907
Other assets	-	1,694
Receivables	729,035	131,785
Total Current Assets	55,098,354	38,876,386
Non-Current Assets		
Receivables	1,452,700	536,247
Right of Use Assets	258,715	-
Property, plant and equipment	17,293,264	4,505,103
Deferred exploration and evaluation expenditure	38,108,372	29,483,185
Total Non-Current Assets	57,113,051	34,542,535
Total Assets	112,211,405	73,400,921
Current Liabilities		
Trade and other payables	1,762,709	3,815,995
Lease Liabilities	95,789	-
Total Current Liabilities	1,858,498	3,815,995
Non-Current Liabilities		
Lease Liabilities	166,131	-
Total Non-Current Liabilities	166,131	-
Total Liabilities	2,024,629	3,815,995
Net Assets	110,186,776	69,584,926
Equity		
Issued capital	123,701,282	73,862,440
Reserves	13,935,952	7,583,631
Accumulated losses	(27,450,458)	(11,861,145)
Total Equity	110,186,776	69,584,926

(c) Historical consolidated statement of cash flows

The following table presents the historical consolidated statement of cash flows for ABR for the financial years ended 30 June 2021 and 30 June 2020.

	30 June 2021 (A\$)	30 June 2020 (A\$)
Cash flows from operating activities		
Payments to suppliers and employees	(4,154,684)	(2,006,204)
Other receipts	58,305	196,851
Interest received	4,672	11,470
Interest paid	-	(349,390)
Net cash used in operating activities	(4,091,707)	(2,147,273)
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,187,041)	(1,558,585)
Payment for EPA reclamation bond	(1,087,803)	-
Payments for exploration expenditure	(10,362,318)	(4,522,142)
Net cash used in investing activities	(26,637,162)	(6,080,727)
Cash flows from financing activities		
Proceeds from issue of shares	39,487,179	41,650,000
Proceeds from issue of Convertible Note	-	2,934,655
Proceeds from the conversion of unlisted options	12,255,346	3,678,196
Borrowing costs	-	(192,834)
Repayment of Convertible Note	-	(2,471,413)
Payments for share issue costs	(3,182,258)	(1,410,508)
Net cash provided by financing activities	48,560,267	44,188,096
Net increase in cash and cash equivalents	17,831,398	35,960,096
Cash and cash equivalents at the beginning of the year	38,742,907	2,893,663
Effect of exchange rate fluctuations on cash	(2,204,986)	(110,852)
Cash and cash equivalents at the end of the year	54,369,319	38,742,907

5.6 Material changes in ABR's financial position since 30 June 2021

Other than as disclosed in this Scheme Booklet and in announcements to ASX, within the knowledge of the Board, the financial position of the Company has not changed materially since 30 June 2021.

5.7 Publicly available information

As an ASX listed entity and a "disclosing entity" under the Corporations Act, ABR is subject to regular reporting and disclosure obligations. Among other things, these obligations require ABR to announce price sensitive information to ASX as soon as it becomes aware of such information (subject to certain exceptions).

Pursuant to the Corporations Act, ABR is required to prepare and lodge with ASIC and ASX both annual and half-year financial statements accompanied by a statement and report from the Board and an audit or review report (respectively).

Copies of documents lodged with ASX can be obtained from the ASX website at www.asx.com.au and the Company's website at www.americanpacificborates.com. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

6. Information about Holdco

6.1 Corporate overview

Holdco was incorporated under the laws of the State of Delaware on 23 September 2021.

Holdco was incorporated for the purposes of re-domiciling ABR to the United States under the Proposed Transaction. Holdco will not conduct and will have no current intention to conduct any business other than entering into the agreements and performing the acts which are detailed in this Scheme Booklet. As Holdco is a newly formed entity, Holdco's initial financial statements will be ABR's historical financial statements.

As at the date of this Scheme Booklet, Holdco has the authority to issue 180,000,000 shares of voting common stock, par value US\$0.01 per share (**Common Stock**), and 20,000,000 shares of preferred stock, par value US\$0.01 per share (**Preferred Stock**). As at the date of this Scheme Booklet, Holdco has one share of Common Stock on issue, which is held by ABR and was issued upon the incorporation of Holdco. Holdco currently has no other Holdco Securities outstanding. Following the Proposed Transaction, the Holdco Share held by ABR will be cancelled.

Holdco is not currently listed on any securities exchange. Holdco will apply to be admitted to the official list of both NASDAQ (as its primary listing) and the ASX (as its secondary listing) as part of the Proposed Transaction within 7 days after the date of this Scheme Booklet. Holdco will also be registered in Australia as a foreign company under the Corporations Act.

If the Proposed Transaction is implemented, on the Scheme Implementation Date, all of the Holdco Shares will be owned by Eligible Shareholders (in the form of Holdco Shares or Holdco CDIs) in approximately the same proportions as the Eligible Shareholders' existing holdings in the Company, subject to the Sale Facility and the rounding of fractional entitlements.

If the Proposed Transaction is implemented, Holdco's business will consist entirely of the business of ABR, which will become a wholly-owned subsidiary of Holdco.

6.2 Holdco Directors

Upon implementation of the Scheme, the Holdco Directors will be:

- David J. Salisbury;
- Henri Tausch;
- Aaron Bertolatti; and
- Jimmy Lim.

Details of any additional directors to be appointed to the Holdco Board prior to the implementation of the Scheme in order to satisfy the governance requirements of NASDAQ or the SEC will be announced to the ASX and available from the ASX website at www.asx.com.au or the Company's website at www.americanpacificborates.com.

6.3 Capital structure

(a) Holdco Shares

The capital structure of Holdco immediately following implementation of the Proposed Transaction will be as set out in the following table:

Securities	Number
Holdco Shares of Common Stock	180,000,000 shares of Common Stock authorised, and estimated

Securities	Number
	39,393,291 outstanding ³
Holdco Shares of Preferred Stock	20,000,000 shares of Preferred Stock authorised, and nil outstanding

In addition, as announced to the ASX on 21 April 2021, the Company established a US advisory board (**Advisory Board**) to assist with a listing of the Company in the United States. The Company has agreed to provide the following Share-based remuneration in exchange for services provided by the Advisory Board:

- 6,000,000 Shares to be issued in four equal tranches on 12 July 2021, 12 October 2021, 12 January 2022 and 12 April 2022;⁴
- 4,000,000 shares of common stock or other class of securities of the Company to be issued on the listing of the Company on NASDAQ or the New York Stock Exchange; and
- up to an additional 10,000,000 shares of common stock or other class of securities of the Company to be issued in four equal tranches if the 10-day volume-weighted average price of the shares of common stock or other class of securities of the Company listed on NASDAQ or the New York Stock Exchange (converted to A\$ at an exchange rate of A\$1.00:US\$0.7617) exceeds the benchmark amounts of A\$3.00, A\$4.00, A\$5.00 and A\$6.00.

The Company has also agreed to pay US\$250,000 per month for the duration of the appointment of the Advisory Board.

ABR and Holdco intend to enter into a binding agreement with the Advisory Board pursuant to which Holdco will (subject to the Scheme becoming Effective) assume the obligations of the Company under the above arrangements, on the basis that:

- the number of Holdco Shares to be issued will be consolidated in the ratio of 1 Holdco Share for every 10 Shares to which the Advisory Board would have otherwise been entitled;
- the benchmark amounts will be adjusted in an inverse proportion; and
- the rights, entitlements and obligations of the Advisory Board will otherwise continue on the same terms, with such changes as necessary to reflect Holdco being the issuer (rather than the Company).

(b) Holdco Options

Immediately following implementation of the Proposed Transaction, Holdco will have up to 5,825,000 Holdco Options on issue.

ABR and Holdco intend to enter into binding agreements with each Option Holder to cancel their unexercised Options in consideration for the grant of Holdco Options with equivalent rights (as near as reasonably practicable) as the rights attaching to their existing Options, subject to the Scheme becoming Effective. The number of Holdco Options to be issued to each Option Holder will be consolidated in the ratio of 1 Holdco Option for every 10 Options held by the relevant Option Holder.

The number of Holdco Options on issue immediately following implementation of the Proposed Transaction (assuming all unexercised Options on issue on the Scheme Implementation Date are cancelled) will be as set out in the following table:⁵

³ Based on the number of Shares on issue as at the date of this Scheme Booklet and the Holdco Shares to be issued to the Advisory Board upon Implementation of the Scheme, and subject to rounding of fractional entitlements.

⁴ As at the date of this Scheme Booklet, 3,000,000 Shares of the 6,000,000 Shares have already been issued pursuant to the Advisory Board arrangements.

Number	Expiry Date	Exercise Price (A\$) ⁶	Vesting Conditions ⁷
300,000	31 May 2022	\$3.00	None.
10,000	30 June 2022	\$6.00	None.
1,000,000	5 November 2022	\$5.00	None.
150,000	31 December 2022	\$16.00	None.
205,000	1 February 2023	\$6.00	None.
155,000	1 February 2023	\$8.00	None.
120,000	31 December 2023	\$11.00	None.
825,000	30 June 2024	\$5.00	None.
55,000 [^]	30 June 2024	\$13.50	None.
5,000 [^]	30 June 2024	\$13.50	The Holdco Options will vest subject to the satisfaction of employment-related conditions with the ABR Group.
950,000 [^]	6 July 2024	\$9.00	None.
75,000 [^]	7 April 2025	\$25.00	None.
25,000	7 April 2025	\$25.00	None.
100,000	1 June 2025	\$20.00	None.
250,000 [^]	1 June 2025	\$20.00	80% of the Holdco Options will vest over 3 years in 3 instalments subject to the satisfaction of employment-related conditions with the ABR Group. The remaining 20% of the Holdco Options will vest subject to the satisfaction of market-related performance criteria.
590,000 [^]	1 June 2025	\$20.00	The Holdco Options will vest over 3 years in 3 equal instalments subject to the satisfaction of employment-related conditions with the ABR Group.
500,000	1 June 2025	\$20.00	The Holdco Options will vest over 3 years in 3 equal instalments subject to the satisfaction of employment-related conditions with the ABR Group.
210,000	31 July 2025	\$25.00	The Holdco Options will vest in 2 equal tranches on the satisfaction of agreed marketing-related milestones. All Holdco Options will vest subject to the satisfaction of market-related performance criteria.
300,000	1 October 2025	\$22.50	The Holdco Options will vest in 2 instalments (40% and 60%, respectively) subject to the satisfaction of employment-related conditions with the ABR Group.

⁵ There are an additional 6,500,000 vested Options on issue with an exercise price of A\$0.20 and which will lapse (if not exercised) on 30 November 2021. No Holdco Options will be issued in respect of those Options.

⁶ The exercise price of each Holdco Option will be an equivalent US\$ exercise price based on the AUD:USD exchange rate on the business day prior to the Scheme Implementation Date.

⁷ Holdco Options to be issued with no vesting conditions are to be issued in consideration for Options in respect of which the relevant vesting conditions have already been satisfied.

Note: (^) Denotes Holdco Options to be issued as consideration for Options issued under the Company's employee incentive option plan.

Refer to Section 4.17 for further information regarding the Holdco Options to be issued to Option Holders following implementation of the Proposed Transaction.

General terms of Holdco Options

Holdco Options will be issued subject to the following general terms and conditions:

- **Entitlement to Holdco Shares:** Each Holdco Option will give the holder the right to subscribe for 1 Holdco Share.
- **Holdco Shares:** Holdco Shares to be issued upon the exercise of Holdco Options will, on issue, rank equally with all other Holdco Shares then on issue.
- **Reorganisations:** If the capital of Holdco is reorganised (including consolidation, subdivision, reduction or return), the terms of the Holdco Options will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- **Participation in Future Issues:** Holders of Holdco Options will not be entitled to participate in any new issues of Holdco Shares without first exercising their Holdco Options.
- **Pro Rata Issue:** If Holdco undertakes a pro rata issue, the exercise price of the Holdco Options will be reduced in accordance with the formula set out in the ASX Listing Rules.

Additional terms of Holdco Options

Holdco Options that are issued as consideration for the cancellation of Options issued pursuant to the Company's employee incentive option plan (**Plan**) (being those Holdco Options noted in the table above) will be subject to the following additional terms and conditions:

- **Vesting:** The Holdco Board may, in its absolute discretion, resolve to waive any of the vesting conditions applying to Holdco Options due to:
 - the holder ceasing to be a participant in the Plan due to death or total and permanent disability;
 - a change in control; or
 - Holdco passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of Holdco.
- **Lapse:** A Holdco Option will lapse upon the earlier to occur of:
 - an unauthorised dealing in the Holdco Option;
 - a vesting condition relating to the Holdco Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Holdco Board exercises its discretion to vest the Option;
 - in respect of unvested Holdco Options only, a holder ceases to be a participant in the Plan (unless the Holdco Board exercises its discretion to vest the Holdco Options or allow the unvested Holdco Options to remain unvested);
 - in respect of vested Holdco Options only, a relevant person ceases to be a participant in the Plan and the Holdco Option is not exercised within 1 month (or such later date as the Holdco Board determines) of the date that person ceases to be a participant in the Plan;

- the Holdco Board determines that a Holdco Option lapses due to fraud, dishonesty or other improper behaviour of the holder;
 - Holdco undergoes a change of control or winding up, and the Holdco Board does not exercise its discretion to vest the Holdco Option;
 - the expiry date of the Holdco Option; and
 - the 7 year anniversary of the date of grant of the Option which the Holdco Option replaces.
- **Holdco Share Sale Restrictions:** The Holdco Board may, in its discretion, determine at any time up until the exercise of Holdco Options, that a restriction period will apply to some or all of the Holdco Shares issued on the exercise of Holdco Options up to a maximum of 7 years from the grant date of the Option which the Holdco Option replaces.

6.4 Choice of jurisdiction

ABR considers that the State of Delaware is an appropriate jurisdiction for the domicile of Holdco. A significant number of publicly-traded companies in the US are incorporated in Delaware. In addition, Delaware provides a well-developed body of law defining the fiduciary duties and decision-making processes expected of boards of directors in a variety of contexts.

Holdco has adopted a customary form of bylaws for a Delaware corporation, which the Holdco Board considers appropriate for a NASDAQ listed company, rather than adopting bylaws that provide Australian-style protections for Holdco Shareholders.

A description of the key differences between the Australian and Delaware legal regimes and their implications for Holdco Shareholders is set out in Annexure G.

6.5 Corporate governance and structure

As a Delaware entity listed on NASDAQ, Holdco will adopt corporate governance policies and new board committee charters in line with NASDAQ listing standards. Holdco intends to adopt the same policies and charters as are currently in effect for the Company, with such changes as are necessary for Holdco to comply with the rules applicable to United States companies listed on the NASDAQ.

Pursuant to the NASDAQ Listing Rules, Holdco will establish and adopt charters for its Audit Committee and Nominating and Governance Committee. Holdco will also establish a Compensation Committee, the main functions of which are to review, approve and recommend the base salary, equity-based incentives and short-term incentive compensation for executive officers, approve all long-term equity incentives to employees, review Holdco's cash and any stock-based incentive compensation plans to assess their effectiveness in meeting Holdco's goals and objectives and take other actions to meet its responsibilities as set out in its written charter. Holdco may adopt other charters and policies as the Holdco Board determines is necessary or appropriate.

Holdco is committed to ensuring that its corporate governance systems comply with statutory and stock exchange requirements and to maintaining its focus on transparency, responsibility and accountability.

6.6 Holdco's intentions for the business, assets and employees of the Company

(a) Listing on NASDAQ and ASX

If the Proposed Transaction is implemented, the existing listing of ABR on the ASX will be replaced with a new listing of Holdco on NASDAQ (as its primary listing) and on the ASX (as its secondary listing).

In particular, this means that ABR will be removed from the official list of ASX and, contemporaneously, Holdco will be listed on NASDAQ (as its primary listing) and the ASX (as its secondary listing).

(b) Holdco's assets, business and operations

On and from the Scheme Implementation Date, the assets, business and operations of ABR will be unchanged, and the Holdco Board intends to continue the business and principal activities of the ABR Group as they were conducted prior to the implementation of the Proposed Transaction, in a manner consistent with past practice. In particular, the Holdco Board intends to continue the employment of its current employees, without any major change or amendment (although the Holdco Board may undertake a review of the ABR Group after the implementation of the Proposed Transaction to consider whether there are any appropriate measures required to streamline its operations and structure further. All of the ABR Group's operations are located in the United States and that will be unchanged following the implementation of the Proposed Transaction. Notwithstanding the above, current and future economic, market and business conditions may cause the Holdco Board to make changes that it considers necessary and in the interests of Holdco Shareholders.

Further information about the ABR Group's business plans and strategy can be found in the various announcements made by the Company on the ASX website at www.asx.com.au or on the Company's website at www.americanpacificborates.com.

(c) Status of the Company

On and from the Scheme Implementation Date, Holdco will own all of the Shares, and the Company will become a wholly-owned subsidiary of Holdco.

Shortly after the Scheme Implementation Date, Holdco expects to pass a special resolution to convert the Company from a public company to a proprietary company limited by shares, and to lodge all necessary documentation with ASIC to give effect to that conversion.

No winding-up, merger or liquidation of the Company, nor any transfer of material assets from the Company to Holdco or any other member of the ABR Group, is currently contemplated.

6.7 Rights attaching to Holdco Shares

The following is a summary of the principal rights attaching to Holdco Shares. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Holdco Shareholders. The rights attaching to the Holdco Shares arise from a combination of Holdco's certificate of incorporation, bylaws and the Delaware Corporation Law, copies of which are available upon request.

Refer to Annexure G for a more detailed summary.

(a) Annual meetings

A meeting of Holdco Shareholders for the election of directors and to transact other business must be held annually at such times as may be designated by the Holdco Board.

(b) Right to bring a resolution before a meeting

Special meetings of Holdco Shareholders may be called by the Holdco Board or Holdco Shareholders holding at least 25% of the then-outstanding shares of Holdco's voting stock, at such time and for such purpose as the persons calling the meeting see fit.

(c) Number and election of directors

The number of directors of Holdco must not be less than two and not more than eleven. Subject to ASX granting a waiver to allow plurality of voting (which it has indicated that it will grant on receipt of Holdco's application to be admitted the official list of ASX), the Holdco Directors will be elected at the annual meeting of Holdco Shareholders by either a plurality of the votes cast in a contested election or by a majority of the votes cast in an uncontested election.

Plurality voting provides that the director candidates who received the greatest number of "for" votes are elected to the Holdco Board until all director seats are filled.

(d) Removal of directors

Any Holdco Director or the entire Holdco Board may be removed, with or without cause, by the holders of a majority of Holdco Shares then entitled to vote at an election of Holdco Directors.

(e) Amendments to constituent documents

Holdco's certificate of incorporation may be adopted, amended or repealed by the affirmative vote of a majority of the voting power of all of the then-outstanding Holdco Shares entitled to vote. Holdco's bylaws may be adopted, amended or repealed by at least two-thirds of the voting power of all of the then-outstanding Holdco Shares entitled to vote generally in the election of Holdco Directors, voting together as a single class.

The Holdco Board may also amend the bylaws of Holdco.

(f) Voting and quorum

Holdco Shareholders are entitled to one vote for each Holdco Share on all matters voted on by Holdco Shareholders, including the election of Holdco Directors. Holdco's bylaws provide that the holders of a majority of Holdco Shares entitled to vote at the meeting, present in person or represented by proxy, will constitute a quorum for the transaction of business, unless or except to the extent that the presence of a larger number may be required by law.

(g) Dividends

Holdco Shareholders are entitled to receive dividends when and as declared by the Holdco Board out of funds legally available for that purpose.

(h) Transfer of Holdco Shares

Subject to applicable securities laws, Holdco Shares are deemed personal property and are freely transferable.

(i) Variation of rights attaching to Holdco Shares

Under the Delaware Corporation Law, a variation of rights attached to Holdco Shares would require a Holdco Board resolution recommending an amendment to Holdco's certificate of incorporation and the approval of a majority of the outstanding shares of common stock entitled to vote.

(j) Winding-up

Holdco Shareholders do not have any conversion, redemption or pre-emptive right. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of Holdco, Holdco Shareholders will be entitled to receive all of the remaining Holdco assets available for distribution to Holdco Shareholders, pro-rata in proportion to the number of shares of common stock held by them.

6.8 Changes in financial reporting and reporting obligations

If the Proposed Transaction proceeds, a different financial reporting regime will apply with respect to ABR's accounts. The ABR Group will no longer report under Australian Accounting Standards and instead will report in accordance with US GAAP.

The Board believes that there is no material difference in reported results under the different sets of financial statements and that Shareholders who currently rely on the Company's financial statements prepared in accordance with Australian Accounting Standards will continue to understand the content of Holdco's financial statements when prepared solely in accordance with US GAAP.

Financial reporting under US GAAP will be similar to that under Australian Accounting Standards, although several items would be classified differently and the required reporting timetable would be different.

Shareholders should refer to Annexure H of this Scheme Booklet, which provides a comparison of the financial reporting requirements in Australia and the United States.

6.9 Consequences of being a registered foreign company in Australia

Holdco will be registered as a foreign company in Australia under the Corporations Act. Accordingly, in addition to the laws and regulations set out elsewhere in this Section, Holdco will also be subject to the provisions of Part 5B.2 of the Corporations Act.

The key obligations that will be imposed on Holdco as a registered foreign company in Australia are:

- Holdco must display its name and place of origin outside every office and place of business it has in Australia that is open and accessible to the public;
- Holdco must always have a local agent;
- Holdco is required to lodge financial statements with ASIC at least once every calendar year (which will be prepared in accordance with US GAAP) and at intervals of not more than 15 months;
- Holdco may cause a branch register of members to be kept in Australia - if such a register is kept, it must be maintained in the manner required by the Corporations Act;
- Holdco must notify ASIC within one month after a change in its bylaws, its directors, the powers of any directors who are resident in Australia and members of an Australian board of directors, its local agent, the name or address of its local agent, or the situation of its registered office (for the purposes of a foreign law) or its principal place of business in its place of origin.

As a foreign entity in Australia, Holdco will not be subject to Chapters 6, 6A, 6B or 6C of the Corporations Act dealing with the acquisition of shares (for example, substantial holdings and takeovers). However, consistent with Holdco's application for admission to the official list of ASX, Holdco will undertake to inform the ASX upon becoming aware of:

- any person becoming a substantial holder of Holdco Shares within the meaning of section 671B of the Corporations Act, and to disclose any details of the substantial holdings of which Holdco is aware; and
- any subsequent changes in the substantial holdings of Holdco which Holdco is aware.

The insider trading provisions under the Corporations Act will also apply to Holdco for any acts or omissions within Australia in relation to "Division 3 financial products" (regardless of where the issuer of the products is formed, resides or is located and of where the issuer carries on business). Holdco CDIs will constitute "Division 3 financial products" and, as such, Holdco will be subject to the insider trading provisions under the Corporations Act in relation to the Holdco CDIs traded on the ASX.

7. Risks associated with the Scheme

7.1 Introduction

If the Scheme is implemented, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive Holdco Securities as Scheme Consideration. As a consequence, Shareholders may be exposed to risk factors that could adversely affect the price of Holdco Securities.

Shareholders should note that the risks they may be exposed to in the short-term in respect of the assets, operations and general business of Holdco are materially the same risks that they are currently exposed to in relation to ABR's existing business. This is because the Proposed Transaction merely re-domiciles ABR to the United States. These risks are briefly outlined in Section 7.4.

There are also a number of additional risks that Scheme Shareholders may be exposed to which specifically relate to holding Holdco Shares (either directly, or via Holdco CDIs), the listing of Holdco on NASDAQ and the change in jurisdiction. These risks may arise as a result of new business opportunities that may eventuate as a result of the heightened profile of Holdco. These risks are outlined in Section 7.3.

It is also important to note that certain risks will apply if the Scheme does not proceed. These are discussed in Section 7.5.

Although Holdco will have in place a number of strategies to minimise the exposure to, and mitigate the effects of, some of the risks outlined in this Section 7, there can be no assurance that such arrangements will protect the re-domiciled ABR Group from such risks. Further, certain risks will remain outside the control of Holdco.

The risk factors outlined in this Section 7 describe some, but not all, risks associated with an investment in Holdco. The risks described are a summary only and should not be considered exhaustive. You should carefully consider the risks outlined in this section as well as the other information contained in this Scheme Booklet before voting on the Scheme Resolution.

This Section 7 does not take into account the investment objectives, financial situation, taxation position or particular needs of Scheme Shareholders. It is important that Shareholders carefully read this Scheme Booklet in its entirety, consider their personal circumstances and seek independent professional advice before deciding whether to vote in favour of the Scheme Resolution.

7.2 Risks relating to the Proposed Transaction

(a) The Conditions Precedent may not be satisfied.

A Condition Precedent to implementation of the Scheme is the receipt of a number of regulatory approvals. The required approvals are still pending as at the date of this Scheme Booklet. If these approvals are not received by the Second Court Date, there is a risk that the Scheme may not proceed.

(b) Holdco may be unable to achieve some or all of the expected benefits of the Scheme, which could materially adversely affect its business, financial condition and results of operations.

Holdco may not be able to achieve the full strategic and financial benefits expected to result from the Proposed Transaction, or such benefits may be delayed or not occur at all. The Board formed the view that the U.S. market would more fully appreciate and understand the Fort Cady Project and that the Fort Cady Project is aligned with broader investment themes that are well received in the US market regarding on-shoring strategic commodities and decarbonizing the economy.

These and other anticipated benefits may not be achieved for a variety of reasons. If some or all of the expected benefits are not achieved, or if such benefits are delayed, Holdco's business, expected future financial and operating results and prospects could be adversely affected.

(c) The Proposed Transaction will change Shareholder's rights.

If the Proposed Transaction proceeds, Shareholders rights may change substantially, as a result of differences between Australian and US law, as differences between ABR's current governing documents and the governing documents that apply to Holdco as a Delaware corporation. In addition, the issue of the Holdco Securities to Eligible Shareholders pursuant to the Scheme may have certain tax implications.

Circumstances that under US law may entitle a stockholder in a US company to claim damages may also give rise to a cause of action under Australian law entitling a stockholder (or CDI holder) to claim damages. However, this will not always be the case.

Holders of Holdco Securities may have difficulties enforcing, in actions brought in courts in jurisdictions located outside the United States, liabilities under US securities laws. In particular, if such a holder sought to bring proceedings in Australia based on US securities laws, the Australian court might consider whether:

- it did not have jurisdiction;
- it was not an appropriate forum for such proceedings;
- applying Australian conflict of laws rule, US law (including US securities laws) did not apply to the relationship between holders of Holdco Securities and Holdco or the Holdco Directors; or
- the US securities laws were of a public or penal nature and should not be enforced by the Australian court.

Certain of the Holdco Directors and executive officers are residents of countries other than the United States. As a result, it may not be possible for a holder of Holdco Securities:

- effect service of process within the United States upon certain Holdco Directors and executive officers;
- enforce in US courts, judgments obtained against any of the Holdco Directors, executive officers, or senior management in US courts in any action, including actions under the civil liability provisions of US securities laws; or
- bring an action in an Australian court to enforce liabilities against any of the Holdco Directors and executive officers or Holdco based upon US securities laws.

Holders of Holdco Securities may also have difficulties enforcing in courts outside the US judgments obtained in US courts against any of the Holdco Directors and executive officers or Holdco, including actions under the civil liability provisions of the US securities laws.

7.3 Risks relating to Holdco Securities

Scheme Shareholders (other than Ineligible Foreign Shareholders) who receive Holdco Shares or Holdco CDIs may be exposed to the following additional new risks relating to holding Holdco Securities where Holdco, a company incorporated in the State of Delaware and proposed to be dual-listed on NASDAQ and ASX, will be the ultimate parent company for the ABR Group.

(a) The market price and trading volume of our Holdco Securities may be volatile and may be affected by economic conditions beyond Holdco's control.

The market price of Holdco Securities may be highly volatile and subject to wide fluctuations. In addition, the trading volume of Holdco Securities may fluctuate and cause significant price variations to occur. If the market price of Holdco Securities declines significantly, holders may be unable to sell their Holdco Securities at a competitive price.

Some specific factors that could negatively affect the price of Holdco Securities or result in fluctuations in their price and trading volume include:

- actual or expected fluctuations in our prospects or operating results;
- changes in the demand for, or market prices for, borates and SOP;
- additions or departures of key personnel;
- changes or proposed changes in laws, regulations or tax policy;
- sales or perceived potential sales of Holdco Securities by Holdco, the Holdco Directors, senior management or our stockholders in the future;
- announcements or expectations concerning additional financing efforts; and
- conditions in the US and global financial markets or changes in general economic conditions.

(b) An active trading market for Holdco Securities may not develop and the trading price for Holdco Securities may fluctuate significantly.

If an active public market for Holdco Securities does not develop, the market price and liquidity of Holdco Securities may be adversely affected. While Holdco has applied for the listing of Holdco Shares on NASDAQ and the listing of Holdco CDIs on ASX, a liquid public market may not develop or be sustained.

Limited liquidity may increase the volatility of the prices of Holdco Securities. In the past, following periods of volatility in the market price of a company's securities, shareholders often instituted class action litigation against that company. If Holdco was involved in a class action suit, it could divert the attention of senior management and, if adversely determined, could have a material adverse effect on Holdco's results of operations and financial condition.

(c) Holdco does not anticipate paying dividends in the foreseeable future.

ABR did not declared any dividends during the financial years ended 30 June 2019, 30 June 2020 or 30 June 2021 and Holdco does not anticipate that it will do so in the foreseeable future.

Holdco currently intends to retain future earnings, if any, to finance the development of its business. Dividends, if any, on Holdco Securities will be declared by and subject to the discretion of the Holdco Board on the basis of its earnings, financial requirements and other relevant factors, and subject to Delaware and federal law.

(d) The Holdco certificate of incorporation and bylaws contain anti-takeover provisions that could delay or discourage takeover attempts that Holdco Shareholders may consider favourable.

Holdco's certificate of incorporation and bylaws contain provisions that could delay or prevent a change in control of Holdco. These provisions could also make it difficult for Holdco Shareholders to elect directors who are not nominated by the current members of the Holdco Board or take other corporate actions, including effecting changes in Holdco's management. These provisions include:

- the ability of the Holdco Board to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- allowing only the Holdco Board to fill director vacancies, which prevents Holdco Shareholders from being able to fill vacancies on the Holdco Board;
- a prohibition on Holdco Shareholder action by written consent, which forces Holdco Shareholder action to be taken at an annual or special meeting;
- a requirement that special meetings of our Holdco Shareholders may be called only by: (i) the Holdco Board; or (b) the company secretary of Holdco, following receipt of one or more written demands to call a special meeting from Holdco Shareholders of record who own, in the aggregate, at least 25% of the voting power of Holdco's outstanding shares then entitled

to vote on the matter or matters to be brought before the proposed special meeting that complies with the procedures for calling a special meeting set forth in Holdco's bylaws, which may inhibit the ability of an acquirer to require the convening of a special meeting of Holdco Shareholders;

- a requirement for the affirmative vote of holders of at least two-thirds of the voting power of all of the then-outstanding shares of the voting stock, voting together as a single class, to amend the certain provisions of Holdco's certificate of incorporation or bylaws, which may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt;
- the ability of the Holdco Board to amend the bylaws, which may allow the Holdco Board to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the bylaws to facilitate an unsolicited takeover attempt;
- advance notice procedures with which Holdco Shareholders must comply to nominate candidates to the Holdco Board or to propose matters to be acted upon at a meeting of Holdco Shareholders, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of Holdco; and
- a prohibition of cumulative voting in the election of the Holdco Board, which would otherwise allow less than a majority of Holdco Shareholders to elect director candidates.

Holdco is also subject to section 203 of the Delaware Corporation Law, which prevents Holdco from engaging in a business combination, such as a merger, with an interested stockholder (i.e., a person or group that acquires at least 15% of Holdco's voting stock) for a period of three years from the date such person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner.

(e) Holdco may issue shares of preferred stock with terms that could adversely affect the voting power or value of Holdco Securities.

Holdco's certificate of incorporation authorises the Holdco Board to issue, without the approval of Holdco Shareholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over Holdco Securities respecting dividends and distributions, as the Holdco Board.

The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of Holdco Securities. Similarly, the repurchase or redemption rights or liquidation preferences that may be granted to holders of preferred stock could affect the residual value of Holdco Securities.

(f) Holdco's bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by Holdco Shareholders.

Holdco's bylaws provide that, unless Holdco consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for:

- any derivative action or proceeding brought on Holdco's behalf;
- any action asserting a claim of breach of a fiduciary duty owed by any of the Holdco Directors, officers, employees or agents to Holdco or Holdco Shareholders;
- any action asserting a claim arising pursuant to any provision of the Delaware Corporation Law, Holdco's certificate of incorporation or bylaws; or
- any action asserting a claim against Holdco that is governed by the internal affairs doctrine,

in each such case subject to such Court of Chancery of the State of Delaware having personal jurisdiction over the indispensable parties named as defendants therein.

Holdco's bylaws further provide that, unless Holdco consents in writing to the selection of an alternative forum, the federal district courts of the United States will, to the fullest extent permitted by law, be the sole and exclusive forum for the resolutions of any complaint asserting a cause of action arising under the US Securities Act. Any person or entity purchasing or otherwise acquiring any interest in Holdco Securities will be deemed to have notice of, and consented to, the provisions of Holdco's bylaws. The depositary agreement pursuant to which our Holdco CDIs will be issued will include comparable choice-of-forum provisions.

These choice-of-forum provision may limit a Holdco Shareholder's ability to bring a claim in a judicial forum that it finds favourable for disputes with Holdco or the Holdco Directors, officers, employees or agents, which may discourage such lawsuits from being made. Alternatively, if a court were to find the relevant provisions of Holdco's bylaws or the depositary agreement for Holdco CDIs inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, Holdco may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect its business, financial condition or operating results.

7.4 Risks relating to Holdco's business after implementation of the Scheme

There are certain risks which relate directly to ABR's business and are largely beyond the control of ABR and the Directors because of the nature of the business.

Shareholders are currently already exposed to these risks as shareholders of an Australian domiciled holding company, given that they relate to the assets, operations and business of the ABR Group. Eligible Shareholders will continue to be exposed to materially the same risks flowing from Holdco's business after implementation of the Scheme.

Accordingly, a summary only of these risks has been provided below.

(a) Holdco is exposed to the risk of public health threats, including the novel coronavirus and variants, which could cause disruptions to its operations and may have a material adverse effect on its development plans and financial results.

Holdco's business may be exposed to the risks associated with disease outbreaks and other public health issues, including COVID-19, their impact on the global economy and the business of its customers, suppliers and other partners.

Holdco's possible financing sources, its business, its operations or those of its consultants, suppliers, customers and other partners may be materially and adversely affected as a result.

(b) Holdco's future performance is difficult to evaluate because it has a limited operating history in the borates industry and no sustained revenue from its property, which may negatively impact its ability to achieve its business objectives.

Although significant work has been undertaken to refine the resource estimate and development plan for the Fort Cady Project, the project has not realized any revenues to date from the sale of borates and SOP. To date, operating cash flow needs have been financed primarily through debt and equity financing and not through cash flows derived from operations.

The Fort Cady Project may ultimately be less profitable than currently anticipated or may not be profitable at all, which could have a material adverse effect on Holdco's results of operations and financial position.

(c) Holdco is an exploration stage company with no known reserves, estimates of resources and mineralized material are inherently uncertain and subject to change, the volume and grade of ore actually recovered may vary from our estimates.

Holdco is an exploration stage company, with no proven or probable reserves. Shareholders should not assume that the mineral resource estimates outlined in Section 5.2 will ever be extracted.

Holdco will be engaged in the business of exploring and developing mineral properties with the intention of locating economic deposits of minerals. Its property interests are at the exploration stage. Accordingly, it is unlikely that Holdco will realize profits in the short term, and there can be no assurance that Holdco will realize profits in the medium to long term. Any profitability in the future from Holdco's business will be dependent upon development of an economic deposit of minerals and further exploration and development of other economic deposits of minerals, each of which is subject to numerous risk factors.

In addition, exploration projects like the Fort Cady Project have no operating history upon which to base estimates of future operating costs and capital requirements. Exploration project items, such as any future estimates of reserves, mineral recoveries or cash operating costs will to a large extent be based upon the interpretation of geologic data, obtained from a limited number of drill holes and other sampling techniques, and future feasibility studies. Actual operating costs and economic returns of any and all exploration projects may materially differ from the costs and returns estimated, and accordingly our financial condition, results of operations, and cash flows may be negatively affected.

(d) Estimates relating to the development of the Fort Cady Project and mine plan are uncertain and Holdco may incur higher costs and lower economic returns than estimated.

Mine development projects typically require a number of years and significant expenditures during the development phase before production is possible. Such projects could experience unexpected problems and delays during development, construction and mine start-up.

The actual profitability or economic feasibility of the Fort Cady Project may differ from estimates as a result of any of the following risks normally encountered in the mining industry, such as:

- changes in tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- changes in input commodity and labour costs;
- the quality of the data on which engineering assumptions are made;
- adverse geotechnical conditions;
- availability of adequate and skilled labour force, adequate machinery and equipment;
- availability, supply and cost of water and power;
- fluctuations in inflation;
- availability and terms of financing;
- delays in obtaining environmental or other government permits or approvals or changes in the laws and regulations related to project development or operations;
- changes in tax laws, the laws and/or regulations around royalties and other taxes due to the local, states and federal governments and any royalty agreements;
- weather or severe climate impacts, including, without limitation, prolonged or unexpected precipitation, drought, forest fires and/or sub-zero temperatures;
- accidental fires, floods, earthquakes or other natural disasters;
- controlling water and other similar mining hazards;

- liability for pollution or other hazards;
- potential delays and restrictions in connection with health and safety issues, including pandemics (such as COVID-19) and other infectious diseases;
- potential delays relating to social and community issues, including, without limitation, issues resulting in labour disputes, protests, road blockages or work stoppages;
- potential challenges to mining activities or to permits or other approvals or delays in development and construction based on claims of disturbance of cultural resources or the inability to secure consent for such disturbance; and
- other known and unknown risks involved in the conduct of exploration, development and the operation of mines.

The nature of these risks is such that liabilities could exceed any applicable insurance policy limits or could be excluded from coverage. There are also risks against which Holdco cannot insure or against which Holdco may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance, or in excess of insurance coverage, or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting Holdco's future earnings and competitive position and, potentially its financial viability.

(e) Holdco's long-term success will depend ultimately on its ability to achieve and maintain profitability and to develop positive cash flow from its mining activities.

Holdco's long-term success, including the recoverability of the carrying values of Holdco's assets, its ability to acquire and develop additional projects, and continuing with the exploration, development and commissioning and mining activities on the Fort Cady Project, will depend ultimately on its ability to achieve and maintain profitability and to develop positive cash flow from operations by establishing ore bodies that contain commercially recoverable borates and other minerals and to develop these into profitable mining activities. The economic viability of Holdco's future mining activities has many risks and uncertainties including, but not limited to:

- a significant, prolonged decrease in the market price of borates, SOP and gypsum;
- difficulty in marketing and/or selling borates, SOP and gypsum;
- significantly higher than expected capital costs to construct the Fort Cady Project;
- significantly higher than expected extraction costs;
- significantly lower than expected borates, SOP and gypsum extraction;
- significant delays, reductions or stoppages of borates, SOP and gypsum extraction activities;
- the introduction of significantly more stringent regulation affecting our activities; and
- global political, economic and market conditions, including political disturbances, war, terrorist attacks and changes in global trade policies.

Holdco's future mining activities may change as a result of any one or more of these risks and uncertainties, and no assurance can be given that any ore body that Holdco extract mineralized materials from will result in achieving and maintaining profitability and developing positive cash flow.

(f) Holdco's long-term success depends on its ability to enter into and deliver product under supply agreements.

Holdco may encounter difficulty entering into or maintaining supply agreements for its products, may fail to deliver required minimum tonnes required by such agreements or may experience production costs in excess of the fixed price to be paid to Holdco under such agreements.

- (g) **Holdco's ability to successfully to fund its ongoing operations, execute its business plan or pursue investments that it may rely on for future growth is dependent on its ability to successfully access the capital and financial markets.**

Holdco's business plan, which includes the phased development of the Fort Cady Project, has required and will continue to require substantial capital expenditures. Holdco will require financing to fund its planned exploration and will soon be required to raise additional capital.

Holdco's ability to raise capital will depend on many factors, including the status of its development program and the status of various capital and industry markets at the time it seeks such capital. Accordingly, Holdco cannot be certain that financing will be available to it on acceptable terms, if at all. In the event additional capital resources are unavailable, Holdco may be required to curtail its development activities or be forced to sell some of its properties in an untimely fashion or on less than favourable terms.

Depending on the type and the terms of any financing Holdco may pursue, stockholders' rights and the value of their investment in Holdco Securities could be reduced. Any additional equity financing will dilute stockholdings, and new or additional debt financing, if available, may involve restrictions on financing and operating activities.

Certain market disruptions may increase Holdco's cost of borrowing or affect its ability to access one or more financial markets.

- (h) **Significant amounts of capital have and will continue to be invested in the Fort Cady Project on development activities, which involve many uncertainties and operating risks that could prevent Holdco from realizing profits.**

In total, in excess of A\$100 million has been spent on the Fort Cady Project, including resource drilling, metallurgical test works, well injection tests, permitting activities and substantial pilot-scale test works. The Company's forecast capital expenditure (less capitalised interest) for the financial year ending 30 June 2022 is expected to be between approximately A\$20 million and A\$40 million.

Holdco plans to continue to invest significant capital over the next several years on the development of the Fort Cady Project to bring it into production. Development and production activities may involve many uncertainties and operating risks that could prevent Holdco from realizing profits, putting pressure on its balance sheet and credit rating. Unforeseen issues, including increasing the required amount of capital expenditure necessary to bring the Fort Cady Project into production, the impact of volatile borate and SOP prices and Holdco's ability to enter into supply contracts with buyers may cause Holdco not to proceed with any one or a combination of these activities.

The Fort Cady Project may be delayed, more costly than anticipated or unsuccessful for many reasons that may result in the delay, suspension or termination of the Fort Cady Project, resulting in further costs, the total or partial loss of Holdco's investment and a material adverse effect on Holdco's results of operations, financial performance and prospects.

- (i) **The mining industry is historically a cyclical industry and market fluctuations in the prices of borates and other minerals could adversely affect Holdco's business.**

Holdco may derive revenues from the extraction and sale of borates, SOP and gypsum. The prevailing price, price volatility, changes in buyer preferences and demand for borates, SOP and gypsum will directly affect Holdco's results of operations, financial performance, prospects and the price of Holdco Securities.

The prices of such commodities may fluctuate widely and may be affected by numerous factors beyond Holdco's control.

Changes in commodity prices would directly affect revenues and may reduce the amount of funds available to reinvest in development activities. Reductions in mineral prices not only reduce revenues and profits, but could also reduce the quantities of reserves that are commercially recoverable.

Declining mineral prices may also impact Holdco's operations by requiring a reassessment of the commercial feasibility of any of its drilling programs.

(j) Holdco is subject to significant government regulations and compliance with such regulations requires significant expenditures.

Mining activities in the United States are subject to extensive federal, state, local and foreign laws and regulations governing environmental protection, natural resources, prospecting, development, production, post-closure reclamation, taxes, labour standards and occupational health and safety laws and regulations, including mine safety, toxic substances and other matters. The costs associated with compliance with such laws and regulations are substantial. In addition, changes in such laws and regulations, or more restrictive interpretations of current laws and regulations by governmental authorities, could result in unanticipated capital expenditures, expenses or restrictions on or suspensions of Holdco's operations and delays in the development of its properties.

Enhanced public and private focus on climate change, greenhouse effects and proposed or contemplated laws and regulations relating to carbon emissions may impact aspects of Holdco's development plans or its future production.

In connection with its current activities or in connection with our prior mining activities, Holdco may incur environmental costs that could have a material adverse effect on financial condition and results of operations. Any failure to remedy an environmental problem could require Holdco to suspend operations or enter into interim compliance measures pending completion of the required remedy.

Any failure to ensure on-going compliance with current and future laws and government regulations could have a material adverse effect on Holdco's future financial condition and prospects.

(k) Holdco's operations are exclusively located in a single geographic region, making it vulnerable to the risks associated with operating in a single geographic region concentrating its capital investment in the State of California increases our exposure to risk.

Holdco expect to focus its operational activities and capital investments in the Fort Cady Project in California and potentially, in the future, in respect of the Salt Mines Projects in Nevada. The geographic concentration of Holdco's operations may disproportionately expose it to disruptions in operations if the region experiences severe weather, transportation capacity constraints, constraints on the availability of required equipment, facilities, personnel or services, significant governmental regulation or natural disasters. If any of these factors were to impact the region in which Holdco operates more than other borate producing regions, its business, financial condition, results of operations and cash flows could be adversely affected relative to other mining companies that have a more geographically diversified asset portfolio.

In addition, scientists have warned that increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts and floods and other climatic events. If these warnings are correct, and if any such climate-related weather and environmental effects were to detrimentally impact the areas where Holdco or its customers operate, they could have an adverse effect on Holdco's business, financial condition and cash flows.

7.5 Risks if the Scheme does not proceed

Shareholders should be aware that if the Scheme does not proceed, transaction costs of approximately A\$2.2 million would be borne by ABR. ABR is not obliged to pay a break fee or similar payment to Holdco if the Scheme does not proceed.

8. Implementation of the Scheme

8.1 Overview of implementation steps

To implement the Scheme, the following key steps have been, or must be, taken:

- ABR and Holdco entered into the Scheme Implementation Agreement under which they agreed to implement the Scheme.
- Prior to the First Court Date, Holdco executed the Deed Poll in favour of each Scheme Shareholder. Under the Deed Poll, Holdco undertakes to perform certain obligations under the Scheme Implementation Agreement and the Scheme.
- The Court ordered that the Scheme Meeting be convened and that a copy of this Scheme Booklet be sent to Shareholders in advance of the Scheme Meeting.
- Shareholders will vote on whether to approve the Scheme Resolution at the Scheme Meeting.
- If Shareholders approve the Scheme, and all Conditions Precedent to the Scheme (other than Court approval) have been satisfied or waived, ABR will apply to the Court for approval of the Scheme.
- If the Court approves the Scheme, ABR will lodge with ASIC a copy of the court orders approving the Scheme with ASIC. The date on which this occurs will be the Effective Date for the Scheme and will be the last day for trading of Shares on ASX.
- On the Scheme Implementation Date, Holdco will acquire all of the Shares and will issue the Scheme Consideration to Shareholders in accordance with the elections made by Eligible Shareholders or, in the case of Ineligible Foreign Shareholders, to the Sale Agent.
- Following implementation of the Scheme, ABR will be removed from the official list of ASX, and Holdco Shares will commence trading on NASDAQ, and Holdco CDIs will commence trading on ASX.
- The Sale Agent will sell all Holdco CDIs issued to it in accordance with the terms of the Sale Facility and ABR will remit the Sale Facility Proceeds of the sale to Ineligible Foreign Shareholders.

These steps are discussed in further detail below. The expected dates for the key steps are set out in the Key Dates section of this Scheme Booklet (but those dates are subject to change).

8.2 Scheme Implementation Agreement

(a) Overview

As announced on 12 October 2021, ABR and Holdco entered into the Scheme Implementation Agreement in relation to the Scheme, under which ABR agreed to propose the Scheme at a meeting of Scheme Shareholders. The Scheme Implementation Agreement sets out each party's rights and obligations in connection with the implementation of the Scheme. This Section 8.2 outlines certain key terms of the Scheme Implementation Agreement.

A copy of the full Scheme Implementation Agreement is included as Annexure B.

(b) Conditions Precedent

Implementation of the Scheme is subject to the satisfaction or waiver of the following Conditions Precedent:

- **Shareholder Approval:** Shareholders approving the Scheme Resolution at the Scheme Meeting by the requisite majorities.
- **Court Approval:** The Court approving the Scheme at the Second Court Date.

- **ASIC and ASX:** ASIC and ASX providing all consents and approvals which are necessary or desirable to implement the Scheme prior to 8.00 am on the Second Court Date.
- **Regulatory Consents:** All other approvals or consents required from any Government Agency which are necessary or desirable to implement the Scheme having been obtained by 8.00 am on the Second Court Date.
- **No Prohibitive Orders:** No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency, or other legal prohibition or restraint preventing the acquisition of Scheme Shares by Holdco or otherwise preventing implementation of the Scheme being in effect as at 8.00 am on the Second Court Date.
- **Independent Expert's Report:** The Independent Expert issuing the Independent Expert's Report and concluding that the Scheme is in the best interests of Shareholders (and not changing that conclusion prior to 8.00 am on the Second Court Date).
- **NASDAQ Listing:** Holdco Shares having been authorised for listing on NASDAQ prior to 8.00 am on the Second Court Date, subject to official notice of issuance following implementation of the Scheme and any customary conditions.
- **ASX Listing:** ASX approving the admission of Holdco to the official list of ASX and the Holdco CDIs for official quotation prior to 8.00 am on the Second Court Date, which approval may be conditional on the Scheme becoming Effective and any such other conditions that are acceptable to ABR and Holdco.
- **ATO Class Ruling:** The ATO issuing the ATO Class Ruling, or otherwise confirming that the ATO Class Ruling will be issued on terms and conditions that are acceptable to ABR and Holdco prior to 8.00 am on the Second Court Date.
- **Options:** Before 8.00 am on the Second Court Date, ABR and Holdco have entered into binding agreements with each Option Holder to cancel the Options held by such Option Holder on conditions that are acceptable to ABR and Holdco.

The Conditions Precedent relating to Shareholder Approval and Court Approval are incapable of being waived. Otherwise, the remaining Conditions Precedent may be waived in accordance with the Scheme Implementation Agreement.

ABR and Holdco do not intend to waive the Conditions Precedent regarding NASDAQ and ASX Listing, except if it becomes necessary to do so in order to ensure the relevant approvals are obtained (for example, due to technical timing or administrative reasons).

(c) **End Date**

ABR and Holdco have committed to implement the Scheme by the End Date, being 31 January 2022, but may agree on a later date in writing.

If the Scheme is not Effective by the End Date, ABR and Holdco must consult in good faith to determine whether the Scheme can proceed by way of alternative means, to extend the relevant time for satisfaction of the Conditions Precedent, to change the date of the application to be made to the Court or to extend the End Date. If the parties are unable to reach an agreement within 2 Business Days, either party may terminate the Scheme Implementation Agreement, and the Scheme will not proceed.

8.3 Deed Poll

Prior to the First Court Date, Holdco executed the Deed Poll, pursuant to which Holdco agrees, subject to the Scheme becoming Effective, to:

- in relation to each Scheme Shareholder who has elected to receive Holdco Shares, issue 1 Holdco Share for every 10 Shares held on the Record Date;

- in relation to all other Scheme Shareholders:
 - procure CDN (as Depositary Nominee) to issue 1 Holdco CDI for every Share held on the Record Date; and
 - issue to CDN (as Depositary Nominee) the relevant number of Holdco Shares underlying such Holdco CDIs (being 1 Holdco Share for every 10 Holdco CDIs); and
- in respect of each Ineligible Foreign Shareholder, procuring CDN to issue to the Sale Agent such number of Holdco CDIs that the Ineligible Foreign Shareholder would otherwise have been entitled to and issuing to CDN the relevant number of Holdco Shares underlying the Holdco CDIs (being 1 Holdco Share for every 10 Holdco CDIs).

A copy of the Deed Poll is attached as Annexure D to this Scheme Booklet.

8.4 Scheme Meeting

In accordance with the orders of the Court dated 27 October 2021, the Court ordered the Scheme Meeting to be convened for the purposes of considering the Scheme Resolution. The Court ordered that the Scheme Meeting be conducted via an online platform, without the physical attendance of any person. The order of the Court convening the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

The Notice of Meeting, which includes details of the time and place of the Scheme Meeting, is set out in Annexure E.

Each Shareholder who is registered on the Register as at 7.00 pm (AEDT) on 1 December 2021 is entitled to attend and vote at the Scheme Meeting.

At the Scheme Meeting, Shareholders will be asked to consider and, if thought fit, to pass a resolution approving the Scheme.

Voting at the Scheme Meeting will be by poll. Instructions on how to attend and vote at the Scheme Meeting (in person or by proxy), are set out in the Notice of Meeting in Annexure E.

8.5 Court approval of the Scheme

If the Scheme is approved by the requisite majorities of Scheme Shareholders and all Conditions Precedent (other than approval of the Court) have been, or can reasonably be expected to be, satisfied or waived, then ABR will apply to the Court for orders approving the Scheme.

Scheme Shareholders may appear at the Court hearing in respect of the Scheme on the Second Court Date to object to the approval of the Scheme.

The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the requisite majorities of Shareholders.

8.6 Effective Date

If the Court approves the Scheme, ABR will lodge with ASIC a copy of the court orders approving the Scheme. The Scheme will be Effective on the date that such lodgement occurs, being the Effective Date for the Scheme.

The Scheme provides that if the Scheme becomes Effective, a Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date.

Upon the Scheme becoming Effective, ABR will notify ASX and will apply for Shares to be suspended from official quotation on ASX from close of trading on the Effective Date. Following the Scheme Implementation Date, ABR will apply for termination of the official quotation of Shares on ASX and to have itself removed from the official list of ASX.

8.7 Record Date

If the Scheme becomes Effective, those Shareholders on the Register as at the Record Date (expected to be 7:00 pm (AEDT) on 10 December 2021) (that is, the Scheme Shareholders) will become entitled to the Scheme Consideration under the Scheme in respect of the Shares they hold at that time.

8.8 Determination of persons entitled to Scheme Consideration

(a) Dealings in Shares on or prior to the Record Date

For the purposes of establishing who are Scheme Shareholders, dealings in Shares will only be recognised if:

- in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the relevant Shares on or before the Record Date; and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Record Date at the Registry.

Subject to the Corporations Act, ASX Listing Rules and the ABR Constitution, ABR must register transmission applications or transfers which it receives by the Record Date. ABR will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Shares received after the Record Date.

(b) Dealings in Shares after the Record Date

The Register as at the Record Date will solely determine entitlements to the Scheme Consideration.

With effect from the Record Date:

- all statements of holding in respect of Shares cease to have effect as documents of title in respect of such Shares; and
- each entry on the Register will cease to be of any effect other as evidence of entitlement to the Scheme Consideration.

8.9 Scheme Implementation Date

The Scheme Implementation Date is proposed to be the date which is 5 Business Days after the Record Date. On the Scheme Implementation Date:

- Holdco will issue (or procure the issue of) the Holdco Securities which constitute the Scheme Consideration; and
- all of the issued Shares will be transferred to Holdco.

Ineligible Foreign Shareholders should refer to Section 4.11 for further details about the consideration they will receive.

Statements and confirmations of holdings for Holdco Securities are expected to be despatched to Scheme Shareholders within 5 Business Days after the Scheme Implementation Date.

9. Summary of Independent Expert's Report

9.1 Introduction

The Board engaged the Independent Expert, Grant Thornton, to consider whether the Scheme is in the best interests of Shareholders, and prepare a report with its findings and conclusions.

The full Independent Expert's Report is contained in Annexure A to this Scheme Booklet, and you are encouraged to read the report in full. The following summary of key points is not intended as a substitute for reading the full report.

9.2 Opinion

After considering the terms of the Scheme, the Independent Expert has concluded that the advantages of the Scheme outweigh the disadvantages and accordingly **the Scheme is in the best interests of Shareholders.**

9.3 Best interests

In assessing whether the Scheme is in the best interests of Shareholders, the Independent Expert considered the most appropriate basis on which to evaluate the Scheme was to assess the Scheme's overall impact on Shareholders and to form a judgment as to whether the expected benefits to Shareholders outweigh the disadvantages and risks that may result. The Independent Expert has taken this approach because the Proposed Transaction does not have any impact on the ownership interests of Shareholders and does not involve a change of control.

Advantages

The Independent Expert considered the following advantages of the Proposed Transaction when assessing whether the Scheme is in the best interests of Shareholders:

- **Greater access to institutional investors in the United States:** As one of the largest stock exchanges by market capitalisation of shares traded, NASDAQ typically attracts investors wishing to invest in diverse assets with high growth potential. In addition, many US-based institutional investors and funds require a local domicile for the investments.

The Proposed Transaction should enhance the ability of the Company to raise capital, given the location of its assets, management team and end-market.

The Holdco CDI trading price is expected to closely reflect the NASDAQ trading price (after adjusting for foreign exchange rates and the relevant ratio) - therefore, any benefits from greater access to US institutional investors should also be shared by holders of Holdco CDIs.

- **Ease of doing business:** The Proposed Transaction should result in an improved ease of doing business for Holdco.
- **More aligned company structure and reduction in overhead expenses:** The Proposed Transaction will result in a more aligned and simplified group structure. From the perspective of the management team, the new structure will allow the Company to achieve its objectives due to greater familiarity with legislative and regulatory requirements in the United States.

From investors' and employees' perspective, a US corporate structure and primary NASDAQ listing should allow more attraction and retention, and improved transparency.

- **US domicile and listing may raise ABR's profile, making it a more attractive takeover target:** A US domiciled business would have a more familiar and comparable corporate structure, and should result in simpler tax considerations from a transaction perspective. The Proposed Transaction will increase ABR's potential attractiveness as a takeover target, which should benefit all Shareholders.

- **Potential acceleration of ABR's product commercialisation due to its local nature:** The Proposed Transaction is likely to promote the acceleration of product commercialisation, particularly in relation to SOP, as ABR will be better positioned to capture opportunities as a local producer.
- **Choice of exchange with CDIs accessible to Australian investors on the ASX:** Scheme Shareholders will have the option of being able to continue trading their shares on the ASX (in Australian dollars) through Holdco CDIs, or to trade their Holdco Shares on the NASDAQ (in US dollars). Shareholders will be able to convert their Holdco CDIs to Holdco Shares (and vice versa).
- **Alignment of reporting currency and trading currency:** Once the Proposed Transaction is completed, the Company's reporting currency will be US dollars, and will be aligned with its trading currency removing volatility in its financial statements caused by exchange rate fluctuations.

Disadvantages

The Independent Expert is of the view that the following potential disadvantages of the Proposed Transaction may affect Shareholders if the Scheme is approved:

- **Change of jurisdiction and exposure to US legal regime:** Shareholders may be exposed to increased litigation, as the US legal environment is generally more litigious compared to Australia. This signals a potential risk of incurring material legal costs or costs to the Company's reputation and financial performance, which could potentially impact the intrinsic value of the Company.
- **Ability to issue preferred stock could reduce the value of Holdco Shares and / or discourage takeovers:** Holdco has the ability to issue preferred stock, without the approval of Holdco Shareholders. The issue of preferred stock and their associated terms could negatively impact ordinary shareholders' voting power and residual value of Holdco Securities.

The Holdco Board's ability to issue preferred stock, without shareholder approval, and determine the price and terms of those shares, including preferences and voting rights, could be used to dilute the ownership of a hostile acquirer.

- **Franking credits:** If the Scheme is implemented, Australian-based Shareholders may not be able to benefit from franking credits going forward, given that Holdco will not be an Australian tax resident. However, Scheme Shareholders may be able to obtain a non-refundable tax offset and use it to reduce their tax liabilities in the relevant year (subject to certain conditions).

The disadvantage (if any) due to the lack of franking credits is mitigated given that Holdco is unlikely to be in a position to pay dividends for the foreseeable future.

- **Protection of Scheme Shareholders under the new jurisdiction could be reduced:** Holdco will be governed by applicable laws in the United States, which may be different from the Corporations Act.
- **Ineligible Foreign Shareholders will not be able to receive Holdco Securities:** Holdco CDIs to which Ineligible Foreign Shareholders would otherwise have been entitled will be transferred to the Sale Agent and sold pursuant to the Sale Facility, with the Sale Facility Proceeds remitted to them. As a result, there may be tax consequences for Ineligible Foreign Shareholders.

Equity markets are currently in the midst of a period of high volatility - accordingly, the timing of the sale of Holdco CDIs may occur at a lower price than the underlying value, resulting in an adverse outcome for Ineligible Foreign Shareholders.

- **Transaction costs:** The Proposed Transaction will cause ABR to incur various costs.

Further information on the advantages and disadvantages of the Scheme are set out in the Independent Expert's Report.

10. Taxation implications

This Section 10 provides a general summary of the income tax, GST and stamp duty implications resulting from the Proposed Transaction and Option Exchange for certain Shareholders and Option Holders (which hold their Shares or Options on capital account). The information in this section is general in nature and does not take into account the individual circumstances of Shareholders or Option Holders. As such, it is not intended to be, nor should it be construed as, legal or tax advice to any Shareholder or Option Holder.

The Company recommends that Shareholders and Option Holders consult a professional tax advisor in respect of the tax and reporting consequences that may arise from the implementation of the Proposed Transaction and/or Option Exchange, as these may vary in accordance with their individual circumstances.

The comments provided below are based on current tax laws, existing interpretations thereof and administrative practices of relevant authorities as at the date of this Scheme Booklet. No assurance can be given that any laws, interpretations or administrative practices will not be modified, revoked, supplemented, revised or overruled (either prospectively or retrospectively), or that any such change will not adversely affect the resulting tax consequences. This Scheme Booklet does not address changes occurring after the date of this Scheme Booklet.

10.1 Legislative references

All legislative references in this Section 10 are to the *Income Tax Assessment Act 1997* (Cth) or the *Income Tax Assessment Act 1936* (Cth) unless otherwise indicated.

10.2 Australian tax implications

The summary below is intended to provide a general overview of the Australian income tax, GST and stamp duty implications arising from the Proposed Transaction and Option Exchange for certain Shareholders and Option Holders.

The Company has sought the ATO Class Ruling to confirm certain of the Australian income tax consequences resulting from the Proposed Transaction and Option Exchange.

The ATO Class Ruling will only apply to Shareholders and Option Holders insofar as their Shares or Options are held on capital account. The scope of the ATO Class Ruling will be limited to:

- Shareholders which are Australian residents or foreign residents which hold their Shares, and will hold the Scheme Consideration, as taxable Australian property; and
- Option Holders which are Australian residents or foreign residents which hold their Options, and will hold their Holdco Options, as taxable Australian property

(collectively, the **Covered Participants**).⁸

It is anticipated that the ATO Class Ruling will confirm that Covered Participants will:

- be eligible to choose CGT business restructure roll-over relief under section 615-5 for the Proposed Transaction in respect of their Shares if they would make a capital gain from the exchange of their Shares for Holdco Securities under the Scheme;
- where their Options that are eligible for tax deferral under Subdivision 83A-C have not yet been subject to an ESS deferred taxing point, be entitled to treat their Holdco Options acquired under the Option Exchange as a continuation of their Options and will not be subject to tax under Division 83A until the ESS deferred taxing point happens for their Holdco Options; and

⁸ The ATO Class Ruling will not apply to entities who are subject to the taxation of financial arrangements rules in Division 230.

- be entitled to disregard any gain or loss under section 130-80 or, otherwise, be eligible to choose CGT scrip for scrip roll-over relief under section 124-780, for the Option Exchange.

The ATO Class Ruling, when issued, will be available from the ATO website at www.ato.gov.au and, following implementation of the Scheme, on the Company's website at www.americanpacificborates.com.

PROPOSED TRANSACTION

(a) Capital gains tax

(i) Covered Participants

The disposal of the Shares by Shareholders will constitute CGT event A1. The time of the CGT event will be when Shareholders transfer their Shares to Holdco under the Proposed Transaction, which will occur on the Scheme Implementation Date. The following consequences should arise for Shareholders from the disposal of their Shares:

- a capital gain will be realised (subject to the roll-over discussed below) to the extent the capital proceeds received by a Shareholder from the disposal of their Shares exceed the cost base of those Shares; or
- a capital loss will be realised to the extent the capital proceeds received by a Shareholder from the disposal of their Shares are less than the reduced cost base of those Shares.

Subject to the roll-over discussed below, a capital gain that arises to an individual, a trust or a complying superannuation fund may qualify for a CGT discount if they have held their Shares for at least 12 months before the Scheme Implementation Date. Where the CGT discount applies, the capital gain will be reduced by 50% for an individual or a trust, or 33^{1/3}% for a complying superannuation fund.

Capital losses can only be offset against capital gains derived in the same income year or later income years. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward capital losses are to be used in future years. Shareholders should obtain their own tax advice in relation to the operation of these rules.

Cost base

The cost base of the Shares of a Shareholder will generally include the amount paid, and the market value of any property given, to acquire the Shares, plus certain incidental costs of acquisition and disposal that are not otherwise deductible to the Shareholder. The reduced cost base of the Shares of a Shareholder will be similarly determined.

Capital proceeds

The capital proceeds for the disposal of the Shares of a Shareholder will be the Scheme Consideration. That is, the capital proceeds should equal the sum of the market value of the Holdco Shares or Holdco CDIs received under the Proposed Transaction. The market value of the Holdco Shares and Holdco CDIs will not be known until the Scheme Implementation Date.

Business restructure roll-over relief

Shareholders should be entitled to choose to apply CGT business restructure roll-over relief to the capital gain that is attributable to the disposal of their Shares under the Proposed Transaction. Holdco will make an irrevocable choice that section 615-65 applies in connection with the Proposed Transaction.

Where business restructure roll-over relief is chosen

Where a Shareholder chooses to obtain CGT business restructure roll-over relief under section 615-5 for the disposal of their Shares under the Proposed Transaction:

- the Shareholder will be entitled to disregard any capital gain or loss resulting from the disposal of their Shares in working out their net capital gain or loss for the income year in which the Scheme Implementation Date occurs;
- the first element of the cost base and reduced cost base of the Holdco Shares or Holdco CDIs received as Scheme Consideration should be equal the total of the cost bases of their Shares (worked out on the Scheme Implementation Date) divided by the number of Holdco Shares or Holdco CDIs received as Scheme Consideration; and
- for the purposes of determining future eligibility for the CGT discount, the acquisition date of the Holdco Shares or Holdco CDIs received as Scheme Consideration will be taken to be the date when the Shareholder originally acquired their Shares.

The benefit of choosing CGT business restructure roll-over relief will depend upon the individual circumstances of each Shareholder. Shareholders who wish to choose to apply roll-over relief must make the choice by the time they lodge their income tax return for the year of income in which the Scheme Implementation Date occurs. The choice to apply CGT business restructure roll-over is evidenced by the way in which the Shareholder prepares their income tax return (i.e. excluding the disregarded capital gain and specific disclosure in the tax return about making the choice).

Where business restructure roll-over relief is not chosen

Where a Shareholder does not choose to obtain CGT business restructure roll-over relief under section 615-5 for the disposal of their Shares under the Proposed Transaction:

- the Shareholder will be required to take into account any capital gain or capital loss resulting from the disposal of their Shares in working out their net capital gain or net capital loss for the income year in which the Scheme Implementation Date occurs;
- the first element of the cost base and reduced cost base of the Holdco Shares or Holdco CDIs received as Scheme Consideration will equal the market value of the Shares given to acquire the Holdco Shares or Holdco CDIs, determined on the Scheme Implementation Date; and
- for the purposes of determining future eligibility for the CGT discount, the acquisition date of the Holdco Shares or Holdco CDIs received as Scheme Consideration will be taken to be the Scheme Implementation Date.

(ii) Shareholders who are not Covered Participants

Foreign resident Shareholders which are not Covered Participants,⁹ should be entitled to disregard any capital gain or loss resulting from the Proposed transaction. This is on the basis that, on the Scheme Implementation Date, less than 50% of the market value of ABR's assets are represented by direct and indirect interests in taxable Australian real property (as that phrase is defined in the tax laws). For similar reasons, foreign resident capital gains withholding tax should not apply.

(b) Goods and services tax

The disposal of Shares under the Proposed Transaction should not be subject to GST.

⁹ That is, they will not hold Shares and, following the Proposed Transaction, the Scheme Consideration, as taxable Australian property.

(c) **Stamp duty**

The disposal of Shares under the Proposed Transaction should not be subject to stamp duty.

OPTION EXCHANGE

(a) **Capital gains tax**

(i) **Covered Participants**

The cancellation of Options pursuant to the Option Exchange will give rise to CGT event C2. The time of the C2 event will be when the Options are cancelled (the **Option Exchange Date**). The following tax consequences are expected to arise for Option Holders from the cancellation of their Options:

- a capital gain will be realised (subject to the relief discussed below) to the extent the capital proceeds received by the Option Holder from the cancellation of their Options exceed the cost base of those Options; or
- a capital loss will be realised to the extent the capital proceeds received by Option Holder from the cancellation of their Options are less than the reduced cost base of those Options.

Subject to the relief discussed below, a capital gain that arises to an individual, a trust or a complying superannuation fund may qualify for a CGT discount if they have held their Options for at least 12 months before the Scheme Implementation Date. Where the CGT discount applies, the capital gain will be reduced by 50% for an individual or a trust, or 33^{1/3}% for a complying superannuation fund.

Capital losses can only be offset against capital gains derived in the same income year or later income years. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward capital losses are to be used in future years. Shareholders should obtain their own tax advice in relation to the operation of these rules.

Cost base

The cost base of the Options of an Option Holder will generally include the amount paid, and the market value of any property given, to acquire the Options, plus certain incidental costs of acquisition and disposal that are not otherwise deductible to the Option Holder. The reduced cost base of the Options of an Option Holder will be similarly determined.

Capital proceeds

The capital proceeds relating to the cancellation of each ABR Option will be the market value of the replacement Holdco Options received in exchange, determined on the Option Exchange Date.

(A) **Employee share scheme Options**

No ESS deferred taxing point

Section 83A-130 operates to ensure that holders of employee share scheme (**ESS**) interests, which have not been subject to an ESS deferred taxing point, are not adversely affected by takeovers and restructures. It achieves this purpose, in part, by deeming new ESS interests to be continuations of old ESS interests which have been replaced pursuant to the takeover or restructure.

A natural consequence of the deeming effect of section 83A-130 is that no ESS deferred taxing point occurs for ESS interests as a result of qualifying takeovers and restructures. Relevantly, the requirements of section 83A-130 are satisfied in respect of the Option Exchange such that no ESS deferred taxing point will arise as a result

of it being undertaken for Options which are ESS interests that are eligible for tax deferral under Subdivision 83A-C and which have not been subject to an ESS deferred taxing point.

Capital gains tax relief

Option Holders should be entitled to disregard any capital gain or loss arising from the cancellation of Options which constitute ESS interests and which have not been subject to an ESS deferred taxing point. This is on the basis that the requirements of section 130-80, which provides CGT relief in such circumstances, are satisfied. Option Holders will be required to apportion the cost bases of their Options cancelled as a result of the Option Exchange among the Holdco Options issued as a result of the Option Exchange.

(B) Options already subject to a deferred taxing point and non-ESS Options

Eligible Option Holders (i.e. Covered Participants) who hold Options which have been subject to an ESS deferred taxing point, or who do not hold Options as ESS interests, may choose to apply CGT scrip for scrip roll-over relief for any capital gain arising from the cancellation of their Options.

Where scrip for scrip roll-over relief is chosen

Where an Option Holder chooses to obtain scrip for scrip roll-over relief under section 124-780 for the cancellation of their Options under the Option Exchange:

- the Option Holder will be entitled to disregard any capital gain or loss resulting from the cancellation of their Options in working out their net capital gain or loss for the income year in which the Option Exchange Date occurs;
- the first element of the cost base and reduced cost base of each of the Holdco Options will be worked out by reasonably attributing the cost base of the Options; and
- for the purposes of determining future eligibility for the CGT discount, the acquisition date of the Holdco Options received under the Option Exchange will be taken to be the date when the Option Holder originally acquired their Options.

As with CGT business restructure roll-over relief (discussed above in respect of the Shares), the benefit of choosing CGT scrip for scrip roll-over relief will depend upon the individual circumstances of each Option Holder. Option Holders who wish to choose to apply roll-over relief must make the choice by the time they lodge their income tax return for the year of income in which the Option Exchange Date occurs. The choice to apply CGT scrip for scrip roll-over is evidenced by the way in which the Option Holder prepares their income tax return (i.e. excluding the disregarded capital gain and specific disclosure in the tax return about making the choice).

Where scrip for scrip roll-over relief is not chosen

Where an Option Holder does not choose to obtain scrip for scrip roll-over relief under section 124-780 for the cancellation of their Options under the Option Exchange:

- the Option Holder will be required to take into account any capital gain or capital loss resulting from the cancellation of their Options in working out their net capital gain or net capital loss for the income year in which the Option Exchange Date occurs;
- the first element of the cost base and reduced cost base of Holdco Options received pursuant to the Option Exchange will equal the total of the market

value of the ABR Options cancelled in exchange for the Holdco Options worked out on the Option Exchange Date; and

- for the purposes of determining future eligibility for the CGT discount, the acquisition date of the Holdco Options received under the Option Exchange will be taken to be the Option Exchange Date.

(ii) Option Holders which are not Covered Participants

Foreign resident Option Holders which are not Covered Participants,¹⁰ should be entitled to disregard any capital gain or loss resulting from the Option Exchange. This is on the basis that, on the Option Exchange Date, less than 50% of the market value of ABR's assets are represented by direct and indirect interests in taxable Australian real property (as that phrase is defined in the tax laws). For similar reasons, foreign resident capital gains withholding tax should not apply.

(b) Goods and services tax

The cancellation of Options under the Option Exchange should not be subject to GST.

(c) Stamp duty

The cancellation of Options under the Option Exchange should not be subject to stamp duty.

ONGOING OWNERSHIP OF HOLDCO SHARES OR HOLDCO CDIS BY AUSTRALIAN TAX RESIDENTS

The following comments may be relevant to Shareholders which are Australian residents for Australian income tax purposes and are made on the basis Holdco will not be a resident of Australia for Australian income tax purposes, such that they will own securities in a foreign tax resident company.

(a) Taxation of dividends received

Generally, a Shareholder will be required to include in its assessable income the gross amount of any dividends it received from Holdco Shares or Holdco CDIs when those dividends are paid or credited to them.

On the basis Holdco will not be an Australian tax resident, it will not be able to frank any dividends it pays to its shareholders. Accordingly, Scheme Participants will not receive any franked dividends (and will not be entitled to any franking credits in respect of such dividends) from Holdco. It is noted that, Holdco considers its profits should be derived principally from non-Australian sources, and as such,

Holdco expects the payment of franked dividends unlikely under its current operating structure.

If a Shareholder is an Australian tax resident company that holds at least 10% of the 'direct participation' interest in Holdco, dividends received from Holdco may be treated as non-assessable non-exempt income for Australian tax purposes if certain conditions are satisfied. For completeness, it is also noted that Holdco dividends received indirectly by a company through interposed trusts and partnerships may also be eligible for such treatment (i.e. non-assessable non-exempt) if the company's 'direct participation' and 'indirect participation' interests in Holdco are at least 10% and certain other conditions are satisfied.

Shareholders in these circumstances are advised to seek independent tax advice (based on their individual circumstances), regarding the treatment of dividends received from Holdco, including potential eligibility for non-assessable non-exempt income treatment.

¹⁰ That is, they will not hold Options as taxable Australian property.

(b) Future disposals of Holdco Shares or Holdco CDIs

On a future disposal of Holdco Shares or Holdco CDIs, Shareholders may make a capital gain if the capital proceeds (in Australian Dollars) of that disposal are more than the cost base (in Australian Dollars) or a capital loss if the capital proceeds (in Australian Dollars) of that disposal are less than the reduced cost base (in Australian Dollars). The cost base and acquisition date of the Holdco Shares or Holdco CDIs, and eligibility for the CGT discount, are as described earlier.

Any foreign capital proceeds (i.e. US Dollars) should be converted into Australian Dollars at the prevailing exchange rate at the time of the transaction for Australian tax purposes.

A capital gain or capital loss on disposal of Holdco Shares or Holdco CDIs may, if certain requirements are met, be reduced by a percentage that reflects the degree to which the underlying assets of Holdco are used in an 'active business' if the Shareholder is an Australian tax resident company that held a 'direct voting percentage' of 10 percent or more in Holdco throughout a 12 month period that began no earlier than 24 months before the time of the disposal and ended no later than that time. The rules regarding this CGT exemption are complex and dependent on the facts at the time of disposal (including the manner in which Holdco Shares or Holdco CDIs are held and the underlying asset composition of Holdco at that time). Shareholders are strongly advised to seek independent tax advice based on their individual circumstances.

(c) Foreign income tax

Shareholders may be entitled to obtain an Australian non-refundable tax offset for foreign income tax paid on amounts included in their assessable income from the Holdco Shares or Holdco CDIs. This offset can reduce the Australian tax payable on the amounts included in a Shareholder's assessable income, subject to an offset limit and certain other conditions being satisfied.

(d) Controlled foreign company regime

In certain limited circumstances, Australia's foreign income anti-deferral rules can operate to tax an Australian tax resident shareholder on the income of a foreign company even though the shareholder has received no actual distributions from the foreign company. The principal foreign income anti-deferral rules that currently may apply to a Shareholder in respect of Holdco Shares or Holdco CDIs are the controlled foreign company (CFC) rules. It would be unusual for the CFC rules to apply to a Shareholder (having regard to the typically low level of control over Holdco and its operations). However, the rules are complex and may be subject to change. Accordingly, Shareholders are strongly advised to seek independent tax advice based on their individual circumstances.

10.3 United States Federal tax implications

The following is a summary of certain material US federal income tax consequences of the Scheme, and post-Scheme ownership and disposition of Holdco Shares. This summary is based upon the US Internal Revenue Code of 1986, as amended (the **Code**), final, temporary and proposed US Treasury Regulations promulgated thereunder, published guidance and court decisions, each as in effect on the date hereof, all of which are subject to change, or changes in interpretation, possibly with retroactive effective.

The following summary assumes that the Scheme will be implemented as described in this Scheme Booklet, and applies only to Shareholders that hold their Shares, and that will hold their Holdco Shares received pursuant to the Scheme, as "capital assets" within the meaning of section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of United States federal income tax that may be relevant to a Shareholder in light of such Shareholder's particular circumstances, including any tax consequences arising under the Medicare contribution tax on net investment income, the alternative minimum tax, or to any Shareholder subject to special treatment under the Code including, but not limited to:

- a person who directly, indirectly or constructively owns 10% or more of the Shares (or Holdco Shares after the Scheme);

- financial institutions or broker-dealers;
- mutual funds;
- tax-exempt organisations (including private foundations);
- insurance companies;
- dealers in securities or foreign currencies;
- traders in securities who elect to use a mark-to-market method of accounting;
- controlled foreign corporations and their shareholders, or any foreign corporation with respect to which there are one or more "United States shareholders" within the meaning of section 951(b) of the Code;
- passive foreign investment companies and their shareholders;
- US expatriates and certain former US citizens or long-term residents;
- "S" corporations, partnerships and their partners, or other entities or arrangements classified as partnerships for US federal income tax purposes, grantor trusts, or other pass-through entities (and investors therein);
- Shareholders who acquired their Shares through the exercise of Options or otherwise as compensation;
- Shareholders who hold their Shares (or Holdco Shares after the Scheme) as part of a hedge, straddle, constructive sale, conversion transaction, or other integrated transaction for US federal income tax purposes;
- a person that is or may have been liable for alternative minimum tax;
- regulated investment companies;
- real estate investment trusts;
- investors subject to special tax accounting rules as a result of any item of gross income with respect to the Shares or common stock being taken into account in an applicable financial statement; or
- Shareholders that have a functional currency other than the US dollar.

In addition, this summary does not address any aspect of foreign, state, local, alternative minimum, estate, gift or other tax law that may be applicable to a particular person. **This summary is intended to provide only a general summary of certain US federal income tax consequences of the Scheme to Shareholders and post-Scheme ownership and disposition of Holdco Shares.** The US federal income tax laws are complex and subject to varying interpretation. Accordingly, the Internal Revenue Service (**IRS**) may not agree with the tax consequences described in this Scheme Booklet, and there is no assurance that the IRS' position would not be sustained in a court.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE US FEDERAL, STATE, LOCAL, NON-US AND OTHER TAX CONSEQUENCES TO THEM ON THE RECEIPT OF HOLDCO SHARES IN EXCHANGE FOR SHARES PURSUANT TO THE SCHEME, AND THE OWNERSHIP AND DISPOSITION THEREOF.

For the purposes of this summary, a **US Holder** is a beneficial owner of Shares for US federal income tax purposes that is:

- an individual who is a citizen or resident of the United States;

- a corporation, created in, or organised under the laws of, the United States or any state thereof or the District of Columbia;
- an estate the income of which is included in gross income for US federal income tax purposes regardless of its source; or
- a trust: (A) the administration of which is subject to the primary supervision of a US court and which has one or more US persons who have the authority to control all substantial decisions of the trust; or (B) that has made a valid election to be treated as a US person under the Code.

If a partnership (or other entity treated as a "tax transparent" entity for US tax purposes) is the beneficial owner of Shares, the tax treatment of a partner in the partnership (or interest holder in the "tax transparent" entity) will generally depend on the status of the partner (or interest holder) and the activities of the partnership (or "tax transparent" entity).

A Non-US Holder is a beneficial owner (other than a partnership) of Shares that is not a US Holder. The following summary assumes that a Non-US Holder does not have a trade or business (or permanent establishment) in the United States.

(a) Material US Federal Income Tax Consequences of the Scheme

The exchange of Shares for Holdco Shares pursuant to the Scheme is intended to be treated as a transfer to which section 351 of the Code applies and / or as a reorganisation described in section 368(a) of the Code in which no gain or loss is recognised to the Company, Holdco, US Holders or Non-US Holders.

This summary assumes that the exchange of Shares for Holdco Shares pursuant to the Scheme is intended to be treated as a transfer to which section 351 of the Code applies and / or as a reorganisation described in section 368(a) of the Code.

(i) US Holders

(A) Exchange of Shares for Holdco Shares or Holdco CDIs and receipt of Holdco Shares or Holdco CDIs

Unless the PFIC provisions described below apply, a US Holder will generally not recognize any gain or loss on the exchange of Shares for Holdco Shares or Holdco CDIs. US Holders will have an aggregate adjusted US federal tax basis in the Holdco Shares or Holdco CDIs received pursuant to the Scheme equal to their aggregated adjusted US federal tax basis in the Shares surrendered. Thus, to the extent a US Holder had a loss in its Shares, such loss generally will be preserved. The holding period for Holdco Shares or Holdco CDIs received pursuant to the Scheme will generally include the holding period of the Shares surrendered pursuant to the Scheme.

(B) Passive Foreign Investment Company

The Code provides special, generally adverse, rules regarding sales, exchange and other dispositions of the stock of a passive foreign investment company (**PFIC**). A foreign (non-US) corporation will be treated as a PFIC for any taxable year if at least 75% of its gross income for the taxable year is passive income or at least 50% of its gross assets during the taxable year, based on a quarterly average and generally by value, produce or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. In determining whether a foreign corporation is a PFIC, a pro-rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Depending upon the value and the nature of the Company's assets and income over time, the Company could be classified as a PFIC for US federal income tax purposes.

In general, unless an exception applies, gain (but not loss) must be recognized upon the disposition of PFIC stock by a US Holder in connection with a nonrecognition transaction, notwithstanding that such transfer may otherwise be eligible for nonrecognition treatment as discussed below. Exceptions to such gain recognition on transfers of PFIC stock include: (A) certain transfers to US persons; (B) certain transfers which result in the transferring US Holder holding an indirect ownership interest in the PFIC; and (iii) if the transferring US Holder timely made a valid QEF or mark-to-market election with respect to the PFIC. If a disposition of PFIC stock in a nonrecognition transaction would qualify for one of the exceptions above but for the fact that cash is received in addition to Holdco Shares, gain is generally recognized to the extent of cash received. If an exception to gain recognition applies, a US Holder will generally be subject to additional information reporting requirements.

Whether the Company or any of our subsidiaries is treated as a PFIC for US federal income tax purposes is a factual determination that must be made annually at the close of each taxable year and, thus, is subject to significant uncertainty. Accordingly, we are unable to determine whether we or any of our subsidiaries will be treated as a PFIC for the current taxable year or any taxable years prior to the implementation of the Scheme and there can be no assurance that we or any of our subsidiaries will not be treated as a PFIC for any taxable year.

Upon the completion of the Scheme, the Company expects that the PFIC regime and associated implications discussed above will no longer be relevant to US Holders. This is because US Holders will directly own Holdco Shares or Holdco CDIs, and Holdco will be treated as a US corporation and therefore not subject to the PFIC rules. Furthermore, PFIC status of any of Holdco's non-US subsidiaries could only be attributed to any of the US Holders if such shareholder owned 50% or more of the outstanding Holdco Shares, which is not expected to occur.

US Holders are urged to contact their own tax advisor regarding the Company's status as a PFIC, including the impact of such PFIC status on their taxation as a result of participation in the Scheme, reporting requirements and the application of the PFIC rules in light of each US Holder's particular circumstances.

(ii) Non-US Holders

Exchange of Shares for Holdco Shares or Holdco CDIs and receipt of Holdco Shares or Holdco CDIs

Non-US Holders will generally not recognize any gain or loss as a result of the Scheme, except that Non-US Holders that receive cash (upon the sale of their Shares because they are Ineligible Foreign Shareholders) may recognize a gain or loss, if any, if Holdco is considered a "United States Real Property Holding Corporation" (**USRPHC**) within the meaning of section 897 of the Code, immediately after the Scheme.

Whether Holdco is treated as a USRPHC for US federal income tax purposes is a factual determination that must generally be made annually at the close of each taxable year and at certain "determination dates" (e.g., any date on which Holdco acquires a "US Real Property Interest" or any date on which Holdco disposes of a foreign real property interest or trade or business asset) and thus, is subject to significant uncertainty. Accordingly, we are unable to determine whether Holdco will be treated as a USRPHC for the current taxable year and there can be no assurance that Holdco will not be treated as a USRPHC for any taxable year.

Subject to the considerations described below in “Sale or other disposition of Holdco Shares or Holdco CDIs”, any gain recognized by a Non-US Holder with respect to the receipt of cash upon the sale of Holdco Shares or Holdco CDIs will generally not be subject to US federal income taxation.

Non-US Holders are urged to contact their own tax advisor regarding the reporting requirements and information statements that could potentially be applicable with respect to the Scheme and any consequences, including penalties, potentially applicable as a result of a failure to meet such requirements.

Non-US Holders will have an aggregate adjusted US federal tax basis in the Holdco Shares or Holdco CDIs received pursuant to the Scheme equal to their aggregated adjusted US federal tax basis in the Shares surrendered. The holding period for Holdco Shares or Holdco CDIs received pursuant to the Scheme will generally include the holding period of the Shares surrendered pursuant to the Scheme.

(b) Material US Federal Income Tax Consequences of Holding and Disposing of Holdco Shares or Holdco CDIs Post-Scheme

(i) US Holders

(A) Sale or other disposition of Holdco Shares or Holdco CDIs

A US Holder will generally recognize gain or loss on a sale or other disposition of Holdco Shares or Holdco CDIs equal to the difference, if any, between the fair market value of the Holdco Shares or Holdco CDIs sold and such US Holder's adjusted US federal tax basis in the Holdco Shares or Holdco CDIs. Such gain or loss will generally be capital gain or loss. If the US Holder has a holding period in the Holdco Shares or Holdco CDIs of more than one-year, such capital gain or loss will be long-term capital gain or loss. Generally, for US Holders who are individuals (as well as certain trusts and estates), long-term capital gains are subject to US federal income tax at preferential rates (though this is subject to change). The deductibility of capital losses is subject to significant limitations.

(B) Distribution on Holdco Shares or Holdco CDIs

Distributions, if any, paid on Holdco Shares or Holdco CDIs will be treated as dividends to the extent of Holdco's current and accumulated earnings and profits and may be subject to backup withholding as more fully described below in “Information Reporting and Backup Withholding.” Amounts treated as dividends will generally be includable in a US Holder's gross income in the year actually or constructively received. Any amount distributed in excess of Holdco's current earnings and profits will first be treated as a tax-free return of capital to the extent of a US Holder's federal tax basis in the Holdco Shares or Holdco CDIs with respect to which the distribution was received. Amounts in excess of a US Holder's federal tax basis in the Holdco Shares or Holdco CDIs will be treated as capital gain subject to the treatment described above in “Sale or other disposition of Holdco Shares or Holdco CDIs.” Generally, for US holders who are individuals (as well as certain trusts and estates), dividends paid by Holdco will be subject to US federal income tax at preferential rates (though this is subject to change).

(C) Information Reporting and Backup Withholding

US backup withholding tax and information reporting requirements will generally apply to payments to non-corporate holders of Holdco Shares or Holdco CDIs. Information reporting will apply to payment of dividends on, and to proceeds from the disposition of, Holdco Shares or Holdco CDIs by a paying agent within the US to a US Holder, other than US Holders that are exempt from information reporting and properly certify their exemption. A paying agent within the US will be required to

withhold at the applicable statutory rate, currently 24%, in respect of any payments of dividends on, and the proceeds from the disposition of, Holdco Shares or Holdco CDIs within the US to US Holders (other than US Holders that are exempt from backup withholding and properly certify their exemption) if the US Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with applicable backup withholding requirements. US Holders who are required to establish their exempt status generally must provide a properly completed IRS Form W-9.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a US Holder's US federal income tax liability. A US Holder generally may obtain a refund of any amounts withheld under the backup withholding rules in excess of such US Holder's US federal income tax liability by filing the appropriate claim for refund with the IRS in a timely manner and furnishing any required information.

(ii) Non-US Holders

(A) Sale or other disposition of Holdco Shares or Holdco CDIs

If Holdco is considered a USRPHC or has been a USRPHC in the 5-year period ending on the date of a sale or other disposition, then absent an exception, the gain of a Non-US Holder, if any, on the sale of Holdco Shares or Holdco CDIs will be treated as effectively connected with the conduct of a US trade or business. Assuming so and except as described below for certain 5% or less Holdco Shareholders, Non-US Holders will be subject to US federal income taxation on any gain treated as effectively connected with the conduct of a US trade or business at the rates generally applicable to US persons. Additionally, a purchaser of Holdco Shares or Holdco CDIs from a Non-US Holder may withhold 15% of the purchase price.

Gain recognized by Non-US Holders who have directly, indirectly and/or constructively owned 5% or less of the outstanding Holdco Shares or Holdco CDIs during the 5-year period ending on the date of any sale or disposition will generally not be treated as effectively connected with a US trade or business and will therefore not be subject to US taxation as described immediately above, provided that Holdco Shares or Holdco CDIs are regularly traded on an established securities market. Holdco Shares or Holdco CDIs will generally be considered to be regularly traded on an established securities market if they are regularly quoted by brokers or dealers making a market in such interests. If the Holdco Shares or Holdco CDIs are not regularly traded, then the exception for Non-US Holders who have owned 5% or less of the Holdco Shares or Holdco CDIs will not be applicable.

(B) Distributions on Holdco Shares or Holdco CDIs

Distributions, if any, paid on Holdco Shares or Holdco CDIs will be treated as dividends to the extent of Holdco's current and accumulated earnings and profits and may be subject to backup withholding as more fully described below in "Information Reporting and Backup Withholding." Any amount distributed in excess of Holdco's current earnings and profits will first be treated as a tax-free return of capital to the extent of a Non-US Holder's federal tax basis in the Holdco Shares or Holdco CDIs with respect to which the distribution was received. Amounts in excess of a Non-US Holder's federal tax basis in the Holdco shares or Holdco CDIs will be treated as capital gain subject to the treatment described above in "Sale or other disposition of Holdco Shares or Holdco CDIs."

Dividends paid to a Non-US Holder will generally be subject to withholding tax at a 30% rate unless the Non-US Holder is eligible for the benefits of an income tax treaty

that provides for a reduced rate of withholding and such Non-US Holder establishes its eligibility for the reduced rate by providing a valid Form W-8BEN or Form W-8BEN-E (or other applicable documentation). For example, a Non-US Holder that is eligible for benefits under the US / Australia Income Tax Treaty may be eligible for a reduced 15% rate of withholding upon providing a valid Form W-8BEN or Form W-8BEN-E. If a Non-US Holder is eligible for a reduced rate of withholding, such Non-US Holder may file a refund claim with the IRS for a refund of any amounts withheld in excess of such reduced rate.

Although distributions that are treated as a return of capital or as capital gain are generally not subject to withholding, distributions from USRPHCs are generally subject to withholding. If Holdco is treated as a USRPHC, it will withhold 15% of any amount distributed that is not treated as a dividend. Non-US Holders can file a US tax return and claim a refund of any amount withheld with respect to a return of capital distribution or a capital gain distribution (to the extent the amount withheld exceeds such Non-US Holder's tax due).

(C) Information Reporting and Backup Withholding

Payments to Non-US Holders of dividends on Holdco Shares or Holdco CDIs will generally not be subject to backup withholding, and payments of proceeds made to Non-US Holders by brokers upon a sale of Holdco Shares or Holdco CDIs will generally not be subject to backup withholding, in each case, so long as the Non-US Holder certifies its non-resident status (and Holdco or its paying agent do not have actual knowledge or reason to know that the Non-US Holder is a US person or that the conditions of any other exemption are not, in fact, satisfied) or otherwise establishes an exemption. The certification procedures to claim a reduced rate of withholding under an income tax treaty described above in "Distributions on Holdco Shares or Holdco CDIs" will generally satisfy the certification requirements necessary to avoid backup withholding. Copies of information returns with respect to dividends that are filed with the IRS may also be made available to tax authorities of the country in which the Non-US Holder resides.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a Non-US Holder's US federal income tax liability. A Non-US Holder generally may obtain a refund of any amounts withheld under the backup withholding rules in excess of such Non-US Holder's US federal income tax liability by filing the appropriate claim for refund with the IRS in a timely manner and furnishing any required information.

(D) Additional FATCA Withholding

Withholding taxes may be imposed under sections 1471 to 1474 of the Code (commonly referred to as the Foreign Account Tax Compliance Act or **FATCA**) on certain types of payments made to non-US financial institutions and certain other non-US entities. Specifically a 30% withholding tax may be imposed on payments of dividends if paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless: (A) the foreign financial institution enters into an agreement with the United States Department of the Treasury to undertake certain diligence and reporting obligations; (B) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner; or (C) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution which entered into the agreement described in (A) above, the diligence and reporting requirements include, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such

accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. An intergovernmental agreement governing FATCA between the US and an applicable foreign country may modify the requirements described in this paragraph.

The FATCA withholding tax will apply to all “withholdable payments” (as defined in the Code) without regard to whether the beneficial owner of the payment would otherwise be entitled to an exemption from or reduction of withholding tax pursuant to an applicable tax treaty with the US or under other provisions of the Code.

Non-US Holders are urged to consult their tax advisors regarding the potential application of FATCA withholding to their investment in Holdco Shares or Holdco CDIs.

THE US FEDERAL INCOME TAX SUMMARY SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. HOLDERS OF SHARES, AND AFTER THE SCHEME, HOLDCO SHARES OR HOLDCO CDIS, SHOULD CONSULT THEIR TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDERS OF THE SHARE SCHEME, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, AND NON-US TAX LAWS.

11. Additional Information

This section 11 sets out additional information required pursuant to the Corporations Act and the Corporations Regulations in respect of the Scheme, as well as some other relevant information.

11.1 Interests of Directors

(a) Interests of Directors in Shares and Options

As at the date of this Scheme Booklet, the following Directors had Relevant Interests in Shares and Options:

Name	Shares	Options
David J. Salisbury	-	2,000,000 A\$0.90 Options (expiring 6 July 2024)
Anthony Hall	5,728,335	1,500,000 A\$0.20 Options (expiring 30 November 2021) 1,000,000 A\$0.30 Options (expiring 31 May 2022) 2,000,000 A\$0.50 Options (expiring 5 November 2022) 2,500,000 A\$0.50 Options (expiring 30 July 2024) 2,400,000 A\$0.90 Options (expiring 6 July 2024)
Stephen Hunt	623,335	500,000 A\$0.20 Options (expiring 30 November 2021) 250,000 A\$0.50 Options (expiring 5 November 2022)
Jimmy Lim	51,282,051	Nil

(b) Dealings in Shares

No Director has acquired or disposed of a Relevant Interest in any Shares or Options in the four month period ending on the date immediately before the date of this Scheme Booklet.

(c) Interests in Holdco Securities

As at the date of this Scheme Booklet, no Director has a Relevant Interest in any Holdco Securities.

11.2 Holdco's interests in ABR

(a) Holdco's interests

As at the date of this Scheme Booklet, Holdco has no Relevant Interest in any Shares.

(b) Interests of Holdco Directors in Shares and Options

David J. Salisbury is both a Director and a Holdco Director. Accordingly, as at the date of this Scheme Booklet, the Shares and Options in which he has a Relevant Interest in are as set out in section 11.1.

In addition, as at the date of this Scheme Booklet, the following Holdco Directors had Relevant Interests in Shares and Options:

Name	Shares	Options
Henri Tausch	-	5,000,000 A\$2.00 Options (expiring 1 June 2025)
Aaron Bertolatti	375,000	500,000 A\$0.20 Options (expiring 31 November 2021) 500,000 A\$0.30 Options (expiring 31 May 2022) 1,500,000 A\$0.50 Options (expiring 30 July 2024)

Name	Shares	Options
		1,000,000 A\$0.50 Options (expiring 5 November 2022)
		1,300,000 A\$0.90 Options (expiring 6 July 2024)

11.3 Benefits and agreements

(a) Payments in connection with retirement from office

There is no payment or other benefit that is proposed to be made or given to any Director, secretary or executive officer of ABR (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in ABR or any of its Related Bodies Corporate.

(b) No collateral benefits offered in the last four months

During the 4 month period before the date of this Scheme Booklet, neither Holdco, a director of Holdco or any Associate of Holdco gave, or offered to give or agreed to give a benefit to another person which was likely to induce the other person or an Associate of the other person to:

- vote in favour of the Scheme; or
- dispose of any Shares,

which benefit was not offered to all Shareholders.

(c) Agreements or arrangements connected with or conditional on the Scheme

Other than as set out below or as set out elsewhere in this Scheme Booklet, there are no agreements or arrangements made between any Director and another person in connection with, or conditional on, the outcome of the Scheme other than in their capacity as a Shareholder.

(d) Benefits under the Scheme

Other than as set out set out in this Scheme Booklet, no Director, secretary or executive officer of ABR (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from Holdco which is conditional on, or is related to, the Scheme, other than in their capacity as a Shareholder.

11.4 Material litigation

As at the date of this Scheme Booklet, ABR or a Related Body Corporate is not aware of any litigation, claim or assessments that may require recognition of a material contingent liability.

11.5 Creditors of ABR

The Scheme, if implemented, is not expected to materially prejudice ABR's ability to pay its creditors as it involves the acquisition of shares in ABR for consideration provided by a third party. No material new liability (other than transaction costs) is expected to be incurred by ABR as a consequence of the implementation of the Scheme. ABR has paid and is paying all of its creditors within normal terms and is solvent and trading in an ordinary commercial manner.

11.6 ASIC relief and ASX confirmation and waivers

(a) ASX confirmation and waivers

ASX has provided in-principle advice that it is likely to grant the following confirmations and waivers in connection with Holdco's application to be admitted to the official list of ASX and the quotation of Holdco CDIs on ASX:

- **Bylaws:** Confirmation that the bylaws of Holdco satisfy the requirements of ASX Listing Rule 1.1, Condition 2 (on the basis that the bylaws contain the provisions in Appendix 15A).
- **Information Memorandum:** Confirmation that Holdco may use this Scheme Booklet as an information memorandum (**Information Memorandum**) for the purposes of its application to list on ASX, and that ASX will not require Holdco to lodge a prospectus or product disclosure statement under ASX Listing Rule 1.1, Condition 3.
- **Restricted Securities:** Confirmation that no Holdco CDIs to be issued pursuant to the Proposed Transaction will be treated as restricted securities for the purposes of ASX Listing Rule 1.1, Condition 10.
- **Good Fame and Character:** Confirmation that ASX will accept that each director, CEO and CFO of Holdco who was a director, CEO or CFO of ABR immediately prior to the implementation of the Proposed Transaction is of good fame and character for the purposes of ASX Listing Rule 1.1, Condition 20 on the condition that no further director appointments or resignations are made prior to Holdco's admission to the official list of ASX.
- **Financial Accounts:** Confirmation that, for the purposes of ASX Listing Rule 19.11A, ASX will accept accounts prepared in US GAAP.
- **Free Float:** Confirmation that ASX will accept that Holdco will satisfy the free float requirement in ASX Listing Rule 1.1, Condition 7 on the basis that ABR is in compliance with ASX Listing Rule 12.4 at the time it ceases to be admitted to the official list of ASX.
- **Nomination of Directors:** Confirmation that Holdco may, for the purposes of ASX Listing Rule 14.3, accept nominations for the election of directors in accordance with its bylaws and the General Corporation Law of the State of Delaware.
- **Appendix 1A Information Form and Checklist:** Confirmation that Holdco is not required to comply with the following items of the Appendix 1A Information Form and Checklist (**Listing Checklist**):
 - Items 12 to 18 (inclusive) of the Listing Checklist - to the extent necessary to permit Holdco to only disclose good fame and character information about those of its relevant officers who are not relevant officers of ABR;
 - Items 22 and 23 of the Listing Checklist - to the extent necessary to permit the Information Memorandum not to include details of Holdco's material child entities;
 - Item 29 of the Listing Checklist - to the extent necessary to permit the Information Memorandum not to include confirmation that Holdco's free float at the time of listing will be not less than 20%, on the basis that ABR is in compliance with ASX Listing Rule 12.4 at the time it ceases to be admitted to the official list of ASX;
 - Item 34 of the Listing Checklist - to the extent necessary to permit the Information Memorandum not to include a description of Holdco's history;
 - Item 35 of the Listing Checklist - to the extent necessary to permit the Information Memorandum not to include a description of Holdco's existing and proposed activities and level of operations;
 - Item 36 of the Listing Checklist - to the extent necessary to permit the Information Memorandum not to include a description of the material business risks faced by Holdco;
 - Item 43 of the Listing Checklist - to the extent necessary to permit the Information Memorandum not to include details of (and for Holdco not to be required to provide to ASX copies of) any material contracts;

- Items 44 and 45 of the Listing Checklist - to the extent necessary to permit the Information Memorandum not to include details of any employment, service or consultancy agreement or any other material contract which Holdco (or a child entity) has entered into with:
 - its CEO (or equivalent);
 - any of its directors or proposed directors; or
 - any other person or entity who is a related party of the persons referred to above;
- Item 46 of the Listing Checklist - to the extent necessary to permit Holdco not to provide confirmation that all information that a reasonable person would expect to have a material effect on the price or value of Holdco's securities has been included in or provided with the Listing Checklist, on the condition that ABR is in compliance with its obligations under ASX Listing Rule 3.1 at the time its securities cease to trade on ASX;
- Item 47 of the Listing Checklist - to the extent necessary to permit Holdco not to provide a copy of its most recent annual report; and
- Items 51 to 68 (inclusive) of the Listing Checklist - to the extent necessary to permit Holdco not to provide information in connection with ASX Listing Rule 1.2 and ASX Listing Rule 1.3, on the basis that ASX waives ASX Listing Rule 1.1, Condition 9.
- **Quotation:** A waiver from ASX Listing Rule 1.1, Condition 6, ASX Listing Rule 2.4 and ASX Listing Rule 2.8 to the extent necessary to permit Holdco to only apply for quotation of those Holdco Shares (to be settled on ASX in the form of Holdco CDIs) issued in the Australian market, subject to the following conditions:
 - Holdco applies for quotation of new Holdco Shares issued into the Australian market on a monthly basis, and Holdco provides to the market a monthly Appendix 4A as required by ASX Listing Rule 4.11, noting the net changes in the number of Holdco Shares over which Holdco CDIs are issued; and
 - Holdco releases details of this waiver to the market as pre-quotation disclosure.
- **Minimum Spread:** A waiver from ASX Listing Rule 1.1, Condition 8 to the extent necessary to permit Holdco not to comply with the minimum spread requirements, on the condition that ABR is in compliance with ASX Listing Rule 12.4 at the time its securities cease to trade on ASX.
- **Profit or Asset Test:** A waiver from ASX Listing Rule 1.1, Condition 9 to the extent necessary to permit Holdco not to comply with ASX Listing Rule 1.2 or ASX Listing Rule 1.3, on the condition that ABR is in compliance with ASX Listing Rule 12.1 and ASX Listing Rule 12.2 at the time its securities cease to trade on ASX.
- **Information Memorandum:** A waiver from:
 - ASX Listing Rule 1.4.1 to the extent necessary to permit the Information Memorandum not to include a statement that it contains all of the information that would otherwise be required under section 710 of the Corporations Act, on the condition that:
 - the Information Memorandum incorporates the Scheme Booklet;
 - Holdco releases to the market as pre-quotation disclosure all of the documents incorporated by reference in the Scheme Booklet; and

- Holdco provides a statement to the market that ABR has confirmed that it is in compliance with ASX Listing Rule 3.1 at the time shares cease to trade on ASX.
- ASX Listing Rule 1.4.4 to the extent necessary to permit the Information Memorandum to be dated on or about the date which the Court makes orders to convene the meeting to approve the Scheme;
- ASX Listing Rule 1.4.7 to the extent necessary to permit the Information Memorandum not to include a statement that Holdco has not raised capital for the 3 months prior to the date of issue of the Information Memorandum, and will not need to raise any capital in the 3 months after that date; and
- ASX Listing Rule 1.4.8 to the extent necessary to permit the Information Memorandum not to include a statement that a supplementary information memorandum will be issued if, between the date of issue of the Information Memorandum and the date on which Holdco Shares (represented by Holdco CDIs) are quoted on ASX, Holdco becomes aware of the matters referred to in ASX Listing Rule 1.4.8, on the condition that ABR undertakes to ASX to release such information to the ASX Announcements Platform (which undertaking is to take the form of a deed poll no later than the date of the Information Memorandum being released).
- **Half Year Reports:** A waiver from ASX Listing Rules 4.2A and 4.2B to the extent necessary to permit Holdco to not be required to lodge an Appendix 4D, on the condition that:
 - Holdco instead lodges with ASX the Form 10-Q it is required to lodge with the SEC in accordance with its obligations under relevant US laws and in accordance with the SEC timetable (being within 45 days of the end of each of the first two quarters of each financial year); and
 - Holdco also lodges with ASX a copy of the audit review report at the same time as Holdco lodges the Form 10-Q with the SEC and ASX.
- **Quarterly Activity Reports:** A waiver from ASX Listing Rule 5.3 to the extent necessary to permit Holdco to prepare its quarterly activity and expenditure reports under the rules and regulations of the SEC and file them with ASX at the same time that Holdco lodges those documents with the SEC, in accordance with the following:
 - as a Form 10-Q in relation to the first, second and third quarter of each financial year of Holdco, within 45 days of the end of the relevant quarter; and
 - in lieu of the fourth quarter of each financial year of Holdco, Holdco lodges an annual report as a Form 10-K in accordance with the following depending on Holdco's classification:
 - within 60 days, in the case of a Large Accelerated Filer;
 - within 75 days, in the case of an Accelerated Filer; or
 - within 90 days, in the case of a Non-Accelerated Filer,
 of the end of the relevant financial year.
- **Quarterly Cash Flow Reports:** A waiver from ASX Listing Rule 5.5 to the extent necessary to permit Holdco to prepare its quarterly activity and expenditure reports under the rules and regulations of the SEC and file them with ASX at the same time that Holdco lodges those documents with the SEC, in accordance with the following:
 - as a Form 10-Q in relation to the first, second and third quarter of each financial year of Holdco, within 45 days of the end of the relevant quarter; and

- in lieu of the fourth quarter of each financial year of Holdco, Holdco lodges an annual report as a Form 10-K in accordance with the following depending on Holdco's classification:
 - within 60 days, in the case of a Large Accelerated Filer;
 - within 75 days, in the case of an Accelerated Filer; or
 - within 90 days, in the case of a Non-Accelerated Filer,
 of the end of the relevant financial year.
- **Voting:** A waiver from ASX Listing Rule 6.10.3 to the extent necessary to permit Holdco to provide the method for determining whether a shareholder is entitled to vote at a general meeting in accordance with the laws of the State of Delaware.
- **Options:** A waiver from ASX Listing Rule 6.23.2 to the extent necessary to permit ABR to cancel the Options for consideration without the approval of Shareholders in exchange for the grant of Holdco Options, on the following conditions:
 - full details of the cancellation of the Options and the consideration payable for their cancellation are set out in the Scheme Booklet; and
 - the Scheme is approved by the requisite majorities of Shareholders and the Court, and a copy of the Court's orders are lodged with ASIC (such that the Scheme becomes Effective).
- **Forfeited Shares:** A waiver from ASX Listing Rule 7.26.2 to the extent necessary to permit Holdco's bylaws not to include a provision that former holders of cancelled or forfeited shares remain liable (in the absence of shareholder approval) for any amount called but unpaid on the shares, on the condition that Holdco undertakes not to issue partly paid shares with the prior written consent of ASX (which undertaking is to take the form of a deed poll no later than the date of the Information Memorandum being released).
- **Proxy Forms:** A waiver from ASX Listing Rule 14.2.1 to the extent necessary to permit Holdco not to provide an option in its proxy form for a holder of Holdco Shares or Holdco CDIs to vote against a resolution to elect a director or to appoint an auditor, on the condition that:
 - Holdco complies with relevant Delaware laws as to the content of proxy forms applicable to resolutions for the election or re-election of directors and the appointment of auditors;
 - the notice given by Holdco to Holdco Shareholders under ASX Settlement Operating Rule 13.8.9 makes it clear that Holdco Shareholders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case;
 - Holdco releases details of this waiver to the market as pre-quotation disclosure, and the terms of this waiver are set out in the management proxy circular provided to all Holdco CDI holders; and
 - this waiver only applies for so long as the relevant Delaware laws prevent Holdco from permitting security holders to vote against a resolution to elect a director and vote against a resolution to appoint an auditor.
- **Director Rotation:** A waiver from ASX Listing Rule 14.4 to the extent necessary to permit a director appointed by the Holdco board to fill a casual vacancy or as an additional director to hold office beyond the next annual general meeting after that person's appointment if the term of office of the class of director into which that person has been appointed expires at a later annual meeting, in accordance with Holdco's bylaws.

(b) ASIC relief

In accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80, the Holdco CDIs issued pursuant to the Scheme will be freely tradeable.

Holdco has applied to ASIC for a declaration under subsection 741(1)(b) of the Corporations Act to modify sections 708A(12A) and 708A(5) of the Corporations Act such that, in the 12 months following the Scheme Implementation Date, the continuous quotation of Shares may be included in the calculation of the 3 month period for the purposes of sections 708A(12A) and 708A(5) of the Corporations Act.

Holdco has also applied to ASIC for a declaration under subsection 741(1)(b) to modify the definition of "continuously quoted securities" for the purposes of Chapter 6D of the Corporations Act such that, in the 12 months following the Scheme Implementation Date, the continuous quotation of Shares may be included in the calculation of the 3 month period for the purposes of section 713(1) of the Corporations Act.

The Company also proposes to seek an exemption from ASIC under section 259C(2) of the Corporations Act in connection with the transfer of Shares to Holdco pursuant to the Scheme.

(c) Other

As at the date of this Scheme Booklet, it is not anticipated that any other ASIC or ASX consents or approvals are necessary to implement the Scheme.

11.7 Notice to foreign Shareholders

This Scheme Booklet and the Scheme do not constitute an offer of securities in any jurisdiction in which it would be unlawful. This Scheme Booklet may not be distributed, and Holdco Securities may not be offered, outside Australia except to the extent provided below.

No action has been taken to register or qualify Holdco Securities or otherwise permit a public offering of such securities in any jurisdiction outside Australia.

Based on the information available to ABR as at the date of this document, Shareholders whose addresses are shown in the register on the Record Date as being in the following jurisdictions will be entitled to have Holdco Securities issued to them pursuant to the Scheme subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Australia;
- Canada;
- European Union, (i) where the Shareholder is a "qualified investor" (as defined in Article 2(e) of the Prospectus Regulation) (ii) to fewer than 150 natural or legal persons (other than qualified investors) or (iii) in any other circumstance falling within Article 1(4) of the Prospectus Regulation;
- Hong Kong, (i) where the Shareholder is a "professional investor" (as defined under the Securities and Futures Ordinance) or (ii) to fewer than 50 persons (other than professional investors);
- Malaysia;
- New Zealand;
- Papua New Guinea;
- Singapore;
- Thailand, where the number of Shareholders is less than 50;

- United States; and
- any other person or jurisdiction in respect of which the Company and Holdco reasonably believe that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue Holdco Securities to a Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Shareholders who hold Shares on behalf of a beneficial owner resident outside Australia, Canada, Malaysia, New Zealand, Papua New Guinea, Singapore and the United States may not forward this document (or accompanying documents) to anyone outside these jurisdictions without the consent of the Company.

(a) Canada

The Holdco Securities will be issued in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada.

No securities commission in Canada has reviewed or in any way passed upon this Scheme Booklet or the merits of the Scheme.

(b) European Union (including Ireland)

This Scheme Booklet has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Scheme Booklet may not be made available, nor may the Holdco Securities be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Holdco Securities in the European Union is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- to any other circumstance falling within Article 1(4) of the Prospectus Regulation.

(c) Hong Kong

WARNING: The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Scheme. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Scheme Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Shareholders in connection with the Scheme, and no steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Scheme by the person to whom this Scheme Booklet is addressed.

(d) Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Holdco Securities. Holdco Securities may not be issued or transferred in Malaysia except in accordance with Schedules 5 and 6 of the Malaysian Capital Markets and Services Act 2007.

(e) New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The offer of Holdco Securities under the Scheme is being made to existing shareholders of the Company in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

(f) Papua New Guinea

This Scheme Booklet is being distributed only to the Company's shareholders. This Scheme Booklet has not been registered as a prospectus in Papua New Guinea and does not otherwise satisfy the requirements of Section 131 of the Capital Market Act 2015 concerning the required contents of a prospectus. No notice of the proposed offer will be submitted to or authorisation obtained from the Securities Commission of Papua New Guinea. No other documents are being lodged with the Securities Commission of Papua New Guinea in respect of the Scheme.

(g) Singapore

This Scheme Booklet and any other document or material in connection with the Scheme or the Holdco Securities has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and this offering is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of a prospectus included in the Securities and Futures Act, Cap. 289 (the **SFA**) will not apply.

This Scheme Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of Holdco Securities may not be offered, sold or distributed, or be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or

otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to Holdco Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

Neither this document nor any copy of it may be taken or transmitted into any country where the distribution or dissemination is prohibited. This document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

The investments contained or referred to in this Scheme Booklet may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this document constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Neither ABR nor Holdco is in the business of dealing in securities or holds itself out, or purports to be doing so. As such, ABR nor Holdco are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

(h) Thailand

This Scheme Booklet is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This Scheme Booklet has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Scheme Booklet and any other document relating to the Scheme may not be circulated or distributed, nor may the Holdco Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public in Thailand.

(i) United States

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Holdco Securities or determined if this Scheme Booklet is truthful or complete. Any representation to the contrary is a criminal offence.

The Holdco Securities to be issued pursuant to the Scheme have not been, and will not be, registered under the US Securities Act or the securities law of any US state or other jurisdiction.

11.8 Consents and disclaimers

(a) Consent to be named

The following persons have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Grant Thornton, as the Independent Expert;
- Holdco;
- Baker McKenzie, as the Australian and US legal and tax advisor to ABR; and
- Computershare Investor Services Pty Limited as the Registry.

(b) Consent to the inclusion of statements

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- Holdco, in respect of the Holdco Information only; and
- Grant Thornton, as the Independent Expert.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

(c) Disclaimers of responsibility

Each person named in Sections 11.8(a) and 11.8(b):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
 - Holdco in respect of the Holdco Information; and
 - Grant Thornton, in relation to its Independent Experts Report; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in Sections 11.8(a) and 11.8(b).

11.9 Fees and interests of advisors

Each of the persons named in Sections 11.8(a) and 11.8(b) (other than Holdco and Computershare Investor Services Pty Limited) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging.

ABR has paid, or agreed to pay, for services provided up to the date of this Scheme Booklet:

- Grant Thornton, approximately A\$90,000 (excluding GST); and
- Baker McKenzie, approximately A\$1,350,000 (excluding GST).

Each of them will be entitled to receive professional fees charged as agreed with ABR, and in accordance with their normal basis of charging, up until implementation of the Proposed Transaction.

11.10 Supplementary disclosure

ABR will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Scheme Meeting:

- a material statement in this Scheme Booklet being false, misleading or deceptive;
- a material omission from this Scheme Booklet;
- a material change affecting a matter that is referred to in this Scheme Booklet; or
- a significant new matter arising which would be required to be included in this Scheme Booklet.

The form which the supplementary document may take, and whether a copy will be sent to each Shareholder, will depend on the nature and timing of the new or changed circumstances.

Any such supplementary document will be released to ASX and made available online from both www.asx.com.au and www.americanpacificborates.com.

11.11 Other material information

Other than as set out in this Scheme Booklet, as at the date of this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme, being information which is in the knowledge of ABR, Holdco, any director of ABR or Holdco or any of their Related Bodies Corporate which has not been previously disclosed to Shareholders.

11.12 Consent to lodgement

(a) Directors

Each Director has given, and not withdrawn, his or her consent to the lodgement of this Scheme Booklet as an explanatory statement in relation to the Scheme with ASIC and as an information memorandum for the listing of Holdco with ASX.

By order of the Board

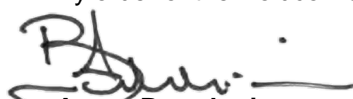


Anthony Hall
Director

(b) Holdco Directors

Each Holdco Director has given, and not withdrawn, his or her consent to the lodgement of this Scheme Booklet as an information memorandum for the listing of Holdco with ASX and as an explanatory statement in relation to the Scheme with ASIC, and has authorised Aaron Bertolatti to sign this Scheme Booklet on their behalf.

By order of the Holdco Board



Aaron Bertolatti
Holdco Director

12. Glossary and interpretation

12.1 Defined Terms

The meanings of the terms used in this Scheme Booklet are set out below.

Term	Meaning
A\$ or AUD	the lawful currency of the Commonwealth of Australia.
ABR or the Company	American Pacific Borates Limited (ACN 615 606 114)
ABR Constitution	the constitution of ABR.
ABR Group	ABR (or Holdco after the Scheme Implementation Date) and each of its Related Bodies Corporate.
ABR Information	the information contained in this Scheme Booklet, excluding the Holdco Information and the Independent Expert's Report.
AEDT	Australian Eastern Daylight Savings Time.
ASIC	the Australian Securities and Investments Commission.
Associate	has the same meaning as in section 12 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) or the securities exchange operated by it (as the context requires).
ASX Listing Rules	the Listing Rules of ASX.
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Rules	the operating rules of ASX Settlement which govern the administration of CHESS.
ATO	the Australian Taxation Office.
ATO Class Ruling	the class ruling which ABR will seek from the ATO in connection with the Proposed Transaction and Option Exchange.
Board	the board of directors of ABR.
Business Day	a day that is not a Saturday, Sunday or public holiday in Sydney, Australia.
CDI	a CHESS Depositary Interest, being a unit of beneficial ownership in a security that is registered in the name of CDN, or beneficial ownership is held by CDN, in accordance with the ASX Settlement Rules.
CDN or Depositary Nominee	CHESS Depositary Nominees Pty Limited (ACN 071 346 506)
CHESS	the clearing house electronic sub-register system of share transfers operated by ASX Settlement.
Conditions Precedent	the conditions precedent set out in clause 3.1 of the Scheme Implementation Agreement, as summarised in Section 8.2.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Federal Court of Australia or such other Court of competent jurisdiction under the Corporations Act agreed in writing by ABR and Holdco.

Term	Meaning
Deed Poll	a deed poll substantially in the form of Annexure D to this Scheme Booklet.
Delaware Corporation Law	Delaware General Corporation Law.
Director	a member of the Board.
Effective	the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
Election Form	the election form by which Eligible Shareholders may elect to receive Holdco Shares as Scheme Consideration rather than Holdco CDIs. An Election Form can be requested by contacting the Information Line.
Election Withdrawal Form	the form by which Eligible Shareholders may withdraw an election to receive Holdco Shares as Scheme Consideration. An Election Withdrawal Form can be requested by contacting the Information Line.
Eligible Shareholder	a Shareholder at the Record Date who is not an Ineligible Foreign Shareholder.
End Date	31 January 2022 or such later date as ABR and Holdco may agree in writing.
First Court Date	the first day on which an application made to the Court, in accordance with the Scheme Implementation Agreement, for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.
Holdco	5E Advanced Materials, Inc. (a US company incorporated in the State of Delaware).
Holdco Board	the board of directors of Holdco.
Holdco CDI	a CDI representing a beneficial interest in 1/10 th of a Holdco Share.
Holdco Director	a member of the Holdco board.
Holdco Information	the information contained in: <ul style="list-style-type: none"> Sections 6, 11.2 and 11.3; and Section 7 to the extent that Holdco has contributed that information, but does not include any information provided by ABR to Holdco for the purposes of Holdco preparing information regarding Holdco.
Holdco Option	a right to acquire Holdco Shares.
Holdco Registry	In Australia: Computershare Investor Services Pty Limited In the United States: Computershare Trust Company, N.A.
Holdco Securities	Holdco Shares and / or Holdco CDIs (as the context requires).
Holdco Share	a share of common voting stock of Holdco.

Term	Meaning
Holdco Shareholder	a person who holds one or more Holdco Securities.
Independent Expert or Grant Thornton	Grant Thornton Corporate Finance Pty Limited (ACN 003 265 987).
Independent Expert's Report	the report prepared by the Independent Expert dated 26 October 2021, a summary of which is set out in Section 9 and a complete copy of which is contained in Annexure A.
Ineligible Foreign Shareholder	a Shareholder whose address, as shown in the Register as at the Record Date, is in a place outside Australia, New Zealand, Canada, Hong Kong, Ireland, Papua New Guinea, Singapore, Malaysia, Thailand or the United States unless Holdco determines that it is lawful and not unduly onerous or impracticable to issue Holdco Shares in that jurisdiction if the Scheme becomes Effective.
Information Line	1300 161 428 (within Australia) or +61 3 9415 4037 (outside Australia)
Mt	Million metric tonnes.
NASDAQ	Nasdaq Stock Market LLC or the Nasdaq Stock Market (or such other market operated by Nasdaq Stock Market LLC on which Holdco Shares may be listed or quoted) (as the context requires).
NASDAQ Rules	the Nasdaq Rules for Companies issued by NASDAQ.
Notice of Meeting	the notice of meeting relating to the Scheme Meeting which is contained in Annexure E.
Option	an option to subscribe for a Share.
Option Exchange	the cancellation of Options in consideration for the grant of Holdco Options on the basis of 1 Holdco Option for every 10 existing Options.
Option Exchange Date	the date on which the Option Exchange occurs.
Option Holder	a person who holds one or more Options.
Proposed Transaction	the proposed re-domiciliation of ABR to the United States via the Scheme.
Proxy Form	the proxy form for the Scheme Meeting.
Record Date	7.00 pm (AEDT) on the 2 nd Business Day after the Effective Date or such other date as ABR and Holdco agree.
Register	the share register of ABR.
Registry	Computershare Investor Services Pty Limited.
Regulatory Authority	includes ASX or ASIC, a government or governmental, semi-governmental or judicial entity or authority, a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government and any regulatory organisation established under statute.
Related Body Corporate	the meaning given in the Corporations Act.
Relevant Interest	the meaning given in sections 608 and 609 of the Corporations Act.
Sale Agent	the person to be appointed by ABR to sell the Holdco CDIs that are attributable to Ineligible Foreign Shareholders under the terms of the Scheme.

Term	Meaning
Sale Facility	the facility to be established by ABR and managed by the Sale Agent under which the Holdco CDIs to which Ineligible Foreign Shareholders would otherwise be entitled under the Scheme will be sold in accordance with the Scheme and the agreement to be entered into between ABR and the Sale Agent.
Sale Facility Proceeds	the cash proceeds from the sale of Holdco CDIs pursuant to the Sale Facility (free of any brokerage costs or stamp duty, but excluding any interest and after deducting any applicable withholding tax) calculated on an averaged basis so that all Ineligible Foreign Shareholders receive the same price for each Holdco CDI sold.
Scheme	the scheme of arrangement under which all Scheme Shares will be transferred to Holdco in accordance with Part 5.1 of the Corporations Act, substantially in the form of Annexure C together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.
Scheme Booklet	this document.
Scheme Consideration	<p>the Holdco Securities that Scheme Shareholders (excluding Ineligible Foreign Shareholders) will receive as consideration for the transfer of their Shares to Holdco under the Scheme, being:</p> <ul style="list-style-type: none"> by default, 1 Holdco CDI for every Share held by them on the Record Date; or if elected, 1 Holdco Share for every 10 Shares held by them on the Record Date (if they have made a valid election on an Election Form to receive Holdco Shares).
Scheme Implementation Agreement	the Scheme Implementation Agreement between ABR and Holdco dated 11 October 2021, the key terms of which are summarised in Section 8.2 and a complete version of which is included as Annexure B.
Scheme Implementation Date	the 5 th Business Day following the Record Date or such other day as ABR and Holdco may agree.
Scheme Meeting	the meeting of Shareholders to be convened by the Court under section 411(1) of the Corporations Act in respect of the Scheme.
Scheme Resolution	the resolution to approve the Scheme.
Scheme Share	a Share held by a Scheme Shareholder as at the Record Date.
Scheme Shareholder	each person who is a Shareholder at the Record Date.
SEC	the US Securities Exchange Commission.
Second Court Date	the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Share	an ordinary share in the capital of ABR.
Shareholder	a person who holds one or more Shares.
SOP	sulphate of potash.
US or United States	the United States of America.

Term	Meaning
US GAAP	the generally accepted accounting principles applying in the United States.
US Securities Act	the US Securities Act of 1933, as amended.
US\$ or USD	the lawful currency of the United States.

12.2 Interpretation

In this Scheme Booklet:

- other words and phrases have the same meaning (if any) given to them in the Corporations Act;
- words of any gender include all genders;
- words importing the singular include the plural and vice versa;
- an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- a reference to a section or annexure, is a reference to a section of or annexure of, this Scheme Booklet as relevant;
- a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- a reference to time is a reference to AEDT unless specified otherwise;
- an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia; and
- the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.



Grant Thornton

An instinct for growth™

American Pacific Borates Limited

Independent Expert's Report and Financial Services Guide

26 October 2021

The Directors
American Pacific Borates Limited
Level 12, 197 St Georges Terrace
Perth WA 6000

26 October 2021

Grant Thornton Corporate Finance Pty Ltd
ABN 59 003 265 987
AFSL 247140

Level 17, 383 Kent Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
T + 61 2 8297 2400
F + 61 2 9299 4445
E info@gtmsw.com.au
W www.grantthornton.com.au

Dear Directors

Introduction

American Pacific Borates Limited (“ABR” or “the Company”) is an Australian corporation focused on the exploration, development and production of boric acid and sulphate of potash (“SOP”) at its 100%-owned Fort Cady Borate Mine Project (“Fort Cady”, or “Fort Cady Project” or “Project”) in California, the United States. The project is currently in the late stages of development and it has recently completed and Enhanced Definitive Feasibility Study (“EDFS”) which demonstrates its commercial viability. ABR also owns an interest in the Salt Wells Borate and Lithium Projects (“Salt Wells” or “Salt Wells Projects”) in Nevada. The Salt Wells Projects are currently in the exploration stage.

Whilst its assets, the majority of workforce and its operating offices are in the United States, ABR is domiciled in Australia and it is listed on the Australian Securities Exchange (“ASX”) with a market capitalisation of c. A\$574.9 million¹. In order to achieve greater alignment of its corporate residence with its assets’ location, operation, and future expected capital source, ABR has determined to take the necessary steps to re-domicile the headquarters of the Company from Australia to the United States (“Proposed Re-domiciliation”) to be implemented via a scheme of arrangement under part 5.1 of the Corporations Act (“Scheme”).

The Scheme effectively involves a newly formed Delaware corporation, 5E Advanced Materials, Inc. (“Holdco”), to become the parent company of ABR, ABR will de-list from the ASX and Holdco will newly list on both the NASDAQ² (as its primary listing) and on the ASX (as its secondary listing) via CHES³ Depository Interest. The key terms of the Proposed Re-domiciliation are summarised below:

- Incorporation of Holdco which will issue a whole number of shares of common stock in Holdco (“Holdco Shares”) or CHES Depository Interest (“CDIs” or “Holdco CDIs”) in respect of the Holdco common stock to ABR shareholders (“Scheme Shareholders”, “Members” or “ABR Shareholders”) proportionally to their current interest in ABR so that their underlying economic interest will not change.

¹ Based on a closing price of A\$1.48 per share and 388,432,903 shares

² National Association of Securities Dealers Automated Quotations (“NASDAQ”), an exchange platform in US that ranks second on the global stock exchanges by market capitalisation of shares traded, behind the New York Stock Exchange.

³ Clearing House Electronic Sub-register System (“CHES”) is the computer system used by the ASX to record shareholdings and manage the settlement of share transactions.

- ABR Shareholders will be required to vote on the Scheme pursuant to which Holdco will acquire all the ordinary shares in ABR (“ABR Shares”), by exchanging 1 common share in Holdco for 10 ordinary shares in ABR.
- In consideration of the transfer of ABR Shares to Holdco:
 - Eligible ABR Shareholders who elect to receive Holdco Shares will receive 1 Holdco Share for every 10 ABR Shares held by them.
 - Eligible ABR Shareholders who elect to receive Holdco CDIs (or who do not make an election) will receive 1 Holdco CDI for every 1 ABR Shares held by them, equivalent to 1/10th of a Holdco Share.
 - For those ABR Shareholders residing in certain jurisdictions⁴ which are not eligible to receive CDIs (“Ineligible Foreign Shareholders”), the Company will establish a sale facility (“Sale Facility”) to sell their Holdco CDIs with the gross proceeds remitted to them.
- The existing ABR options (“ABR Options”) will be cancelled in consideration of the grant of equivalent rights to acquire Holdco Shares (“Holdco Options”) on the basis of 1 Holdco Option for every 10 existing ABR Options held.
- Holdco will then become the ultimate parent company of ABR, controlling 100% of the Fort Cady Project, and will be listed on the NASDAQ and Holdco CDIs will trade on the ASX. Following the US listing of Holdco, ABR will be delisted from the ASX. The successful listing of Holdco CDIs and Holdco Shares on the ASX and NASDAQ is a condition precedent for the implementation of the Scheme.

Following the Proposed Re-domiciliation, the shareholding of Holdco will remain substantially identical (with the exception of Ineligible Foreign Shareholders) to the shareholding of ABR before the implementation of the Scheme.

The Scheme is subject to customary conditions precedent as set out in section 8.2 of the Scheme Booklet and section 1 of this report.

The Directors of ABR have unanimously recommended that Scheme Shareholders vote in favour of the Scheme and have advised that each Director intends to vote all ABR Shares held or controlled by them in favour of Scheme.

Purpose of the Report

Section 412(1) of the Corporations Act requires that an explanatory statement issued in relation to a proposed scheme of arrangement under section 411 of the Corporations Act includes information that is material to the making of a decision by a member as to whether or not to approve the relevant proposal.

⁴ Comprising shareholders with registered addresses outside of Australia, New Zealand, the United States, Canada, Hong Kong, Ireland, Papua New Guinea, Singapore, Malaysia or Thailand.

Part 3 of Schedule 8 of the Corporations Regulations, 2001 (“Corporations Regulations”) specifies that the explanatory statement to be sent to shareholders must include an independent expert’s report where either a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. Given the Directors of Holdco and of ABR are the same, the Company has commissioned this independent expert’s report (“IER” or “Report”) to assess whether the scheme is in the best interests of shareholders.

When preparing this IER, Grant Thornton Corporate Finance had regard to the Australian Securities Investment Commission (“ASIC”) Regulatory Guide 111 *Contents of expert reports* (“RG 111”) and Regulatory Guide 112 *Independence of experts* (“RG 112”). The IER also includes other information and disclosures as required by ASIC.

While the legal form of the Scheme involves the exchange of shares in ABR for shares in Holdco, which is akin to a change in control transaction, the substance of the Scheme is that the underlying economic interests of the Members do not change and the shareholdings in Holdco will be substantially identical to the shareholdings in ABR immediately after the implementation of the Scheme (other than in respect of Ineligible Foreign Shareholders). In addition, there are no proposed changes to the Board of Directors, Management Team and principal activities of ABR as a result of the Proposed Re-domiciliation.

As we have concluded that the underlying economic interests of the ABR Shareholders will not change as a result of the Re-Domiciliation, we have assessed whether or not the Scheme is in the best interest of the Members by comparing the advantages and disadvantages of the Scheme.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the advantages of the Scheme outweigh the disadvantages and accordingly the Scheme is in the BEST INTERESTS of the ABR Shareholders.

The Scheme is being implemented to give effect to the Re-domiciliation. Therefore, the advantages and disadvantages of the Scheme primarily comprise the advantages and disadvantages of the Re-domiciliation. As part of the analysis, we have primarily relied on the information included in the Scheme Booklet and other information made available to us by the Company.

Advantages of the Scheme

Greater access to institutional investors in the United States

The borates market is a highly concentrated, with two suppliers responsible for the majority of global supply. We note that Fort Cady has the largest known conventional contained borate occurrence in the world not owned by the two major borate producers Eti Maden in Turkey and Rio Tinto Limited’s Borates business (“Rio Tinto Borates”) in California. Since listing, ABR has been focusing on development of Fort Cady and has spent more than US\$80 million on the project to date. A Definitive Feasibility Study (“DFS”) was completed in December 2018 confirming the financial viability of the mining operations. Following the DFS, the EDFS was completed in April 2020 and updated in February 2021 with revised financial metrics. The Company is currently undertaking

further drilling and updating feasibility economics based on revised capex and phased construction approaches.

Based on the EDFs, the Fort Cady project has an estimated total capital expenditure cost of c. US\$842.6 million which is expected to be progressively incurred in phases. While a portion of the capital expenditure may be funded from the Company's existing cash balance and cash generated from the staged development of the operations, the Company will be required to raise significant capital in the short to medium term to fund the construction and the upscaling of the Project.

The US capital markets are some of the largest and most liquid markets in the world. As of 2020, the ASX had a market capitalisation of c. US\$1.9 trillion, which is materially below the size of NASDAQ at c. US\$19.1 trillion⁶. The change in domicile from an Australian corporation to a Delaware corporation listed on NASDAQ will enable ABR to access a broader investor base. As one of the largest stock exchanges by market capitalisation of shares traded, NASDAQ typically attracts investors wishing to invest in diverse assets with high growth potential. In addition, many US-based institutional investors and funds require a local domicile for their investments and tend to limit the foreign issuers in their US equity portfolios to comply with their international market risk requirements. The Proposed Re-domiciliation should enhance the ability of the Company to raise the required capital to fund the Project given location of the assets, Management Team and end-market. Conversely, the status quo may prove to be more challenging given the inconsistency between the listing exchange and the location of the Project which may deter institutional and sophisticated investors.

Notably, we expect that the CDI trading price will closely reflect the NASDAQ trading price (after adjusting for foreign exchange rates and the relevant ratio), given that 10 Holdco CDIs will be convertible into one Holdco Share. Therefore any benefits from greater access to US institutional investors should also be shared by holders of CDIs.

Ease of doing business

We note that the Proposed Re-domiciliation should result in an improved ease of doing business for Holdco. We note that this is evidenced by the World Bank: Ease of Doing Business⁷ rankings for both Australia and United States, as set out below:

World Bank rankings	Australia	United States
Getting credit	4	4
Protecting minority investors	57	36
Paying taxes	28	25
Trading across borders	106	39
Overall ease of doing business	14	6

Source: The World Bank: Ease of Doing Business 2020

Although Australia ranks the same in terms of getting credit, it is ranked lower than all other measures of doing business. We note that while the rankings do not guarantee improved financial performance in future, we consider these to be favourable since they imply a possible reduction in

⁶ World Federation of Exchanges

⁷ The Ease of Doing business ranking is a ranking from 1 to 190 compiled by the World Bank having regard to 10 major factors. A high ease of doing business ranking means the regulatory environment is conducive to starting and operating a local firm. Given ABR is a relatively later stage mining company, we consider

time and expenses incurred on administration and compliance.

More aligned company structure and reduction in overhead expenses

The Proposed Re-domiciliation will result in a more aligned and simplified group structure once finalised. Currently, all of ABR's assets, its management team and most of its employees are located in the United States. Furthermore, ABR intends to become a strategic supplier of Borates and SOP to the US market which is currently only serviced by a few local producers (in the case of SOP there is only one domestic producer of significant volume and for borates there are two producers).

From the perspective of the management team, the new structure will provide a suitable structure to allow the Company to achieve its objectives due to the greater familiarity with legislative and regulatory requirements in the United States. From investors' and employees' perspective, a familiar time zone, US corporate structure and primary NASDAQ listing should allow more attraction and retention and improved transparency.

Furthermore, Management expects that the Proposed Re-domiciliation will result in a reduction of unnecessary overhead costs due to the current structure which requires the Company to maintain an Australian Board with at least two directors being Australian residents and company secretarial, CFO and compliance functions in Australia, while all substantial operations are in United States. Management has estimated that the Proposed Re-domiciliation will reduce corporate overhead expenses by c. US\$1 million per annum.

US domicile and listing may raise ABR's profile, making it a more attractive takeover target

Listed rare earth minerals companies operating in US, such as MP Materials Corp and Compass Minerals International Inc.⁸, are typically also listed on US exchanges and domiciled in the US. As a result, shareholders, management and directors of those companies are usually more familiar with local corporation laws and takeover procedures than those in relation to an Australian-domiciled companies.

From the perspective of a typical market participant, a US domiciled business would have a more familiar and comparable corporate structure, and should result in simpler tax considerations from a transaction perspective. For instance the acquisition of a foreign entity requires the consideration of tax matters such as the repatriation of foreign income. It would also likely result in lower transaction costs in relation to the transaction due-diligence, administration, compliance, and time costs.

The Proposed Re-domiciliation will therefore increase ABR's potential attractiveness as a takeover target which should benefit all Shareholders.

Potential acceleration of ABR's product commercialisation due to its local nature

We note that the Fort Cady Project is located within close proximity of the California agricultural industry, which is currently responsible for more than 30%⁹ of domestic SOP demand in the US. Currently, the SOP market in the US is dominated by a single producer, Compass Minerals. At full production, ABR is set to become the third largest producer of borates globally and the US's second producer of SOP as well as its largest. The Proposed Re-domiciliation is likely to promote the

⁸ Both MP Materials Cop. And Compass Minerals International Inc. are listed on New York Stock Exchange (NYSE)

⁹ MST Access analyst report, dated 30 November 2020.

acceleration of product commercialisation, particularly in relation to SOP, as ABR will be better positioned to capture opportunities as a local producer.

Choice of exchange with CDIs accessible to Australian investors on the ASX

Scheme Shareholders will have the option of being able to continue trading their shares on the ASX (in Australian Dollars) through Holdco CDIs, or to trade their Holdco Shares on the NASDAQ (in US Dollars). Shareholders will be able to convert their Holdco CDIs to Holdco Shares (and vice versa) at any time after the Scheme is implemented. Nonetheless, Scheme Shareholders should be aware that there may be reduced liquidity of Holdco CDIs compared to ABR Shares.

Alignment of reporting currency and trading currency

Under the Proposed Re-domiciliation the Company will change its reporting currency in its financial reports from Australian dollars to US dollars. The Company currently reports in Australian dollars, however it pays its suppliers and employees in US dollars and will generate revenues in US dollars once its projects are operational. This generates a mismatch which can result in adverse exchange rate movements in the financial statements. Once the Proposed Re-domiciliation is completed, the Company's reporting currency will be US dollars and will be aligned with its trading currency removing volatility in its financial statements caused by exchange rate fluctuations.

Disadvantages of the Scheme

Change of jurisdiction and exposure to US legal regime

Following the Re-domiciliation, Holdco will be governed by the SEC. Any future action brought by Australian investors will be regulated by the United States legal system and attended in the US, which accordingly will become more expensive for Australian Shareholders. Despite this, Australian Shareholders will be able to seek enforcement of the laws in the same manner as a US Shareholder. In our opinion, given the relative similarity between the Australian and US legal regime as per the Scheme Booklet (see Appendix F), Australian Shareholders are unlikely to be materially prejudiced due to the Re-domiciliation. In addition, as per the World Bank: Ease of Doing Business¹⁰, the United States ranks significantly better than Australia for the protection of minority shareholders.

However, ABR Shareholders may be exposed to increased litigation as the US legal environment is generally more litigious compared to Australia. For instance, shareholders in the US can commence class action suits on their own behalf and on behalf of other situated shareholders to enforce an obligation owed to the shareholders directly. This signals a potential risk of incurring material legal costs or costs to the Company's reputation and financial performance, which could potentially impact the intrinsic value of the Company.

The detailed comparison between Australian and US legal regimes can be found in Annexure F of the Scheme Booklet.

Ability to issue preferred stock could reduce the value of Holdco Shares and/or discourage takeovers

¹⁰ The Ease of Doing business ranking is a ranking from 1 to 190 compiled by the World Bank having regard to 10 major factors. A high ease of doing business ranking means the regulatory environment is conducive to starting and operating a local firm. Given ABR is a relatively later stage mining company, we consider

As at the date of this Report, Holdco has the ability to issue up to 20 million shares of preferred stock, without approval of Holdco Shareholders. Holdco's certificate of incorporation authorises the Holdco Board to issue one or more classes of preferred stock with terms such as preferences, voting rights, limitations, and relative rights as designated by the Holdco Board. The issue of preferred stock and their associated terms could negatively impact ordinary shareholders' voting power and residual value of Holdco securities. For instance, preferred stockholders could have priority over common stockholders in regards to dividends, or over the company's assets in the event of a liquidation or winding up.

Furthermore, the Holdco Board's ability to issue preferred stock, without shareholder approval, and determine the price and terms of those shares, including preferences and voting rights could be used to dilute the ownership of a hostile acquirer.

Franking credits

If the Scheme is implemented, Australia-based shareholders may not be able to benefit from franking credits going forward, given the Holdco will not be an Australian tax resident, and Holdco considers its future profits to be derived principally from non-Australian sources. However, Scheme Shareholders may be able to obtain a non-refundable tax offset and use it to reduce their tax liabilities in the relevant year (subject to certain conditions).

Given ABR's large capital expenditure requirements over the next few years in relation to the Fort Cady Project, the Company is unlikely to pay a dividend until such time that the project begins generating significant cash inflows. Furthermore, any accumulated tax losses that can be used to offset against taxable income will further delay the creation of franking credits.

In our opinion, the disadvantage (if any) due to the lack of franking credits is mitigated given that the Company is unlikely to be in a position to pay dividends for the foreseeable future¹¹.

Protection of Scheme Shareholders under the new jurisdiction could be reduced

As a company incorporated in the State of Delaware, Holdco will be governed by applicable laws in US (including Delaware General Corporation Law, US federal securities laws, NASDAQ Listing Rules and Holdco's certificate of incorporation and by-laws), which may be different from the Corporations Act. For instance, Scheme Shareholders receiving Holdco Shares or Holdco CDIs in exchange for their ABR Shares may have reduced takeover protection under Delaware and US laws, compared to the protection available under Australian law.

ABR is currently subject to the takeover provisions of the Corporations Act which protect minority shareholders in the event of a change of control transaction. For instance, the Corporations Act restricts a person's voting power from increasing from below 20% to above 20%, or increasing at all between 20% and 90% (subject to a number of exceptions). These exceptions include acquisitions under a scheme of arrangement or a takeover bid. Where acquisitions arise through a takeover bid or scheme of arrangement, offers must be on the same terms for all shareholders and there are certain timetable, information disclosure and other requirements set out in the Corporations Act. This limits the powers of ABR's Board from taking defensive steps that can reduce the likelihood of a takeover from eventuating.

¹¹ As indicated in the Scheme Booklet that the Company is not anticipated to pay dividends in the foreseeable future.

On the other hand, under Section 203 of Delaware Corporation Law, if a holder acquires 15% or more of Holdco's voting stock (an Interested Holder) without prior approval of the board of directors, then for three years Holdco cannot engage in a broad range of business combinations with the Interested Holder. This limitation would not apply under a number of scenarios including if the business combination was approved by the Holdco Board before the holder became an Interested Holder or if it is subsequently approved by the Holdco Board and two-third of Holdco stock held by persons other than the Interested Holder. This gives the Holdco Board greater powers than provided to the ABR Board under the Corporations Act to prevent or inhibit an unsolicited takeover attempt. Furthermore, certain provisions of the certificate of incorporation and by-laws of Holdco also have the effect of deferring takeovers. This includes:

- empowering the Holdco Board to establish the rights and preferences of an undesignated class of preferred stock and to issue shares of such preferred stock without stockholder approval;
- requiring advance notice of a shareholders intention to put forth director nominees or bring up other business at a Holdco shareholders meeting;
- empowering the Holdco Board to adopt, amend and repeal by-laws and amend the certificate of incorporation in any manner under the Delaware Corporation Law;
- requiring the affirmative vote of at least two-thirds of the voting power of Holdco Shareholders entitled to vote generally in the election of directors in order for Holdco Shareholders to adopt, amend or repeal any provision of Holdco's by-laws (the Holdco Board may also amend the by-laws);
- requiring the affirmative vote of at least a majority of Holdco Shareholders entitled to vote in order for Holdco Shareholders to adopt, amend or repeal any provision of Holdco's certificate of incorporation; and
- providing that the number of directors shall be fixed from time to time by Holdco's Board pursuant to a resolution adopted by a majority of the total number of authorised directors (whether or not there exist any vacancies in previously authorised directorships).

The certificate of incorporation and by-laws of Holdco may be amended in the future pursuant to these provisions and the Delaware Corporation Law to authorise additional takeover defence mechanisms

In addition, these provisions may create obstacles for the Holdco Shareholders to elect directors who are not nominated by the current members of the Holdco Board or take other corporate actions, including effecting changes in the management team.

Ineligible shareholders will not be able to receive Holdco CDIs or Holdco Shares

Holdco CDIs and Holdco Shares that the Ineligible Foreign Shareholders would otherwise have been entitled to will be transferred to a Sales Agent, who will sell them on behalf of the Ineligible Foreign Shareholders, with the gross sale proceeds remitted to them. As a result of this, there may also be tax consequences for Ineligible Foreign Shareholders as a result of the Proposed Re-domiciliation.

Furthermore, equity markets are currently in the midst of a period of high volatility and accordingly the timing of the sale of ABR Shares may occur at a lower price than the underlying value, resulting in an adverse outcome for Ineligible Foreign Shareholders.

Transaction costs

The Proposed Re-domiciliation will cause ABR to incur various costs in relation to professional advisory fees as well as fees payable to regulators. However, the vast majority of these costs will have already been incurred at the date of the Scheme meeting.

Other factors

Tax implications

The taxation implications for Scheme Shareholders will depend on whether the shares are held on capital account, revenue account or as trading stock. Shares held on revenue account or trading stock are acquired with the intention to resell them at a profit in the short term. Whereas shares held on the capital account are acquired for the purpose of deriving dividend income and long term value appreciation.

We note it is outside the scope of this report to consider the specific tax implications for individual shareholders. However, ABR has received specific tax advice for Scheme Shareholders that hold their ABR Shares or ABR Options on the capital account as summarised in section 10 of the Scheme Booklet.

ABR has sought (and it is a condition precedent) an ATO Class Ruling confirming certain Scheme Shareholders who do hold their shares on capital account, and who make a capital gain on the exchange of their ABR Shares for Holdco Shares or Holdco CDIs, will be eligible to choose capital gains tax business restructure rollover relief ("scrip-for-scrip rollover relief"). The scope of the ATO Class Ruling will be limited to the following Covered Participants:

- Scheme Shareholders which are Australian residents or foreign residents which hold their ABR Shares, and will hold the Scheme Consideration, as taxable Australian property; and
- Option Holders which are Australian residents or foreign residents which hold their ABR Options, and will hold their Holdco Options, as taxable Australian property.

As a result, Covered Participants who choose scrip-for-scrip rollover relief will be entitled to disregard any capital gain or loss arising from the disposal of their ABR Shares for Holdco Shares. In addition, for the purpose of determining the capital gains tax discount, the acquisition date of the Holdco Shares or Holdco CDIs received as consideration will be taken to be the date when the Scheme Shareholder originally acquired their ABR Shares. Foreign resident shareholders which are not Covered Participants should also be entitled to disregard any capital gain or loss arising from the Proposed Re-domiciliation.

In relation to Option holders, they should also be entitled to disregard any capital gain or loss arising from the exchange of ABR Options for Holdco Options. Foreign resident Option holders which are not Covered Participants should also be entitled to disregard any capital gain or loss arising from the Proposed Re-domiciliation.

Scheme Shareholders who hold their ABR Shares on revenue account will be subject to income tax on any gains arising from the exchange of ABR Shares for Holdco Shares or CDIs. Non-resident Scheme Shareholders whose revenue gains are sourced in Australia may be protected by a tax treaty.

Upon implementation of the Scheme, Holdco will not be an Australian resident for tax purposes and Scheme Shareholders will receive a beneficial interest in shares in a foreign company, which will have ongoing implications for Scheme Shareholders which will vary for different shareholders.

For detailed tax consequences, please refer to section 10 in Scheme Booklet.

Reporting requirements will change

If the Proposed Re-domiciliation is implemented, it is likely that Holdco will not be required to prepare financial statements under applicable Australian laws (and in accordance with Australian accounting standards) and will only be required to prepare its financial statements in accordance with United States laws (i.e. US GAAP). The Company has received in principle advice from the ASX confirming that it will accept accounts prepared in US GAAP and will not require Holdco to provide a statement reconciling its accounts to Australian Accounting Standards or other international accounting standards.

As a foreign-incorporated entity listed on the ASX, Holdco will be required to lodge certain financial statements prepared under US GAAP with the ASX. Holdco is seeking waivers from ASX so that Holdco may prepare its quarterly and half-yearly filings under the rules and regulations of the SEC and file these in accordance with the SEC timetable, rather than in accordance with the ASX Listing Rules. However, there is no guarantee that these waivers will be provided by ASX. If these waivers are not provided, Holdco will need to make periodic filings in accordance with both the SEC and ASX reporting timetables.

The ABR Board believes that there is no material difference in reported results under the different sets of financial statements and that shareholders who currently rely on the Company's current financial statements prepared in accordance with Australian Accounting Standards will continue to understand the content of Holdco's financial statements when prepared under US GAAP although there are several items that would be classified differently and the reporting timetable would be different.

Further detail including a comparison of Australian and United States reporting requirements is set out in Appendix G of the Scheme Booklet.

Overall conclusion

In our opinion, the advantages of the Scheme outweigh the disadvantages and accordingly the Scheme is in the **BEST INTERESTS** of the ABR Shareholders.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Scheme is a matter for each Scheme Shareholder to decide based on their own views of the Re-domiciliation and expectations about future market conditions, ABR's performance, risk profile and investment strategy. If Scheme Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



ANDREA DE CIAN
Partner



JANNAYA JAMES
Partner

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by ABR to provide general financial product advice in the form of an independent expert's report in relation to the Proposed Re-domiciliation. This report is included in ABR's Scheme Booklet.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from ABR a fee of A\$90,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of ABR in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

“Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with ABR (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Takeover.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Takeover, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Takeover. Grant Thornton Corporate Finance’s out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 “Independence of expert” issued by the ASIC.”

We note that Grant Thornton Australia Limited has provided tax advice to ABR in connection with the Proposed Re-domiciliation. However, we have strict internal protocols in relation to independence of our services, and we note that this Report was provided outside of the tax team’s procedures. In our opinion, Grant Thornton Corporate Finance is independent of ABR and its Directors, and all other relevant parties to the Proposed Re-domiciliation.

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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1 Overview of the Proposed Re-domiciliation

The Company is proposing to transfer its domicile from Australia to the United States in order to align it with its assets' location, operations and future potential capital source. In order to implement the Re-domiciliation, Holdco will be incorporated without any shareholder or shares on issue. Subsequently, the Company will proceed with the following steps (please refer to the Scheme Booklet for more details).

- *Scheme of Arrangement* - The Proposed Re-domiciliation will be implemented by way of scheme of arrangement under Part 5.1 of the Corporations Act. The Scheme should be approved by the requisite majority of Scheme Shareholders at the Scheme Meeting before proceeding.
- *Scheme Consideration* – ABR Shareholders who are eligible Scheme Shareholders will receive either Holdco Shares that will be listed on the NASDAQ or Holdco CDIs¹³ that will be listed and quoted for trading on the ASX, in exchange for the ABR Shares they hold on the Record Date¹⁴.
- *ASX and NASDAQ Listings and Delisting* – Holdco will be listed, subject to successful application, on the NASDAQ and listed and quoted for trading through a CDI on the ASX. ABR will subsequently be delisted from the ASX. Holdco therefore effectively replaces ABR as the listed entity.

The Proposed Re-domiciliation is subject to a number of conditions precedent including but not limited to the following:

- ABR Shareholder and Court approvals of the Scheme.
- Holdco being authorised for listing on NASDAQ prior to implementation of the Scheme.
- ASX approving the admission of Holdco to the official list of ASX and the Holdco CDIs for official quotation prior to the Second Court Date.
- ATO Class Ruling in regards to scrip-for-scrip rollover relief being issued prior to the Second Court Date.

For the details of conditions precedent please refer to section 8 of the Scheme Booklet.

¹³ Chess Depositary Interests.

¹⁴ As stated in the Scheme Booklet, the Record Date for the Scheme is currently expected to be 17 December 2021.

2 Purpose and scope of the report

2.1 Purpose

Section 411 of the Corporations Act, 2001 regulates schemes of arrangement between companies and their members. Part 3 of Schedule 8 of the Corporations Regulations 2001 prescribes information to be sent to shareholders and creditors in relation to members' and creditors' schemes of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirements for an independent expert's report, documentation for a scheme of arrangement typically includes an independent expert's report.

The Directors have requested that Grant Thornton Corporate Finance prepare an independent expert's report to express an opinion as to whether the Scheme is in the best interests of Scheme Shareholders.

2.2 Basis of assessment

In preparing this report, Grant Thornton Corporate Finance has had regard to RG 111 which contains certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG 111 is framed largely in relation to reports prepared pursuant to section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" are in the context of a takeover offer.

However, we note that RG 111 does not specify the basis of evaluation for a change of domicile transaction but does indicate that the basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction, that is, the expert must consider the substance of the proposed transaction and not the legal form when evaluating it.

The economic substance of the change in domicile transaction is that there is substantially no change in the economic interests of shareholders in eligible jurisdictions, who effectively retain their existing holdings in the company following implementation of the Proposed Re-domiciliation. While the legal form of the Scheme, involving the exchange of shares in ABR for shares in Holdco, is akin to a change in control transaction, there is not, in substance, any change in control taking place under the Proposed Re-domiciliation. Accordingly, we do not consider it appropriate to analyse the change in domicile to be implemented via the Scheme as a control transaction.

The range of transactions regulated by RG 111 includes transactions not involving a change of control, such as demergers and demutualisations. RG 111 indicates that for these types of transactions, the issue of 'value' (which is fundamental in transactions involving a change of control) is of secondary importance and that the expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages.

Taking into account the guidance contained in RG 111, we consider that the most appropriate approach to assess whether the Proposed Re-domiciliation is fair and reasonable to ABR Shareholders is to consider the advantages and disadvantages of the Proposed Re-domiciliation.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Scheme with reference to RG 112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Proposed Re-domiciliation other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Re-domiciliation.

2.4 Consent and other matters

Our report is to be read in conjunction with the Scheme Booklet dated on or around 27 October 2021 in which this report is included, and is prepared for the exclusive purpose of assisting ABR Shareholders in their consideration of the Proposed Re-domiciliation. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Scheme Booklet.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Proposed Re-domiciliation on ABR Shareholders as a whole. We have not considered the potential impact of the Proposed Re-domiciliation on individual ABR Shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Proposed Re-domiciliation on individual shareholders.

The decision of whether or not to approve the Proposed Re-domiciliation is a matter for each ABR Shareholder based on their views of the advantages and disadvantages of the Proposed Re-domiciliation. If the ABR Shareholders are in doubt about the action they should take in relation to the Proposed Re-domiciliation, they should seek their own professional advice.

2.5 Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services ("APES 225") as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

"An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time."

3 Profile of the industry

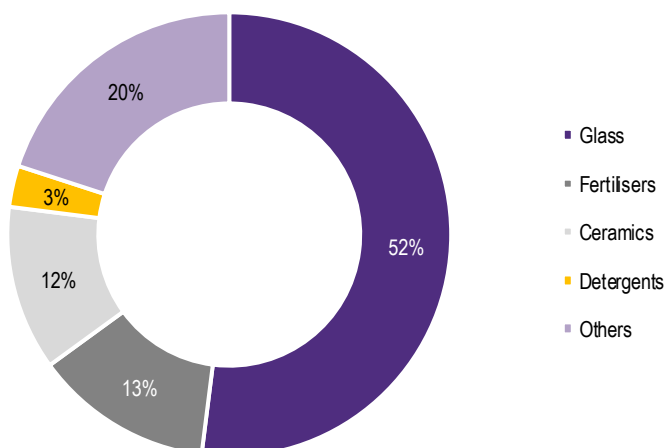
ABR is an ASX-listed company primarily focused on advancing its Fort Cady Borate Project located in southern California, the United States. Once operational, Fort Cady will produce borates and SOP as a by-product. Accordingly, we have provided an overview of these specialty mineral resource markets below, including historical and forecast trends.

3.1 Borates

3.1.1 Overview of borates

Borates are a group of naturally occurring minerals that contain the essential element boron. Boron doesn't exist by itself in nature and instead it is found in various chemical combinations with oxygen and other elements. For instance boric acid consists of boron, oxygen and hydrogen, meanwhile calcium borate is made up of boron, oxygen and calcium. Borates are prevalent in modern life and found in a variety of common end-use applications. Historically and currently, borates are utilised in more than 300 applications. The most common end uses at present are illustrated below:

Borates consumption by end use



Source: ETI Maden; ABR presentation dated 1 September 2021.

Applications of borates include, but are not limited to, the following:

- High-end fibreglass insulation products and high-tech glass products and coatings used in computers, light-emitting diodes ("LEDs") and circuit boards.
- Specialty fertilisers used in agriculture to improve crop yields.
- Ceramics that are commonly used in building materials, kitchen utensils and decorative items.
- Natural cleaning agents in the form of laundry detergents, household or industrial type cleaners, and personal care products.

- End uses related to future facing applications such as wind turbines, solar photovoltaic modules, and permanent magnets used in electric vehicle traction motors.

Besides a wide variety of traditional end uses, we note that borates are nowadays playing an important role in future facing applications related to decarbonisation and food security. One of the growing uses of boron is related to renewable energy. Boron is used in the production of wind turbines and solar photovoltaic modules which are two key sources of renewable energy production globally, and in the United States. In 2020, renewables became the second most prevalent source of electricity generation in the US after natural gas, with wind the largest source of renewable electricity in the country.

Boron is also used in manufacturing of all modern cars, and in particular, in permanent magnet drivetrains and lithium-ion batteries which are essential to the manufacturing of electric vehicles ("EVs"). It is also used in fibreglass insulation, the most common form of insulation in the United States.

Boron is one of six essential micronutrients required for plant growth and therefore it plays a critical role in global food production. Crop production and crop yields can suffer as a result of boron deficiency in the soil. With growing global populations, increasing urbanisation and lower levels of arable land, improving productivity and crop yields through fertilisers, including those with boron, will be important in ensuring global food security.

We note that borates prices are primarily determined by commercial-in-confidence contracts between purchasers and suppliers which is ultimately affected by underlying supply and demand trends in the market. Based on broker information and discussions with Management, we note the current market price of boric acid is approximately US\$900 per tonne¹⁵ in the United States. We note that in its EDFs the Company adopted a price of US\$750 per metric tonne.

3.1.2 Supply of borates

Large-scale economically viable borates deposits are rare, with only four main regions having concentrates of such quality – Turkey (Europe), California (North America), the Central Andes range (South America), and Tibet (Central Asia). Turkey alone accounts for over 73% of global resources¹⁶. The current global production is c. 4.5 million tonnes¹⁷ per annum (boric acid equivalent), which in value terms equates to c. US\$3.4 billion¹⁸. Turkey accounts for approximately 60%¹⁹ of production through the state-owned Eti Maden mining company, which operates the Eti Mine, and the majority is exported. Meanwhile the United States accounts for c. 25% of global production, of which c. 90%²⁰ is supplied by the Rio Tinto Borates Boron mine in Southern California and the remainder is supplied by Searles Valley Minerals, owned by Indian company Nirma Limited. Approximately half of US production is consumed locally with the remainder exported. Below we set out global borates resources and production by country:

¹⁵ ABR EDFs.

¹⁶ Page 8, ABR investor presentation dated 1 September 2021

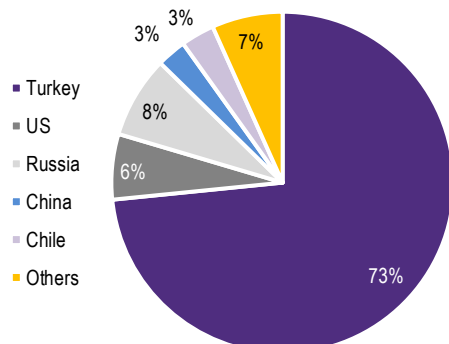
¹⁷ Shaw and Partners equity research report dated 1 July 2021

¹⁸ Based on ABR's assumed price of US\$750 per metric tonne used in its EDFs.

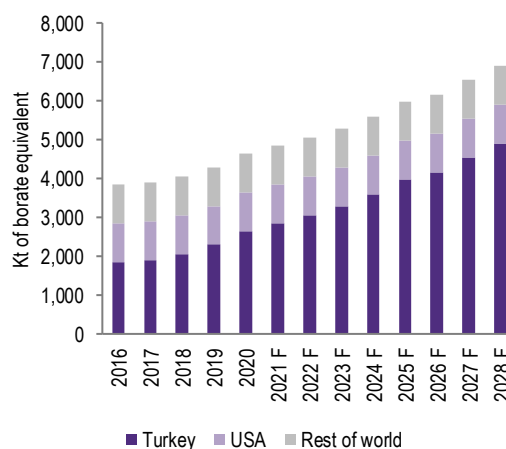
¹⁹ MST Access equity research report dated 30 November 2020

²⁰ Shaw and Partners Initiation of Coverage report dated 1 July 2021

Estimated global borate resources¹



Borate production (boric acid equivalent)²



Note: (1) World estimated boron resources by geography as at 2016; (2) excluding ABR

Source: Estimated global borate resources by country is published on ETI Maden Website; Borate production is extracted from Shaw Partners analyst report dated July 2021

Turkey has consistently been the largest producer of borates in the world, fully satisfying domestic demand and contributing significantly to global exports. Besides Fort Cady, future demand growth in borates is expected to be met largely by Turkey, with the remainder being met by other suppliers in US and other countries. We note that Rio Tinto Borates has been operating at full capacity since 2011 with signs of a reduction in its production volumes since 2019²¹. The limited supply and growing demand should support US borates prices in the medium term.

Leading industry participants are currently developing new opportunities in relation to the exploration of new mines. For example, Rio Tinto has an underground project in Jadar, Serbia, although this has been in prefeasibility since 2012. In December 2020, Rio Tinto announced reserves of 16.6 million tonnes and resources of 139.2 Mt in relation to the Jadar project.

3.1.3 Demand for borates

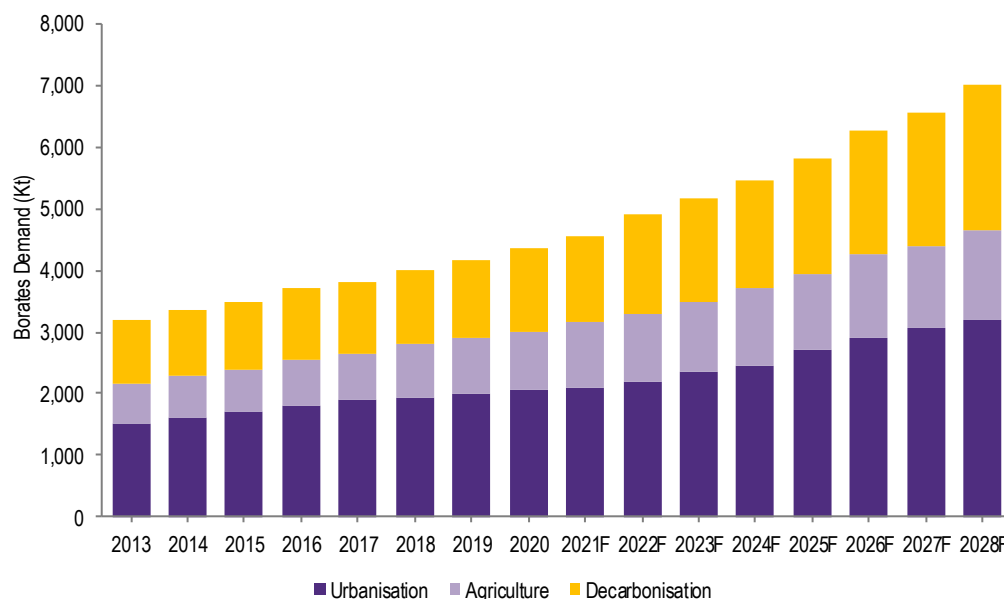
Between 2013 and 2020, demand for borates grew at a CAGR of approximately 4%²². This has been driven by urbanisation in Asia; the construction industry and improved building standards which have driven demand for insulation and glass; targeted improvements in agricultural yields; and advances in energy efficiency technologies. Future demand is expected to grow at a CAGR of approximately 3-4% from 2021 to 2028²³, slightly above global GDP growth levels. Growth is expected to be supported by continued urbanisation, the need for improved crop yields and food security (particularly in emerging markets) due to growing populations and less arable land, and the ongoing shift to renewable energy and focus on decarbonisation. The following graph sets out the historical and forecast demand for borates:

²¹ Page 10 of ABR presentation dated 1 September 2021

²² Shaw and Partners

²³ Shaw and Partners

Global borates demand (boric acid equivalent)



Source: Equity Research report by Shaw and Partners, dated 1 July 2021

We note that the borates market is not as transparent as other mainstream minerals, given the data is not reported in a consistent manner by all countries. However, analysis of borate consumption shows that Asia accounts for approximately 56% of consumption, dominated by China, the world's largest consumer of borates and derivatives. The Americas account for approximately 25% and Europe for approximately 18%.

Macroeconomic drivers

There are very few direct substitutes for borates, particularly in relation to agricultural end-uses and high-end applications such as wind turbines, permanent magnet traction motors, photovoltaics and semiconductors. In addition, it is an essential plant micronutrient that cannot be substituted. All major crop types globally are susceptible to boron deficiency. Accordingly, whilst a cyclical profile may be observed in these markets, generally they are considered steady growth markets that are correlated with global population growth, urbanisation, and decarbonisation.

- **Global population and urbanisation:** Over the last 30 years, the global population has increased by 2.5 billion people and grown at a CAGR of c. 1.3% with more than 90% of the growth occurring in developing economies, predominantly in Asia²⁴. As at January 2021, the global population was c. 7.8 billion, and is expected to reach 8.5 billion by 2030 and 9.7 billion by 2050²⁵. At the same time, the proportion of people living in urban areas has increased to 55.7% in 2019 from 51.1% in 2009²⁶, primarily driven by countries with the highest population growth in Asia. This increasing population and urbanisation is resulting in greater demand for household products and building materials such as fibreglass insulation, ceramics, wood treatment, cleaning detergents, kitchenware and ceramic tiles.

In addition to household products and building materials, a growing and wealthier population will also lead to greater demand for foods, including high-value foods that are particularly sensitive to boron

²⁴ World Population Prospects 2019, published by Department of Economic and Social Affairs, United Nations

²⁵ Demographic Trends, published by United Kingdom Government Office for Science.

²⁶ United Nations Conference on Trade and Development, data as at 2019.

deficiency such as nuts, fruits and vegetables. We note that global crop production in 2019-20 reached c. 3.38 billion metric tonnes, and is expected to slightly increase to c. 3.42 billion metric tonnes in 2020-21²⁷. Whilst production in the agriculture industry can be highly seasonal, depending on weather conditions and crop yields, it is expected to continue growing driven by the increase in future food demand as a result of higher incomes and an increasing population.

- *Decarbonisation:* Borates are beneficiaries of the decarbonisation and energy transition thematic, as boron nowadays is not only linked to traditional uses (i.e. fiberglass, ceramics, fertilisers, etc.), but also new world applications related to clean or renewable energy²⁸, and decarbonisation more broadly.

The Paris Agreement under which nearly all states around the world pledged to limit global temperatures by reducing greenhouse gas emissions will require countries to adopt a greater proportion of renewable energy and promote decarbonisation policies. Borates are used in the production of borosilicate glass which is used in solar photovoltaic panels due to its high chemical resistance and resistance to thermal shock. However the most common glass used in solar panels is soda-lime tempered glass as it is cheaper and easier to manufacture.

Boron is also used to create high-powered permanent neodymium magnets comprising neodymium, iron and boron which are used to generate electricity in wind turbines and to produce wind turbine blades. In electric vehicles, neodymium permanent magnet motors (with the added rare earth element dysprosium) are often used in their drivetrains due to their significant power density. However, increasing prices of rare earth materials in recent years and concerns regarding security of supply mean that some car manufacturers have explored substitutes to rare earth magnets, or magnets that use a lower amount of rare earth materials. In addition some car manufacturers have plans to eliminate rare earth magnets altogether. The extent that this is possible given their desirable properties that enable the development of power-dense electric motors is uncertain.

Borates are also used to enhance battery performance, including the amount of charge a battery can hold and its life cycle. It is also used for the production of fibreglass insulation, the most common form of home insulation in the United States.

We note that the share of renewables in global electricity generation increased to 29% in 2020 from 27% in 2019, driven by green infrastructure development and economic stimulus measures passed in response to COVID-19. In addition, several countries and businesses have announced their decision to develop green infrastructure in the past few years, despite the onset of a global pandemic and an economic recession in 2020. In the future, the use of clean energy is expected to further grow driven by decarbonisation plans and emissions reductions targets. The growth in the demand for renewable energy technologies, electric vehicles and energy saving applications will underpin the demand for borates.

²⁷ World Agricultural Production, United States Department of Agriculture, dated September 2021.

²⁸ Shaw and Partners analyst report dated 1 July 2021.

3.2 Sulphate of potash

3.2.1 Overview of sulphate of potash

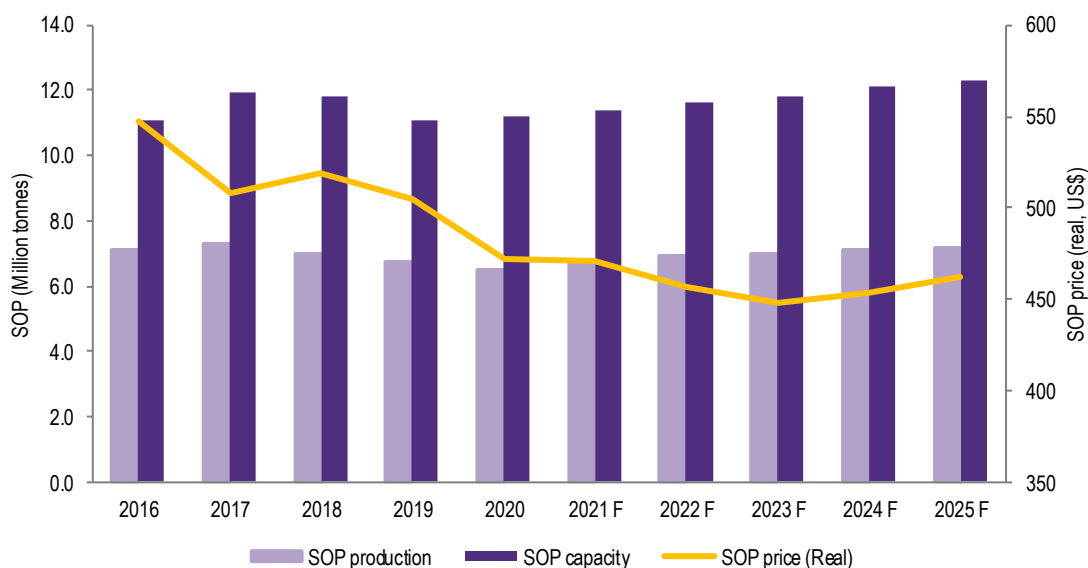
Potash generally refers to a range of mined and manufactured salts that contain the element of potassium. Potassium is an essential nutrient required by plants to perform a variety of functions. The global potash market includes a range of potassium fertilisers, dominated by muriate of potash (“MOP”), and smaller specialty markets for SOP as well as other potash products. SOP can be used for every application that MOP can be used for but it has the added benefit of including the secondary nutrient sulphur, an important macro-nutrient for plants. SOP also results in higher yields, longer shelf life and improved taste over MOP crops. However SOP is more complex and expensive to produce and accordingly demands a premium price. In 2019 global potassium demand from fertilisers was c. 37.8 million tonnes of potassium oxide equivalent, of which 56% was supplied by MOP and 3% by SOP²⁹, with the remainder coming from other potassium products.

SOP is typically used as a specialty fertiliser for crops that are sensitive to chlorides or in areas where there is limited rainfall and where a build-up of chlorides in the soil is detrimental. Crops sensitive to chlorides that require SOP fertiliser for growth include high-value crops such as fruits and vegetables, turf, nuts, coffee, cocoa and tobacco.

3.2.2 Supply of SOP

Potash is abundant and deposits are found on every continent in the world. Whilst SOP resources are widespread, the supply of SOP is geographically concentrated with China accounting for c. 65% of global SOP production capacity in 2019³⁰. The removal of potash export tariffs in January 2019 in China has resulted in additional supply to global markets which has put downward pressure on global SOP prices in recent years. We have set out below the historical and forecast global production of SOP from 2016 to 2025.

Historical and forecast global production and prices of SOP



²⁹ Page 4, Argus Potash Analytics: Long-term Outlook to 2035, dated December 2020

³⁰ Page 5, Argus Potash Analytics: Long-term Outlook to 2035, dated December 2020

Source: Potash Analytics - Long term outlook to 2035

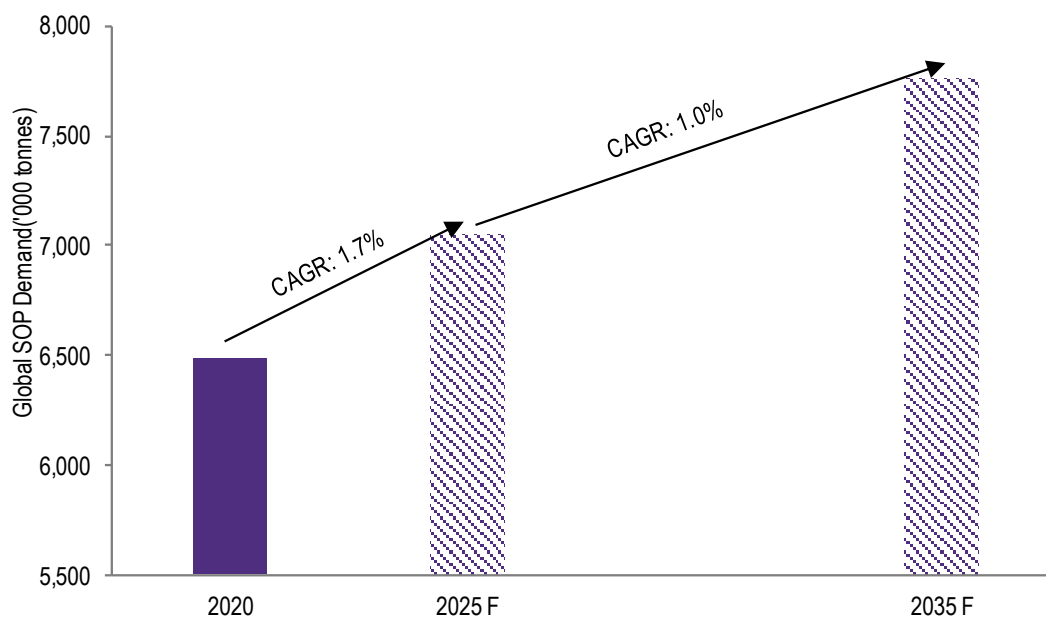
While the SOP market is currently not oversupplied³¹, capacity growth and increasing Chinese exports have outpaced demand growth. Prices are expected to continue to reduce in the medium-term as supply from China and new entrants to the SOP market in Australia and Eritrea are expected³² to more than offset growth in demand. Whilst Chinese SOP production is expected to have a greater presence globally, some Chinese capacity is expected to close. However, we note that the capacity loss is expected to be concentrated towards small plants from the high end of the cost curve. Additionally, new entrants may help offset shortfalls elsewhere – Australia and East Africa have seen a boom in SOP proposals to mine low-cost resources in recent years, and some of these projects are in development to be brought to market in the near future³³.

We note that MOP price and volumes are also directly linked to the production of SOP. Secondary SOP production uses MOP as an input to produce SOP, directly linking the price of MOP to SOP production costs.

3.2.3 Demand for SOP

SOP is used almost entirely in agriculture. Accordingly, demand for SOP is largely driven by growth in the agricultural industry, in particular the developments of high-value crops where the cost of fertiliser has less of an impact on crop profitability. SOP used in crop markets is estimated to grow 3% in 2021, and the total SOP demand in the world is projected to grow at CAGR of 1.3% from 2020 to 2035³⁴. China and Western Europe are the biggest consumers of SOP in direct agriculture application, accounting for 74% of total SOP crop use in 2021. We have set out below the forecast global demand for SOP.

Forecast SOP demand



Source: Potash Analytics: Long-term Outlook to 2035

³¹ Page 5, Argus Potash Analytics: Long-term Outlook to 2035, dated December 2020

³² Page 110, Argus Potash Analytics: Long-term Outlook to 2035, dated December 2020

³³ Page 17, Potash Analytics: Long term outlook to 2035

³⁴ Page 5, Potash Analytics, dated May 2021

SOP demand is projected to grow at a CAGR of 1.7% over the next five years, reaching 7.0 million tonnes by 2025, before slowing to a CAGR of c. 1.0% through to 2035. The growth in demand is expected to be driven by population growth in countries within Latin America, Africa, and Asia, as well as from the agricultural development in Western Europe.

On 21 February 2021, China announced its priorities for 2021 and 2025, indicating that the country will focus on modernising agriculture and promoting food security. The policy is likely to have positive flow on effects for SOP demand by promoting the use of higher quality fertilisers. The potash usage in North America is also projected to grow as China has committed to expanding its purchases of US agricultural products. More broadly, continued growth is expected in the global agriculture industry, driven by an increase in the demand for food and high-value crops as a result of a growing populations and higher incomes.

4 Profile of ABR

4.1 Overview

ABR was incorporated in Australia in October 2016 and commenced trading on the ASX in July 2017. The Company is focused on advancing its 100%-owned flagship Fort Cady Borate Mine Project located in Southern California, USA. In addition to Fort Cady, the Company owns the Salt Wells Borate and Lithium Projects, located in Nevada, USA.

Fort Cady has had in excess of US\$80 million spent on it by ABR and earlier owners. A DFS was completed in December 2018 confirming the financial viability of the mining operations with an EDFs completed in April 2020 and updated in February 2021 with revised financial metrics.

In May 2021, ABR has refocused its commercialisation strategy to produce boric acid alongside high end advanced Boron materials and specialty products, aiming to become a fully integrated producer. In particular the Company is targeting Boron applications in the field of clean energy transition, electric transportation and food security, all highly pertinent for a decarbonising world and key drivers of the clean energy transition.

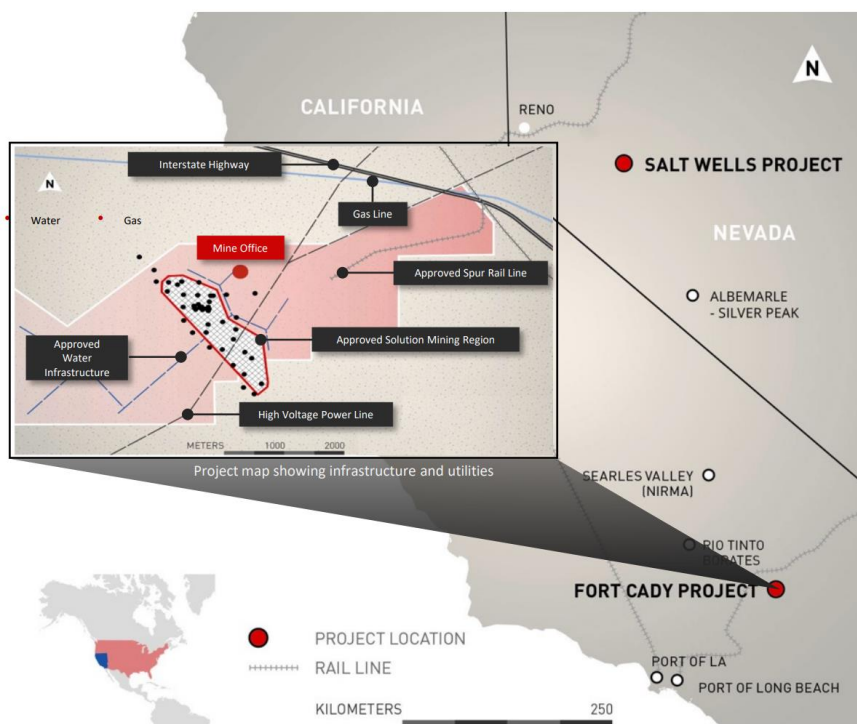
4.2 Mining projects

4.2.1 Fort Cady

The Fort Cady Project is located in the south-eastern desert region of San Bernardino County, California, near the town of Newberry Springs, approximately 50km east of the city of Barstow and 4km south of Interstate 40 Highway ("I-40"). The exploration area is served by infrastructure, with existing sealed roads, a gas pipeline, rail line and power lines nearby. The map below illustrates the location of Fort Cady Project with surrounding infrastructure and utilities. The Company currently has all construction permits and all substantive permits for operational activities³⁵.

³⁵ Some operational permits cannot be obtained until construction is complete.

Fort Cady Project Map showing Infrastructure and Utilities



Source: ABR Corporate Presentation September 2021

Fort Cady is a highly rare and large conventional colemanite deposit. Colemanite is a conventional boron mineral that has been used to commercially produce boron for broad applications for long time. The project involves the production of boric acid. In addition, SOP is produced as a by-product of the production of hydrochloric acid ("HCl") that is used in the mining process for boric acid. We also note that the Company is actively exploring partner options for potential by-product lithium³⁶.

The Company confirmed, on 4 February 2021, in its EDFS that Fort Cady has a JORC Mineral Resource Estimate of 120.4Mt of total resources (measured, indicated and inferred) as outlined below.

Fort Cady - JORC Estimate					
	Tonnage (MMt)	B ₂ O ₃ (%) ¹	H ₃ BO ₃ (%) ^{2,3}	B ₂ O ₃ (Mt) ⁴	H ₃ BO ₃ (Mt) ⁵
Reserves					
Proven	27.2	6.7%	11.9%	1.8	3.2
Probable	13.8	6.4%	11.4%	0.9	1.6
Total Reserves	41.0	6.6%	11.7%	2.7	4.8
Resources					
Measured	38.9	6.7%	11.9%	2.6	4.6
Indicated	19.7	6.4%	11.4%	1.3	2.2
Total Measured & Indicated	58.6	6.6%	11.7%	3.9	6.9
Inferred	61.9	6.4%	11.4%	4.0	7.1
Total Resources	120.4	6.5%	11.6%	7.9	13.9

Source: ABR Updated Enhanced Definitive Feasibility Study February 2021

Notes: (1) B₂O₃ denotes boric oxide; (2) H₃BO₃ denotes boric acid; (3) Boric acid (H₃BO₃) equivalent % = 1.78*B₂O₃ %; (4) Boric oxide (B₂O₃)

³⁶ Announced on 13 September 2021

*equivalent (Mt) = Tonnage*B₂O₃ %; (5) Boric acid (H₃BO₃) equivalent (Mt) = Tonnage*H₃BO₃ %; (6) An extraction ratio of 70% is assumed for converting Resources to Reserve.*

The Company expects the Measured and Indicated Resource supports the first 14 years of production with the Inferred Resources supporting an additional 7 years of production. Fort Cady is also expected to produce several by-products including lithium and gypsum, however in modest volumes. At full production (expected from 2028 onwards based on the EDFS) 450,000 tons (408,000 metric tonnes) of boric acid and 400,000 tons (362,874 metric tonnes) of SOP are expected to be produced per annum.

4.2.1.1 Staged approach and recent developments

The development of the Project has been split into a three main phases, Phase 1, Phase 2, and Phase 3, with Phase 1 in the EDFS being split into three sub phases as outlined below:

- Phase 1A will focus on the SOP facility, targeting production of 20kstpa of SOP and a small amount (9kstpa) of boric acid.
- Phase 1B will focus on increasing the production of SOP to 80kstpa, while maintaining boric acid production of 9kstpa.
- Phase 1C will shift focus to boric acid, increasing production to 90kstpa while maintaining SOP production at 80kstpa.

Under the EDFS, Phase 1 will continue in isolation prior to Phase 2 production commencing in 2025. Phase 2 and 3 each target an additional 180kstpa of boric acid and 160kstpa of SOP. It is expected Phase 1 and 2 will run simultaneously for two years before Phase 3 production commences approximately two years later.

However we note that since the release of the EDFS, the Company has deferred construction of Phase 1A to focus on a larger operation and production and is considering two alternative base case options of either combining all of Phase 1 operations into a single operation ("Option 1"), or combining both Phase 1 and Phase 2 into a larger single operation ("Option 2"). Option 1 would deliver a 90kstpa boric acid and 80kstpa SOP operation whereas Option 2 would deliver a 270kstpa boric acid and 240kstpa SOP operation. In addition, the Company is investigating engineering enhancements to reduce capital intensity and operating costs via pilot production wells and undertaking further drilling to target a higher JORC-compliant mineral resource estimate.

The Company is in ongoing dialogue with the local, state and federal agencies in relation to project permitting and obligations. All substantive operating and environmental permits required for commercial solution mining operations have been obtained and are in place until the end of Phase 1. Under the mine plan, boric acid and SOP will be transported along with the by-products gypsum and hydrochloric acid in bulk by road or railroad to domestic consumers or exported through the port of Los Angeles.

The Updated EDFS presents several key financial metrics as set out below:

Key Financial Metrics - Fort Cady Project					
	Phase 1A	Phase 1B	Phase 1C	Phase 2	Phase 3
Estimated Capex (US\$m)	54.2	34.6	122.0	313.0	318.7
Unlevered, post-tax NPV ₈ (US\$m) ^{1,2}	138.5	597.9	885.2	1,889.0	2,021.0
Unlevered, post-tax IRR (%) ¹	24.4	46.1	36.4	40.2	40.6
EBITDA in first full year of production (US\$m) ¹	12.6	49.6	81.1	257.3	452.7
Estimated Opex Boric Acid (US\$/metric tonne) ³	1,690.3	4,282.0	734.7	645.1	634.6
Estimated Opex SOP (US\$/metric tonne) ³	760.6	481.7	826.5	725.7	713.9
Life-of-Mine from first production (years) ¹	93.0	93.0	93.0	33.0	21.0

Source: ABR Updated Enhanced Definitive Feasibility Study February 2021

Notes: (1) Capex figures are presented on phase by phase basis, and other figures are presented on an incremental basis post-Phase 1A with Phase 3 presenting the full project economics; (2) NPV is calculated on a 100% equity basis and assumes a discount rate of 8% for the project (3) Represents Opex on a phase by phase basis assuming no by-product credits. Factoring in by-product credits estimated Opex in full production (i.e. Phase 3) per Mt of boric acid is US\$17.8, and estimated Opex in full production per Mt of SOP is US\$(94.4).

We have set out below the breakdown of capex in each phase which the Company will be required to fund in the future:

Capex Summary - Fort Cady Project						
\$US millions	Phase 1A	Phase 1B	Phase 1C	Phase 2	Phase 3	Total
Wellfield	0.3	0.3	13.9	27.3	27.3	69.2
Solvent Extraction	2.1	-	13.4	22.6	22.6	60.7
Crystallization	6.0	-	27.8	42.1	42.1	118.1
Zero Liquid Discharge	3.9	-	30.2	45.0	45.0	124.0
Mannheim Facility	15.6	28.1	-	96.6	96.6	236.9
Other Direct Costs	21.4	3.1	22.3	37.2	37.2	121.1
Total Direct Capex	49.2	31.4	107.6	270.9	270.9	729.9
Total Indirect Costs	2.5	1.6	5.4	13.7	13.7	36.9
Contingency	2.5	1.6	9.0	28.5	34.2	75.8
Estimated Total Capex	54.2	34.6	122.0	313.0	318.7	842.6

Source: ABR Updated Enhanced Definitive Feasibility Study February 2021

The direct capex comprises direct costs related to the production process, while the indirect capex comprises of other general costs such as project delivery through engineering procurement and construction management, owners' costs, commissioning and construction. We note the following in relation to the direct capex:

- Initially, during Phase 1A and 1B the wellfield will be developed with five wells, with additional wells added during Phase 1C, Phase 2 and Phase 3 construction periods.
- Following the solution mining process, costs in relation to the purification of the boric acid will be incurred via the solvent extraction processes and evaporative crystallisation. Also included in the boric acid production process is the use of an evaporative zero liquid discharge system, which effectively controls the process water balance.
- The cost of the Mannheim Facility, as the main SOP equipment, is responsible for c. 23% of overall capex in Phase 1 and c. 36% in both Phase 2 and 3. We note that this change reflects the change in the procurement strategy from Chinese to European suppliers.

According to the Company's quarterly cash flow report for June quarter in 2021, ABR currently has total available funding of A\$54.4 million³⁷, which will be sufficient to fund corporate costs into 2022 and facilitate part of the development activities of Phase 1A at Fort Cady. Though the future capex may be funded partly by the earnings from production of borates and SOP, the remainder of funding requirements is expected to be derived mostly from traditional debt and equity.

ABR has signed two non-binding letter of intent ("LOI") agreements with third parties. One is for the sale of SOP to Compass Minerals with the parties also working together to progress crop trials and agronomy studies for boron enriched fertilisers.

A second LOI has been signed with US-based Borman Specialty Materials to supply Boron specialty advanced materials. Borman produces advanced specialty products that are supplied to the semiconductor, life sciences, aerospace, military and automotive markets.

4.3 Salt Wells Project

In addition to the flagship Fort Cady Project, the Company also has an earn-in agreement to acquire 100% interest in the Salt Wells North and Salt Wells South Borate and Lithium Projects (collectively "Salt Wells"), located in Nevada, United States on the incurrence of US\$3.0 million of project expenditures. Salt Wells are prospective for borates and lithium in the sediments, and lithium and boron brines within the structures of the basin. With the exception of surface salt sampling from the Salt Wells North project area in April 2018, no modern exploration has been completed. From these samples, results showed elevated levels of both lithium and boron. Salt Wells is within short proximity to major highways and within 25km of the town of Fallon that has a population of over 8,500 people.

4.4 Financial Information

4.4.1 Financial Performance

The following table sets out the historical financial performance of the Company for FY20 and FY21:

³⁷ ABR Quarterly activities report for June 2021, dated 26 July 2021.

Consolidated statements of financial performance	FY20	FY21
A\$ '000	Audited	Audited
Continuing Operations		
Interest income	11	5
Other income	197	66
Expenses		
Professional and consulting fees	(919)	(2,713)
Director and employee costs	(272)	(685)
Other expenses	(355)	(727)
Interest expense	(349)	(3)
Loss on foreign exchange	(146)	(2,205)
Borrowing costs	(337)	-
Marketing and promotional expenses	(146)	(376)
Share-based payments expense	(2,596)	(8,660)
Impairment expense	-	(218)
Travel and accommodation	(280)	(72)
Loss before income tax	(5,191)	(15,589)
Income tax expense	-	-
Net loss for the year	(5,191)	(15,589)

Source: Company Annual Reports

In relation to the financial performance we note the following:

- Professional and consulting fees increased from A\$0.9 million in FY20 to A\$2.7 million in FY21 as the Company ramped up work with US investment banks in regards to the planned listing on the NASDAQ.
- Share based payments expenses increased substantially mainly due to options issued to employees and Directors via the Company's employee share option plan. We note 13,150,000 options were granted to Employees and Directors during the year ended 30 June 2021, with the expense recognised in respect of these options granted being c. A\$6.1 million. The Company also issued 3,850,000 options to brokers and corporate advisors for services rendered during the year. The expense recognised in respect of these options was c. A\$2.3 million.
- Director's expenses increased as the Company continues to make key senior management appointments to help enhance the Fort Cady project and to drive their US listing process.
- Following completion of the initial strategic business plan in May 2021, the Company decided to defer the construction of Phase 1A. Accordingly, an impairment expense of c. \$A218k was recorded as some items of prepaid equipment were required to be cancelled.

4.4.2 Financial Position

The following table sets out the historical financial position of the Company as at 30 June 2020 and 30 June 2021:

Consolidated statements of financial position	30-Jun-20	30-Jun-21
A\$ '000	Audited	Audited
Assets		
Cash and cash equivalents	38,743	54,369
Other assets	2	-
Receivables	132	729
Total current assets	38,876	55,098
Receivables	536	1,453
Right of use assets	-	259
Property, Plant & Equipment	4,505	17,293
Deferred exploration and evaluation expenditure	29,483	38,108
Total non-current assets	34,525	57,113
Total assets	73,401	112,211
Liabilities		
Trade and other payables	3,816	1,763
Lease liabilities	-	96
Total current liabilities	3,816	1,858
Lease liabilities	-	166
Total non-current liabilities	-	166
Total liabilities	3,816	2,025
Net assets	69,585	110,187

Source: Company Annual Reports

In relation to the financial position we note the following:

- The increase in the cash balance was mainly driven by a number of call options being exercised and a share placement to Virtova Capital Management Limited ("Virtova"). On 1 June 2020, ABR entered into a binding term sheet with Virtova to raise US\$30 million via a Convertible Note ("Note"), which was re-negotiated on 29 December 2020 and ABR was instructed to convert the first tranche of the Note into 10,256,409 shares. Following this, ABR completed a Placement to Virtova of 41,025,642 shares for US\$24 million. We note that receipt of US\$30 million from Virtova was confirmed on 1 February 2021.
- Property, plant and equipment increased substantially in FY21, mainly driven by investments in mining equipment and prepayments for construction services in relation to the development of the Fort Cady Borate Project.
- In FY21 ABR incurred A\$10.2 million in exploration and evaluation expenditure, which it capitalised on the balance sheet. As a result deferred exploration and evaluation expenditure assets increased from A\$29.5 million to A\$38.1 million.
- Both current and non-current receivables increased in FY21 mainly due to the prepayment of electricity (c. A\$0.6 million) and an increase in bonds and guarantees (c. A\$1.5 million). The bonds are pledged to the Bureau of Land Management (San Bernardino County) for the Fort Cady Project's water permits and to the Environmental Protection Authority for site reclamation.

4.4.3 Cash Flow Statement

The Company's cash flow statements for FY20 and FY21 are presented below:

Consolidated statements of cash flow A\$ '000	FY20 Audited	FY21 Audited
Cash flows from operating activities		
Payments to suppliers and employees	(2,006)	(4,155)
Other receipts	197	58
Interest received	11	5
Interest paid	(349)	-
Net cash used in operating activities	(2,147)	(4,092)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,559)	(15,187)
Payment for EPA reclamation bond	-	(1,088)
Payments for exploration expenditure	(4,522)	(10,362)
Net cash used in investing activities	(6,081)	(26,637)
Cash flow from financing activities		
Proceeds from issue of shares	41,650	39,487
Proceeds from issue of Convertible Note	2,935	-
Proceeds from the conversion of unlisted options	3,678	12,255
Borrowings costs	(193)	-
Repayment of convertible note	(2,471)	-
Payments for share issue costs	(1,411)	(3,182)
Net cash (outflow)/inflow from financing activities	44,188	48,560
Net increase / (decrease) in cash and cash equivalents	35,960	17,831
Cash and cash equivalents at the beginning of the financial year	2,894	38,743
Effects of exchange rate changes on cash and cash equivalents	(111)	(2,205)
Cash and cash equivalents at year end	38,743	54,369

Source: Company Annual Reports

We highlight the following:

- Net cash used in operating activities in FY21 increased to A\$4.1 million from A\$2.1 million in FY20. This is largely due to the Company's higher outflows from payments to suppliers and employees due to expenses associated with the listing on the NASDAQ.
- Cash outflows from investing activities in FY21 relate largely to investments in significant mining equipment at the Fort Cady site and prepayments for construction services including exploration expenditure. We note the Company is looking to commence a drilling programme in the second half of CY2021 to better define the south-eastern resource boundary with a view to increasing the size of the resource and mine life.
- During the financial year ABR received funds totalling c. A\$12.3 million for the conversion of c. 26.3 million unlisted options into ordinary fully paid shares.

- The Company received c. A\$31.6 million in funds from the issuance of c. 41.0 million shares via A\$0.77 placement.

4.5 Share Capital Structure

4.5.1 Shareholder Information

As at the date of this Report, the Company has 388,432,903 ordinary shares outstanding and 61,750,000 unlisted options.

We have provided in the table below, the Top 10 shareholders of American Pacific Borates as at 20 September 2021.

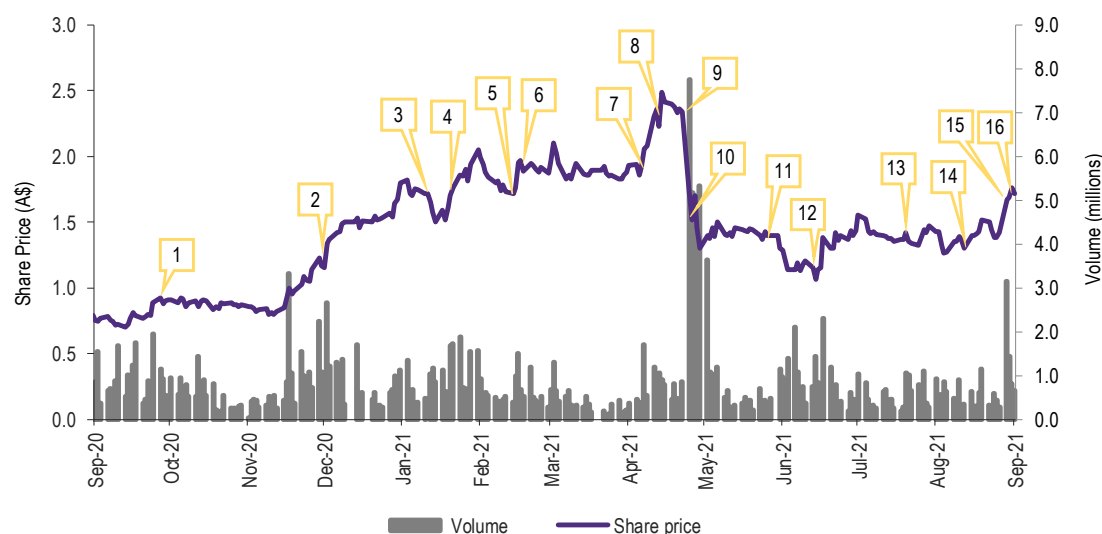
Top 10 Shareholders		
Shareholder Name	No. of Shares	% of shareholding
Virtova Capital Management Limited	51,282,051	13.2%
Atlas Precious Metals Inc	45,920,000	11.8%
Mayfair Ventures Pte Ltd	38,339,532	9.9%
CS Third Nominees Pty Limited	15,212,060	3.9%
HSBC Custody Nominees (Australia) Limited	14,179,168	3.7%
Citicorp Nominees Pty Limited	7,996,203	2.1%
Mr Daniel Eddington + Mrs Julie Eddington	6,650,000	1.7%
Bring on Retirement Ltd	6,505,000	1.7%
Bass Family Foundation Pty Ltd	5,400,000	1.4%
BNP Paribas Nominees Pty Ltd	5,112,233	1.3%
Total shareholding of Top 10 shareholders	196,596,247	50.6%
Remaining shareholders	191,836,656	49.4%
Total shareholding	388,432,903	100.0%

Source: Company Annual Report

4.5.2 Share Price Analysis

The following is a chart showing the movements in American Pacific Borates share price and volume traded over the last twelve months.

Historical Share Price and Volume for ABR



Source: S&P Global, GTCF Analysis

The following is a brief description of the key movements in the share price over the last twelve months.

Event	Date	Comments
1	13-Oct-20	The Company released its September 2020 quarterly report: <ul style="list-style-type: none"> Construction activities ongoing for Fort Cady Borate Mine Final substantive operational permit received by EPA Ramping up of process to consider ongoing financing options, including potential secondary listing on a New York Exchange Cash on hand of A\$30.8m as at 30 September 2020
2	14-Dec-20	The Company announced it has commenced a process to enable a secondary trading of its securities on the NASDAQ via an American Depositary Receipt ("ADR"). The Company also announced it is considering re-engineering of early phases of the Fort Cady Borate Mine. The focus is on potentially bringing forward EBITDA from SOP operations which is expected to be positive for partnering discussions, ongoing financing and the US NASDAQ ADR listing.
3	22-Jan-21	The Company released its December 2020 quarterly report: <ul style="list-style-type: none"> US\$30m financing to be completed by 31 January 2021 to fully finance Phase 1A capex Cash on hand of A\$23.8m as at 31 December 2020 with an additional US\$30m expected shortly
4	4-Feb-21	The Company announced it has updated the enhanced Fort Cady Borate Mine DFS, released on 16 April 2020, to bring forward SOP production. Highlights include: <ul style="list-style-type: none"> Targeted EBITDA in CY2023 increases from US\$20.2m to US\$45.9m NPV of US\$2.02bn / A\$2.69bn (previously US\$1.97bn) IRR of 40.6% (previously 39.4%) EBITDA of US\$453m / A\$604m (previously US\$438m) in first full year of full production Addition of a new Phase 1C which is expected to significantly reduce capital required in CY2022 for Phase 1B (reducing capex from US\$156m to US\$34.6m)
5	2-Mar-21	The Company announced its March 2021 corporate presentation. Highlights include: <ul style="list-style-type: none"> Boric acid received price assumption increased to US\$587 / metric tonne (US\$569 in February) SOP received price assumption increased to US\$660 / metric tonne (US\$633 in February) Post-tax unlevered NPV increased to US\$1.41bn (US\$1.3bn in February) IRR improved to 32.3% (31.1% in February)
6	8-Mar-21	The Company announced it remains committed to enabling the trading of its shares on a US exchange with a view to potentially being listed on NASDAQ in June or July 2021. The Company also provided an update on the Fort Cady Borate Mine activities:

Event	Date	Comments
		<ul style="list-style-type: none"> Over US\$40m has been committed to the construction of Phase 1A, with initial production of borates on track for Q3, CY2021 Cash on hand of A\$60.6m which is sufficient to support the entirety of the balance of Phase 1A capex, working capital and overheads for the current calendar year at a minimum
7	21-Apr-21	The Company announced that it had created a US Advisory Board to drive the US listing process. The Advisory Board will initially consist of three members with John Mitchell appointed Chairman and Tim Johnston and Govind Arora to make up the balance.
8	28-Apr-21	The Company announced the resignation of Mr Michael Schlumpberger as Managing Director and CEO.
9	7-May-21	The Company announced it has signed a Letter of Intent ("LOI") with Compass Minerals America Inc. ("Compass Minerals") to progress negotiations with respect to Compass Minerals taking responsibility for the sales and marketing of SOP from the Company's Fort Cady Borate Mine.
10	10-May-21	<p>Following the US Advisory Board's recommendation the Company announced its decision to defer construction of Phase 1A of Fort Cady Borate Mine to focus on a larger borate operation to enhance US listing.</p> <p>Accordingly, two base case mine alternatives will be focussed on:</p> <ul style="list-style-type: none"> Option 1 – combining all current Phase 1 operations into a 90kstpa boric acid and 80kstpa SOP operation. Option 2 – larger operation combining option 1 above with current Phase 2 operation to deliver 270kstpa boric acid and 240kstpa SOP operation. <p>Additionally, value engineering will be commenced with a view to optimising capital and operating costs through various process improvement.</p> <p>The Company will also complete further resource drilling to target increasing current JORC Code Compliant Mineral Resource Estimate.</p>
11	11-Jun-21	The Company appoints Mr Henri Tausch as Chief Executive Officer (CEO)
12	26-Jul-21	<p>The Company released its June 2021 quarterly report:</p> <ul style="list-style-type: none"> Existing JORC Code Compliant Mineral Resource Estimate is 13.93Mt contained boric acid The Company is planning an additional drilling program to potentially unlock resource upside to the South East of the deposit and increase mine life. The Boron resource is currently the largest conventional Boron Resource globally not owned by Rio Tinto or the Turkish government Cash on hand of A\$54.4m as at 30 June 2021
13	4-Aug-21	<p>The Company delivered a material exploration target for Fort Cady to support proposed Resource expansion drilling activities, with the potential to materially increase existing JORC Code Compliant Mineral Resource Estimate of:</p> <ul style="list-style-type: none"> Total of 120.4 million tonnes resources Grade: 6.51% B₂O₃ (11.57% H₃BO₃) Contained Boric Acid: 13.9m tonnes <p>Three parcels of land have been acquired to support drilling in the South East and Exploration Target.</p>
14	25-Aug-21	<p>The Company provided an update on its positive progress with respect to its complimentary US listing:</p> <ul style="list-style-type: none"> Initial US SEC filing for US listing targeted for October 2021 with NASDAQ listing expected in Q1, CY2022
15	13-Sep-21	The Company announced it has commenced a process to explore partner options for extracting lithium from Fort Cady Integrated Boron Facility waste water stream. The current Fort Cady JORC code compliant Mineral Resource Estimate contains 214,000 tonnes of lithium carbonate equivalent.
16	14-Sep-21	The Company announced the appointment of Mr Tyson Hall as Chief Operating Officer (COO) and Mr Chance Pipitone as Head of Corporate Development and Investor Relations. Both executives will commence in the second half of September 2021.

The monthly share price performance of American Pacific Borates since September 2020 as well as the weekly share price performance over the last 16 weeks is summarised below:

American Pacific Borates Limited	Share Price			Average
	High	Low	Close	weekly volume
	\$	\$	\$	000'
Month ended				
Sep 2020	0.990	0.700	0.770	4,609
Oct 2020	0.955	0.745	0.900	4,103
Nov 2020	0.935	0.780	0.850	1,693
Dec 2020	1.610	0.835	1.510	5,474
Jan 2021	1.875	1.445	1.500	3,224
Feb 2021	2.090	1.420	1.730	4,353
Mar 2021	2.130	1.690	1.860	2,969
Apr 2021	2.540	1.820	2.410	2,348
May 2021	2.520	1.210	1.445	8,940
Jun 2021	1.480	1.062	1.140	3,615
Jul 2021	1.580	1.130	1.350	2,938
Aug 2021	1.535	1.200	1.400	2,878
Week ended				
11 Jun 2021	1.445	1.355	1.395	2,371
18 Jun 2021	1.400	1.105	1.140	4,386
25 Jun 2021	1.230	1.085	1.205	4,770
2 Jul 2021	1.395	1.062	1.380	5,855
9 Jul 2021	1.430	1.255	1.400	3,068
16 Jul 2021	1.580	1.360	1.550	2,534
23 Jul 2021	1.550	1.405	1.405	2,147
30 Jul 2021	1.455	1.350	1.350	2,343
6 Aug 2021	1.475	1.300	1.335	3,199
13 Aug 2021	1.500	1.250	1.470	3,143
20 Aug 2021	1.535	1.200	1.270	3,280
27 Aug 2021	1.435	1.285	1.305	2,097
3 Sep 2021	1.540	1.310	1.520	3,008
10 Sep 2021	1.515	1.320	1.420	1,897
17 Sep 2021	1.790	1.450	1.650	6,825
24 Sep 2021	1.640	1.365	1.500	4,571

Sources: S&P Global, GTCF analysis

5 Valuation methodologies

5.1 Introduction

Our conclusion on the Proposed Re-domiciliation involves comparing the advantages and the disadvantages of the Proposed Re-domiciliation.

In assessing the merits and demerits of the Proposed Re-domiciliation, Grant Thornton Corporate Finance has considered the concept of fair market value. Fair market value is commonly defined as:

“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

5.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets (“DCF Method”).
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets (“FME Method”).
- Amount available for distribution to security holders on an orderly realisation of assets (“NAV Method”).
- Quoted price for listed securities, when there is a liquid and active market (“Quoted Security Price Method”).
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert’s skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

5.3 Selected valuation methods

Given the Proposed Re-domiciliation does not involve a change of control transaction, we have considered the advantages and disadvantages of the Proposed Re-domiciliation and its impact on ABR Shareholders. Further, we have also considered the implications for ABR Shareholders if the Proposed Re-domiciliation is not to be implemented.

6 Sources of information, disclaimer and consents

6.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Scheme Booklet
- Scheme Implementation Deed (which includes the Scheme of Arrangement and Deed Poll as annexures).
- Presentation and other materials presented/submitted to the Board in relation to the Re-domiciliation.
- Annual reports/consolidated accounts of ABR for FY20 and FY21.
- Press releases and announcements by ABR in the public domain.
- S&P Global.
- Various industry and broker reports.
- Other publicly available information.

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of ABR and its advisers.

6.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This report has been prepared to assist the Directors in advising the ABR Shareholders in relation to the Proposed Re-domiciliation. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Proposed Re-domiciliation is in the best interests of ABR Shareholders.

ABR has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise,

excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred

6.3 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Scheme Booklet to be sent to the ABR Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future.

Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Glossary

A\$ or \$	Australian Dollar
ABR Options	Existing options issued by ABR
ABR or the Company	American Pacific Borates Limited (ACN 615 606 114)
ABR Shares	An ordinary share in the capital of ABR
ADR	American Depositary Receipt
APES	Accounting Professional & Ethical Standards
APES 225	Professional standard APES 225 Valuation Services
ASIC	Australian Securities and Investment Commission
ASX	Australian Stock Exchange
CAPEX	Capital Expenditures
CDI	A CHESSE depository interest, being a unit of beneficial ownership in a security that is registered in the name of CDN, or beneficial ownership is held by CDN, in accordance with the ASX Settlement Rules
CHESSE	Clearing House Electronic Sub-register System is the computer system used by the ASX to record shareholdings and manage the settlement of share transactions.
Compass Minerals	Compass Minerals America Inc.
Corporation Regulations	Part 3 of Schedule 8 (s640) of the Corporations Regulations 2001
DCF Method	Discounted Cash Flow and the estimated net realisable value of any surplus assets
DFS	Definitive Feasibility Study completed in December 2018
EDFS	Enhanced Definitive Feasibility Study completed in April 2020
FID	Final Investment Decision
FME Method	Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets
Fort Cady or Fort Cady Project	Fort Cady Borate Mine Project
FSG	Financial Services Guide
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 165 987)
HCl	Hydrochloric Acid
Holdco	The newly formed Delaware corporation, 5E Advanced Materials Inc. that will become the parent company of ABR and its subsidiary companies following implementation of the Scheme
Holdco CDIs	A CDI representing a beneficial interest in 1/10 th of a Holdco Share
Holdco Options	A right to acquire Holdco shares
Holdco Shareholders	A person who holds one or more Holdco Securities
Holdco Shares	A share of common voting stock of Holdco
I-40	Interstate 40 Highway
Ineligible Foreign Shareholders	A Shareholder whose address, as shown in the Register as at the Record Date, is in a place outside Australia, New Zealand or the United States unless Holdco determines that it is lawful and not unduly onerous or impracticable to issue Holdco Shares in that jurisdiction if the Scheme becomes Effective
JORC Resource	JORC Mineral Resource Estimate
LEDs	Light-emitting diodes
LOI	Letter of Intent
MOP	Muriate of Potash
Mt	Million tonnes
NASDAQ	National Association of Securities Dealers Automated Quotations, an exchange platform in US that ranks second on the global stock exchanges by market capitalisation of shares traded, behind the New York Stock Exchange.
NAV Method	Amount available for distribution to security holders on an orderly realisation of assets

Note	Convertible Note with Virtova Capital Management for US\$30m
OPEX	Operating Expenditures
Option 1	Combining all current Phase 1 operations of the Fort Cady Project into a larger single operation
Option 2	Combining both Phase 1 and Phase 2 of the Fort Cady Project into a larger single operation
Proposed Re-domiciliation	The proposed re-domicile of ABR from Australia to the United States, to be implemented pursuant to the Scheme
Quoted Security Price Method	Quoted price for listed securities, when there is a liquid and active market
Record Date	7.00 pm on the 5 th Business Day after the Effective Date or such other date as ABR and Holdco agree
RG 111	Regulatory Guide 111 "Contents of expert reports"
RG 112	Regulatory Guide 112 "Independence of experts"
Rio Tinto Borates	Rio Tinto Limited Borates
Salt Wells or Salt Wells Projects	Salt Wells Borate and Lithium Projects
Scheme	The Scheme of Arrangement under which all Scheme shares will be transferred to Holdco in accordance with Part 5.1 of the Corporations Act, substantially in the form set out in Annexure B of the Scheme Booklet together with any amendment or modification made pursuant to section 411(6) of the Corporations Act
Scheme Booklet	Explains the proposed scheme of arrangement between ABR and its shareholders
Scheme Consideration	One Holdco Share for every ten ABR shares held by a Scheme Participant as at the Record Date or one Holdco CDI for every ABR share held by a Scheme Participant as at the Record Date
Scheme Meeting	The meeting of Shareholders to be convened by the Court under section 411(1) of the Corporations Act in respect of the Scheme.
Scheme Participant	Each person who is a ABR Shareholder at the Record Date
Scheme Resolution	The resolution to approve the Scheme
Scheme Shareholders, Members or ABR Shareholders	Each person who is a shareholder of ABR at the Record Date
SOP	Sulphate of Potash
Virtova	Virtova Capital Management Limited

Scheme Implementation Agreement

American Pacific Borates Limited

5E Advanced Materials, Inc.

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Title	Scheme Implementation Agreement
Date	11 October 2021
Parties	<p>American Pacific Borates Limited (ACN 615 606 114) (a company incorporated in Australia) of Level 12, 197 St Georges Terrace, Perth WA 6000 Australia (ABR)</p> <p>5E Advanced Materials, Inc. (a company incorporated in the State of Delaware, United States of America) of 9329 Mariposa Suite 210, Hesperia California, 92344 United States of America (Holdco)</p>

Recitals

- A ABR is an Australian public company listed on the ASX.
- B Holdco is a special purpose vehicle incorporated in the State of Delaware, United States of America.
- C ABR proposes to effect a re-domiciliation from Australia to the United States by Holdco acquiring all of the ABR Shares by scheme of arrangement under Part 5.1 of the Corporations Act (**Scheme**).
- D ABR and Holdco propose to implement the Scheme on the terms and conditions of this Agreement.

Operative provisions

1. Definitions and interpretation

Definitions

- 1.1 In this Agreement, unless the context otherwise requires:

ABR Group means ABR and each of its Subsidiaries.

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

ABR Shareholder means each person who is registered in the Share Register as a holder of ABR Shares.

Advisor means, in relation to an entity, its legal, financial and other expert Advisors (not including the Independent Expert).

Agreement means this Scheme Implementation Agreement.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities market which it operates.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Rules means the ASX Settlement Operating Rules.

ATO means the Australian Taxation Office.

ATO Class Ruling means the class ruling to be sought by ABR from the ATO to the effect that Australian resident Scheme Shareholders who hold their ABR Shares on capital account and who make a capital gain from the exchange of their ABR Shares for Holdco Shares or Holdco CDIs under the Scheme will be eligible for scrip-for-scrip roll-over relief under the relevant Australian taxation laws.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney.

CDI means a CHESS Depositary Interest, being a unit of beneficial ownership in a Holdco Share that is registered in the name of CDN, or beneficial ownership is held by CDN, in accordance with the ASX Settlement Rules and **CDIs** means a number of them.

CDN means CHESS Depositary Nominees Pty Ltd (ACN 071 346 506).

Claim means a demand, claim, action or proceeding, however arising and whether present, unascertained, immediate, future or contingent, including any claim for specific performance.

Condition means a condition set out in clause 3.1.

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

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing between the parties.

Deed Poll means the deed poll to be executed by Holdco substantially in the form of Annexure 2 under which Holdco covenants in favour of ABR Shareholders to perform its obligations under this Agreement and the Scheme.

Depositary Nominee has the meaning given in the ASX Settlement Rules.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement, security interest (as defined in section 12 of the *Personal Property Securities Act 2009* (Cth)), right of first refusal, pre-emptive right, any similar restriction, or any agreement to create any of them or allow them to exist.

End Date means 5.00 pm on 31 January 2022 or such other date and time agreed in writing between the parties.

First Court Date means the date of the hearing by the Court of the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

Government Agency means a:

- (a) government, whether foreign, federal, state, territorial or local;

- (b) department, office or minister of a government (whether foreign, federal, state, territorial or local) acting in that capacity; or
- (c) commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal authority, whether statutory or not and whether foreign, federal, state, territorial or local,

and includes ASX, ASIC, the Australian Competition and Consumer Commission, the Foreign Investment Review Board and the Takeovers Panel.

GST means goods and services tax as defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth), or any like tax.

Holdco CDI means a CDI representing a beneficial interest in 1/10th of a Holdco Share.

Holdco Information means information about Holdco which is provided to ABR by or on behalf of Holdco to enable the Scheme Booklet to be prepared in accordance with all applicable laws, applicable ASIC guidance and policies and the Listing Rules, or to the Independent Expert to enable it to prepare the Independent Expert's Report.

Holdco Share means a share of voting common stock in Holdco.

Implementation means the implementation of the Scheme, on it becoming Effective under section 411(10) of the Corporations Act.

Implementation Date means the fifth Business Day after the Record Date or such other date as is agreed by the parties.

Independent Expert means the independent expert appointed by ABR pursuant to clause 5.2(b).

Independent Expert's Report means the report from the Independent Expert (including any update or supplementary report) stating whether or not, in the opinion of the Independent Expert, the Scheme is in the best interests of ABR Shareholders.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address, as shown in the Share Register (as at the Record Date), is in a place outside Australia, New Zealand, Canada, Hong Kong, Ireland, Papua New Guinea, Singapore, Malaysia, Thailand or the United States, unless Holdco is satisfied, acting reasonably, that the laws of that place permit the offer and issue of Holdco Shares or Holdco CDIs to that Scheme Shareholder and, in Holdco's sole discretion, is not unduly onerous or impracticable for Holdco to do so.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a controller (as defined in the Corporations Act) appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other party);
- (d) an application or order has been made (and, in the case of an application, it has not been stayed, withdrawn or dismissed within 14 days), resolution passed or any other

action taken, in each case in connection with that person, in respect of any of the things described in paragraphs (a), (b) or (c);

- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the other party reasonably deduces it is so subject);
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to any of the things described in paragraphs (a) to (g) (inclusive) happens in connection with that person under the law of any jurisdiction.

Listing Rules means the listing rules of ASX as amended from time to time.

NASDAQ means Nasdaq Stock Market LLC or the Nasdaq Stock Market (or such other market operated by Nasdaq Stock Market LLC on which Holdco Shares may be listed or quoted), as the context requires.

Officer means, in relation to an entity, its directors, officers and employees.

Option means an option to subscribe for an ABR Share.

Option Holder means a person who is the holder of an Option.

Record Date means 7.00 pm on the second Business Day after the Effective Date.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Representative means, in relation to an entity:

- (a) each of the entity's Related Bodies Corporate; and
- (b) each of the Officers and Advisors of the entity or any of its Related Bodies Corporate.

Sale Agent means the person appointed by ABR to sell the Scheme Consideration that is attributable to Ineligible Foreign Shareholders.

Sale Facility means a facility to be established by ABR and managed by the Sale Agent under which the Scheme Consideration which otherwise would be received by Ineligible Foreign Shareholders will be sold in accordance with the Scheme and the agreement to be entered into between ABR and the Sale Agent.

Scheme means the scheme of arrangement, substantially in the form set out in Annexure 1 under Part 5.1 of the Corporations Act between ABR and ABR Shareholders as described in clause 4, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by ABR and Holdco.

Scheme Booklet means the document including the information described in clause 5.2(a) to be approved by the Court and dispatched to ABR Shareholders.

Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of the Scheme for the transfer to Holdco of their Scheme Shares being:

- (a) where the Scheme Shareholder is a Share Elected Scheme Shareholder, 1 Holdco Share for every 10 Scheme Shares; or

- (b) where the Scheme Shareholder is a CDI Elected Scheme Shareholder, 1 Holdco CDI for every Scheme Share.

Scheme Meeting means the meeting of ABR Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Share means an ABR Share held by a Scheme Shareholder as at the Record Date.

Scheme Shareholder means each person who holds an ABR Share as at the Record Date.

SEC means the United States Securities and Exchange Commission.

Second Court Date means the first day on which the Court hears the application to approve the Scheme under section 411(4)(b) of the Corporations Act, or if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

Share Elected Scheme Shareholder means each Scheme Shareholder (other than an Ineligible Foreign Shareholder) who has made a valid Share Election.

Share Election means a valid election for Holdco Shares by a Scheme Shareholder pursuant to the terms of the Scheme.

Share Register means the register of shareholders of ABR maintained by or on behalf of ABR.

Subsidiary has the meaning given to that term in the Corporations Act.

Interpretation

1.2 In this Agreement:

- (a) unless the context requires another meaning, a reference:
- (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document (including this Agreement) is a reference to that document (including any Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iv) to an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
 - (v) to a party means a party to this Agreement;
 - (vi) to an item, Recital, clause, Schedule or Annexure is to an item, Recital, clause, Schedule or Annexure of or to this Agreement;
 - (vii) to a notice means a notice, approval, demand, request, nomination or other communication given by one party to another under or in connection with this Agreement;
 - (viii) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency;

- (B) the person's successors, permitted assigns, substitutes, executors and administrators; and
- (C) a reference to the representative member of the GST group to which the person belongs to the extent that the representative member has assumed rights, entitlements, benefits, obligations and liabilities which would remain with the person if the person were not a member of a GST group;
- (ix) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
- (x) to proceedings includes litigation, arbitration and investigation;
- (xi) to a judgment includes an order, injunction, decree, determination or award of any court or tribunal;
- (xii) to time is to prevailing Sydney time; and
- (xiii) to \$ means the lawful currency of Australia;
- (b) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation of this Agreement;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

Construction

- 1.3 This Agreement may not be construed adversely to a party only because that party or its legal Advisors were responsible for preparing it.

Payments

- 1.4 Unless otherwise expressly provided in this Agreement, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this Agreement, that amount must be paid:
- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties agree; and
 - (b) without deduction, withholding or set-off.

In this clause 1.4, a Receiving Party does not include a Scheme Shareholder.

Best and reasonable endeavours

- 1.5 Any provision of this Agreement which requires a party to use best endeavours, or reasonable endeavours, or to take all steps reasonably necessary or desirable, (including to procure that something is performed or occurs) does not include an obligation:
- (a) to pay any significant sum of money or to provide any significant financial compensation, valuable consideration or any other incentive to or for the benefit of any person, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Government Agency or fees to any professional Advisors; or
 - (b) to commence any legal proceeding against any person,
- except in accordance with the express terms of this Agreement.

2. Agreement to propose and implement Scheme

- 2.1 ABR will propose and seek to implement the Scheme in accordance with this Agreement and the Corporations Act.
- 2.2 Holdco will comply with its obligations under the Scheme and the Deed Poll, and provide reasonable assistance to ABR in proposing and implementing the Scheme in accordance with this Agreement.

3. Conditions

Conditions to Scheme

- 3.1 Subject to this clause 3, the Scheme will not become Effective, and the obligations of the parties in relation to the Scheme will not become binding, until each of the following Conditions is satisfied or waived to the extent and in the manner set out in this clause 3.

Condition		Party entitled to benefit	Party responsible
(a)	Shareholder Approval: ABR Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities required under section 411(4)(a)(ii) of the Corporations Act.	Cannot be waived	ABR
(b)	Court Approval: The Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme on the Second Court Date.	Cannot be waived	ABR
(c)	ASIC and ASX: Before 8.00 am on the Second Court Date, ASIC and ASX issue or provide all consents and approvals which are necessary or desirable to implement the Scheme.	Both	Both

Condition		Party entitled to benefit	Party responsible
(d)	Regulatory Consents: All other approvals or consents required from any Government Agency which are necessary or desirable to implement the Scheme have been obtained by 8.00 am on the Second Court Date (Regulatory Consents).	Both	Both
(e)	No Prohibitive Orders: No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency, or other legal prohibition or restraint preventing the acquisition of the Scheme Shares by Holdco or otherwise preventing Implementation of the Scheme is in effect as at 8.00 am on the Second Court Date.	Both	Both
(f)	Independent Expert's Report: The Independent Expert issues the Independent Expert's Report before the date on which the Scheme Booklet is provided to ASIC and the Independent Expert concludes that the Scheme is in the best interest of ABR Shareholders (and does not change that conclusion prior to 8.00 am on the Second Court Date).	ABR	ABR
(g)	NASDAQ Listing: Before 8.00 am on the Second Court Date, the Holdco Shares have been authorised for listing on NASDAQ, subject to official notice of issuance following Implementation of the Scheme and any customary conditions.	ABR	Holdco
(h)	<p>ASX Listing: Before 8.00 am on the Second Court Date, ASX approves:</p> <ul style="list-style-type: none"> (i) the admission of Holdco to the official list of the ASX; and (ii) the Holdco CDIs for official quotation by the ASX, <p>which approval may be conditional on the Scheme becoming Effective and any such other conditions that are acceptable to ABR and Holdco.</p>	ABR	Holdco
(i)	ATO Class Ruling: Before 8.00 am on the Second Court Date, the ATO issues the ATO Class Ruling or otherwise confirms that the ATO Class Ruling will be issued on terms and conditions that are acceptable to ABR and Holdco.	ABR	ABR

Condition		Party entitled to benefit	Party responsible
(j)	Options: Before 8.00 am on the Second Court Date, ABR and Holdco have entered into binding agreements with each Option Holder to cancel the Options held by such Option Holder on conditions that are acceptable to ABR and Holdco.	Both	Both

Reasonable endeavours

- 3.2 Each of ABR and Holdco must use its reasonable endeavours to procure that:
- (a) each of the Conditions for which it is a party responsible (as noted in clause 3.1):
 - (i) is satisfied as soon as practicable after the date of this Agreement; and
 - (ii) continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
 - (b) there is no occurrence that would prevent the Condition for which it is a party responsible being satisfied.

Waiver of Conditions

- 3.3 A Condition may only be waived in writing by the party or parties entitled to the benefit of that Condition as and to the extent noted in clause 3.1 and will be effective only to the extent specifically set out in that waiver.
- 3.4 A party entitled to waive the breach or non-fulfilment of a Condition under this clause may do so in its absolute discretion.
- 3.5 A waiver of any Condition precludes the party who has the benefit of the Condition from suing the other party for any breach of this Agreement that resulted from any breach or non-fulfilment of the Condition.

Notices in relation to Conditions

- 3.6 Each party must:
- (a) promptly notify the other party of the satisfaction of a Condition and must keep the other party informed of any material development of which it becomes aware that may lead to the breach or non-fulfilment of a Condition which it is responsible for satisfying; and
 - (b) promptly notify the other party of a breach or non-fulfilment of a Condition which it is responsible for satisfying, or of any event which will prevent a Condition from being satisfied.

Failure to provide a notice required by this clause 3.6 will not give rise to the failure of a Condition or any right to terminate this Agreement.

Consultation on failure of a Condition

3.7 If:

- (a) there is a breach or non-fulfilment of a Condition which is not waived in accordance with this Agreement by the time or date specified for the satisfaction of that Condition; or
- (b) there is an act, failure to act or occurrence which will prevent a Condition from being satisfied by the time or date specified for the satisfaction of the Condition (and that Condition has not been waived in accordance with this Agreement),

then the parties must consult in good faith with a view to determine whether they wish to pursue the Scheme and, if so:

- (c) whether the Scheme may proceed by way of alternative means or methods;
- (d) to extend the relevant time or date for satisfaction of the Conditions or to adjourn or change the date of an application to the Court; or
- (e) to extend the End Date.

Failure to agree

3.8 If, under clause 3.7, the parties are unable to reach agreement or do not both wish to pursue the Scheme, in each case within 5 Business Days (or any shorter period ending at 8.00 am on the Second Court Date):

- (a) subject to clause 3.8(b), either party may terminate this Agreement (and that termination will be in accordance with clause 7); or
- (b) if a Condition may be waived and exists for the benefit of one party only, that party only may waive the Condition or terminate this Agreement (and that termination will be in accordance with clause 7),

in each case, before 8.00 am on the Second Court Date.

A party will not be entitled to terminate this Agreement under this clause 3.8 if the relevant Condition has not been satisfied or agreement cannot be reached as a result of a breach of this Agreement by that party or a deliberate act or omission of that party in breach of this Agreement.

Certificates

3.9 On the Second Court Date, Holdco and ABR will provide a joint certificate to the Court confirming whether or not the Conditions have been satisfied or waived in accordance with this Agreement.

4. Scheme of Arrangement

Scheme

4.1 ABR must propose a scheme of arrangement under which:

- (a) all of the ABR Shares held by Scheme Shareholders at the Record Date will be transferred to Holdco; and
- (b) each Scheme Shareholder will be entitled to receive the Scheme Consideration.

Scheme Consideration

- 4.2 Subject to and in accordance with this Agreement and the Scheme, each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder.

Provision of Scheme Consideration

- 4.3 Subject to this Agreement and the Scheme, Holdco undertakes to ABR (in its own right and separately as trustee or nominee of each Scheme Shareholder) that, in consideration for the transfer to Holdco of each Scheme Share held by a Scheme Shareholder, on the Implementation Date:
- (a) Holdco will accept that transfer; and
 - (b) Holdco will provide to each Scheme Shareholder the Scheme Consideration in accordance with the Scheme by:
 - (i) (subject to clause 4.4) in respect of each Share Elected Scheme Shareholder, issuing 1 Holdco Share for every 10 Scheme Shares held by that Scheme Shareholder;
 - (ii) (subject to clause 4.4) in respect of all other Scheme Shareholders (other than an Ineligible Foreign Shareholder):
 - (A) procuring CDN to issue 1 Holdco CDI for every Scheme Share held by that Scheme Shareholder; and
 - (B) issuing to CDN (as Depositary Nominee) the relevant number of Holdco Shares underlying such Holdco CDIs (being 1 Holdco Share for every 10 Holdco CDIs); and
 - (iii) in respect of each Ineligible Foreign Shareholder:
 - (A) procuring CDN to issue to the Sale Agent such number of Holdco CDIs that the Ineligible Foreign Shareholder would otherwise have been entitled to; and
 - (B) issuing to CDN (as Depositary Nominee) the relevant number of Holdco Shares underlying such Holdco CDIs (being 1 Holdco Share for every 10 Holdco CDIs).

Fractional entitlements

- 4.4 Where a Scheme Shareholder would otherwise be entitled under the Scheme to a fraction of a Holdco Share or a number of Holdco CDIs that do not equate to a whole number of Holdco Shares as part of the Scheme Consideration, the fractional entitlement will be rounded up to the nearest whole number of Holdco Shares.

Holdco CDIs

- 4.5 On the Business Day prior to the Implementation Date, Holdco must enter in its register of stockholders the name of CDN (as Depositary Nominee) to hold the Holdco Shares underlying the Holdco CDIs to be issued in accordance with the Scheme.
- 4.6 After the satisfaction of the obligation of Holdco under clause 4.5, Holdco must:

- (a) on the Implementation Date, procure that CDN records in the register of Holdco CDIs each Scheme Shareholder who is to receive Holdco CDIs under the Scheme and issues Holdco CDIs to the Sale Agent in accordance with clause 4.3; and
- (b) as soon as is reasonably practicable despatches, or causes to be despatched, to each Scheme Shareholder who is to receive Holdco CDIs under the Scheme, a holding statement or confirmation advice in the name of that Scheme Shareholder representing the number of Holdco CDIs issued to that Scheme Shareholder.

Holdco Shares

- 4.7 The obligation to issue Holdco Shares under clause 4.3 will be satisfied by Holdco, on the Implementation Date, procuring the entry into its register of stockholders the name of each person who is to receive Holdco Shares.

Sale Facility

- 4.8 Where a Scheme Shareholder is an Ineligible Foreign Shareholder, the number of Holdco Shares to which that Scheme Shareholder would otherwise have been entitled to under the Scheme (after any necessary rounding) will be issued to the Sale Agent (in the form of Holdco CDIs) and sold under the Sale Facility.
- 4.9 ABR will procure that, after the Implementation Date, the Sale Agent:
- (a) as soon as is reasonably practicable and, in any event, within 1 month after the Implementation Date, sells all Holdco CDIs issued to it under clause 4.8 in such manner, at such price and on such other terms as the Sale Agent determines in good faith and at the risk of the Ineligible Foreign Shareholders; and
 - (b) as soon as is reasonably practicable and, in any event, within 10 Business Days after the settlement of the sale of the last of the Holdco CDIs, remits the gross proceeds of the sale (free of any brokerage costs) to the Ineligible Foreign Shareholders in the amount to which they are entitled (on an averaged basis so that each Ineligible Foreign Shareholder receives the same price per Sale Security, subject to rounding to the nearest whole cent).
- 4.10 The remittance to each Ineligible Foreign Shareholder of the sale proceeds pursuant to clause 4.9(b) is in full and final satisfaction of that Ineligible Foreign Shareholder's right and entitlement to the Scheme Consideration referable to it.

Holdco Shares to rank equally

- 4.11 Holdco covenants in favour of ABR (in its own right and separately as trustee or nominee of each Scheme Shareholder) that:
- (a) all Holdco Shares issued as Scheme Consideration (including those issued to CDN in connection with the Holdco CDIs) will, upon their issue:
 - (i) rank equally with all other Holdco Shares then on issue; and
 - (ii) be fully paid and free from any Encumbrances; and
 - (b) it will use all reasonable endeavours to ensure that:
 - (i) Holdco Shares issued as Scheme Consideration will be listed for quotation on NASDAQ with effect from the Business Day after the Implementation Date (or such later date as NASDAQ may require); and

- (ii) Holdco CDIs issued as Scheme Consideration will be listed for quotation on ASX with effect from the Business Day after the Implementation Date (or such later date as ASX may require).

No amendment to Scheme without consent

- 4.12 ABR must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Holdco.

Options

- 4.13 ABR and Holdco will use all reasonable endeavours to enter into binding agreements with each Option Holder to cancel the Options held by such Option Holder in consideration for the grant of equivalent rights (as near as reasonably practicable) to acquire Holdco Shares instead of ABR Shares (**Holdco Options**).
- 4.14 The number of Holdco Options to be issued to each Option Holder will be consolidated in the ratio of 1 Holdco Option for every 10 Options held by the Option Holder.
- 4.15 Each Holdco Option to be issued in accordance with clause 4.13 will:
- (a) have an exercise price in US dollars adjusted from the exercise price per Option it replaces in an inverse proportion to the ratio under clause 4.14, converted from Australian dollars to US dollars at the prevailing Australian / US dollar exchange rate as reasonably determined by Holdco;
 - (b) have an exercise period equal to the unexpired exercise period of the relevant Option it replaces;
 - (c) be vested to the same extent, and have the same terms as to vesting, as the relevant Option it replaces; and
 - (d) otherwise be issued on the same terms as the relevant Option it replaces, with such changes as necessary to reflect Holdco being the issuer (rather than ABR).

5. Implementation

General obligations

- 5.1 ABR and Holdco must each:
- (a) use all reasonable endeavours and commit necessary resources; and
 - (b) procure that its officers and advisors work in good faith and in a timely and co-operative manner with the other party,
- to produce the Scheme Booklet and implement the Scheme as soon as reasonably practicable and in accordance with the timetable agreed between the parties.

ABR's obligations

- 5.2 ABR must take all reasonable steps to propose and implement the Scheme on a basis consistent with this Agreement as soon as reasonably practicable, and in particular must:
- (a) **Scheme Booklet:** Prepare and despatch to ABR Shareholders a Scheme Booklet which complies with all applicable laws, including the Corporations Act, applicable ASIC guidance and policies and the Listing Rules.

- (b) **Independent Expert:** Promptly appoint the Independent Expert and provide any assistance and information reasonably requested by the Independent Expert to enable the Independent Expert to prepare the Independent Expert's Report.
- (c) **ASIC Statements:** Apply to ASIC for the production of:
 - (i) a letter stating that it does not intend to appear at the First Court Date; and
 - (ii) a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme.
- (d) **Consult with Holdco:** Provide Holdco with drafts of the Scheme Booklet, consult with Holdco in relation to the content and presentation of the Scheme Booklet and give Holdco and its Representatives a reasonable opportunity to provide input about the content and presentation of the Scheme Booklet, and obtain Holdco's consent to include the Holdco Information in the form and context in which it appears.
- (e) **Court Application:** Apply to the Court for an order under section 411(1) of the Corporations Act directing ABR to convene the Scheme Meeting.
- (f) **Registration:** Request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act.
- (g) **New Information:** Provide to ABR Shareholders any further or new information which arises after the despatch of the Scheme Booklet and prior to the Scheme Meeting which is necessary to ensure that the information contained in the Scheme Booklet is not false, misleading or deceptive in any material respect (whether by omission or otherwise).
- (h) **Scheme Meeting:** Hold the Scheme Meeting to approve the Scheme in accordance with any orders made by the Court pursuant to section 411(1) of the Corporations Act.
- (i) **Court Approval:** Subject to the satisfaction or waiver of all Conditions (other than the Condition in clause 3.1(b)), apply to the Court for orders approving the Scheme under section 411(4)(b) of the Corporations Act.
- (j) **Lodge Court Orders:** Lodge with ASIC an office copy of the Court order approving the Scheme in accordance with section 411(10) of the Corporations Act on the day after that office copy is received (or any later date agreed in writing by Holdco).
- (k) **Listing:** Take all reasonable steps to maintain ABR's listing on ASX, notwithstanding any suspension of the quotation of ABR Shares, up to and including the Implementation Date, including making appropriate applications to ASX and ASIC.
- (l) **ATO Class Ruling:** Apply to the ATO for the ATO Class Ruling.
- (m) **Share Register:** Close the Share Register as at the Record Date to determine the identity of Scheme Shareholders and their entitlements to Scheme Consideration.
- (n) **Transfers:** Subject to Holdco satisfying its obligations under clause 4.3, on the Implementation Date:
 - (i) execute proper instruments of transfer and effect the transfer of all Scheme Shares to Holdco in accordance with the Scheme; and
 - (ii) register all transfers of Scheme Shares to Holdco.

- (o) **Suspension of Trading:** Apply to ASX to suspend trading in ABR Shares with effect from the close of trading on the Effective Date.
- (p) **Other Steps:** Do all other things necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

Holdco's obligations

- 5.3 Holdco must take all reasonable steps to assist ABR to implement the Scheme on a basis consistent with this Agreement as soon as reasonably practicable, and in particular must:
- (a) **Holdco Information:** Prepare and promptly provide to ABR for inclusion in the Scheme Booklet the Holdco Information (in accordance with all applicable laws, including the Corporations Act, applicable ASIC guidance and policies and the Listing Rules).
 - (b) **Accuracy of Holdco Information:** Before the despatch of the Scheme Booklet to ABR Shareholders, verify to ABR the accuracy of the Holdco Information contained in the Scheme Booklet, and consent to the inclusion of that information in the form and context in which it appears in the Scheme Booklet, in each case subject to Holdco being reasonably satisfied as to those matters.
 - (c) **Holdco New Information:** Provide ABR further or new information about Holdco which arises after despatch of the Scheme Booklet to ABR Shareholders and prior to the Scheme Meeting which is necessary or reasonably required by ABR to ensure that the Holdco Information disclosed to ABR Shareholders is not false, misleading or deceptive in any material respect (whether by omission or otherwise).
 - (d) **Independent Expert:** Provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report.
 - (e) **Deed Poll:** Prior to the Scheme Booklet being despatched, sign and deliver to ABR the Deed Poll.
 - (f) **Depositary Nominee:** Appoint CDN to receive and hold Holdco Shares under the Scheme for the benefit of Scheme Shareholders who are to receive Holdco CDIs as the Scheme Consideration.
 - (g) **Transfers:** If the Scheme becomes Effective, accept a transfer of the Scheme Shares and execute proper instruments of transfer of all Scheme Shares to Holdco in accordance with the Scheme.
 - (h) **Holdco Shares:** Apply to NASDAQ to list Holdco Shares (subject to the Scheme becoming Effective) and use reasonable endeavours to obtain the satisfaction of any conditions imposed by NASDAQ for such listing.
 - (i) **Holdco CDIs:** Apply to ASX for Holdco CDIs to be quoted on ASX (subject to the Scheme becoming Effective) and use reasonable endeavours to obtain the satisfaction of any conditions imposed by ASX for such quotation.
 - (j) **Scheme Consideration:** If the Scheme becomes Effective, provide or procure the provision of the Scheme Consideration in accordance with the Scheme and do all things necessary:
 - (i) to issue the Holdco Shares in accordance with the Scheme; and

- (ii) under the ASX Settlement Rules to enable the Holdco CDIs to be issued in accordance with the Scheme (including to confirm to ASX Settlement that the Holdco Shares underlying the Holdco CDIs have been issued to CDN in accordance with the ASX Settlement Rules).
- (k) **Other Steps:** Do all other things necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

Timetable

- 5.4 Each of ABR and Holdco must use its reasonable endeavours to perform its obligations (and procure its Representatives to assist in that performance) substantially in accordance with the timetable agreed between the parties.

Conduct of business

- 5.5 During the period between the date of this Agreement and the earliest of:

- (a) the Implementation Date;
- (b) the date this Agreement is terminated in accordance with its terms; and
- (c) the End Date,

ABR must, and must ensure that its Subsidiaries, conduct their businesses in the ordinary and proper course of business.

- 5.6 Any restriction on conduct which is imposed under clause 5.5 does not apply to the extent that:

- (a) the conduct is required to be undertaken by ABR or its Subsidiary (as the case may be) in connection with the Scheme or this Agreement; or
- (b) the conduct is approved by Holdco.

6. Warranties

ABR Warranties

- 6.1 ABR represents and warrants to Holdco at the date of this Agreement and on each subsequent day until and including 8:00 am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date) that:
- (a) **status:** it has been incorporated or formed in accordance with the laws of its place of incorporation;
 - (b) **power:** it has power to enter into this Agreement, to comply with its obligations under it and exercise its rights under it;
 - (c) **no contravention:** the entry by it into, its compliance with its obligations and the exercise of its rights under, this Agreement do not and will not conflict with:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
 - (ii) any law binding on or applicable to it or its assets;
 - (d) **authorisations:** other than any:

- (i) regulatory approval required in connection with the Scheme (or any aspect of it); or
- (ii) matter which is the subject of a Condition,
it has in full force and effect each authorisation necessary for it to enter into this Agreement, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **validity of obligations:** its obligations under this Agreement are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **insolvency:** no member of the ABR Group is Insolvent.

Holdco Warranties

6.2 Holdco represents and warrants to ABR at the date of this Agreement and on each subsequent day until and including 8:00 am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date) that:

- (a) **status:** it has been incorporated or formed in accordance with the laws of its place of incorporation;
- (b) **power:** it has power to enter into this Agreement, to comply with its obligations under it and exercise its rights under it;
- (c) **no contravention:** the entry by it into, its compliance with its obligations and the exercise of its rights under, this Agreement do not and will not conflict with:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
 - (ii) any law binding on or applicable to it or its assets;
- (d) **authorisations:** other than any:
 - (i) regulatory approval required in connection with the Scheme (or any aspect of it); or
 - (ii) matter which is the subject of a Condition,
it has in full force and effect each authorisation necessary for it to enter into this Agreement, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **validity of obligations:** its obligations under this Agreement are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **insolvency:** Holdco is not Insolvent.

Nature of warranties

6.3 Each representation and warranty in clauses 6.1 and 6.2:

- (a) is severable;
- (b) will survive termination of this Agreement; and
- (c) is given with the intent that liability under it is not confined to breaches which are discovered before the date of termination of this Agreement.

No other warranties or reliance

- 6.4 Each party acknowledges that no other party (nor any person acting on that other party's behalf) has made any warranty, representation or other inducement to it to enter into this Agreement, except for the representations and warranties expressly set out in this Agreement.
- 6.5 Each party acknowledges and confirms that it does not enter into this Agreement in reliance on any warranty, representation or other inducement by or on behalf of any other party, except for any warranty or representation expressly set out in this Agreement.

Release

- 6.6 Each party:
- (a) releases its rights against, and will not make any Claim against, any past or present Representative of any other party in relation to anything done or purported to be done in connection with the Scheme, any transaction contemplated by or warranty given in this Agreement, any information provided to it by another party or in relation to its execution or delivery this Agreement to the extent that the past or present Representative has acted in good faith and has not engaged in any wilful misconduct; and
 - (b) holds the releases in clause 6.6(a) in respect of its past and present Representatives as trustee for those Representatives.
- 6.7 Nothing in clause 6.6(a) excludes any liability that may arise from wilful misconduct or bad faith on the part of any person.
-

7. Termination

Termination for breach

- 7.1 Without prejudice to any other rights of termination under this Agreement, either party may terminate this Agreement by giving the other party written notice at any time before 8.00 am on the Second Court Date if:
- (a) the other party is in breach of a material term of this Agreement, or there has been a breach of a material representation or warranty given by the other party under clauses 6.1 or 6.2 (as applicable) on or before the Second Court Date; and
 - (b) the party wishing to terminate this Agreement has given the other party a written notice setting out details of the breach and stating its intention to terminate this Agreement; and
 - (c) the breach is not capable of remedy or has not been remedied 10 Business Days (or any shorter period ending immediately before 8.00 am on the Second Court Date) from the date the notice under clause 7.1(b) is given.

Mutual termination

- 7.2 This Agreement is terminable if agreed to in writing by ABR and Holdco.

Effect of termination

- 7.3 If either ABR or Holdco terminates this Agreement under clauses 3 or 7, this Agreement and the parties' obligations under it cease, other than obligations under this clause and clauses 6.6, 8, 9, 10 and 11 which will survive termination.

- 7.4 Termination of this Agreement under clauses 3 or 7 does not affect any accrued rights of a party in respect of a breach of this Agreement prior to termination.
-

8. Announcements

- 8.1 Neither party may make a public announcement about this Agreement (or any document or transaction contemplated by this Agreement) or the Scheme unless:
- (a) the other party has approved the form of the announcement; or
 - (b) the law, the Listing Rules or the rules, regulations or requirements of SEC or NASDAQ
 - (c) require a party to make the announcement, subject to clause 8.2.
- 8.2 If the law, the Listing Rules or the rules, regulations or requirements of SEC or NASDAQ require a party to make an announcement about either the subject matter of this Agreement or any document or transaction contemplated by it or the Scheme, that party must give the other party as much notice as is reasonably practicable and, to the extent reasonably practicable, consult with the other party about the form and content of the announcement or disclosure.
-

9. Costs and stamp duty

Costs

- 9.1 Subject to clauses **Error! Reference source not found.** and 9.3, each party must bear its own costs and expenses (including professional fees and stamp duty) incurred by it in connection with the negotiation, preparation and execution of this Agreement and the implementation or attempted implementation of the Scheme.

Brokerage costs

- 9.2 Holdco must pay all brokerage costs and similar fees incurred in connection with the operation of the Sale Facility.

Stamp duty

- 9.3 Holdco must pay all stamp duty and any related fines or penalties in respect of this Agreement, the Deed Poll and the acquisition of the Scheme Shares in accordance with the Scheme and indemnify ABR against any liability arising from failure to comply with this clause 9.3.
-

10. Notices

Requirements

- 10.1 All notices must be:
- (a) in legible writing and in English;
 - (b) addressed to the recipient at the address or email address set out below or to any other address or email address that a party may notify to the other:
- to ABR:**

Address: Level 12, 197 St Georges Terrance, Perth WA 6000 Australia

Attention: Company Secretary

Email: abertolatti@americanpacificborate.com

to Holdco:

Address: 9329 Mariposa Suite 210, Hesperia California, 92344 United States of America

Attention: Henri Tausch

Email: htausch@americanpacificborate.com

- (c) signed by the party making the communication or by a person duly authorised by that party;
- (d) sent to the recipient by hand, prepaid post (airmail if to or from a place outside Australia) or email; and
- (e) if sent by email, in a form which:
 - (i) identifies the sender; and
 - (ii) clearly indicates the subject matter of the notice in the subject heading of the email,

provided that the recipient has not provided written notice to the other party confirming that it does not wish to receive notices by email. The parties consent to the method of signature contained in clause 10.1(e) and agree that it satisfies the requirements of applicable law for signature on service of notice by email.

Receipt of notices

10.2 Without limiting any other means by which a party may be able to prove that a notice has been received by the other party, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of the recipient;
- (b) if sent by prepaid post, three Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by email, when the sender receives an automated message confirming delivery or four hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, whichever occurs first.

10.3 If a notice is served by hand, or is received by the recipient's fax, on a day that is not a Business Day, or after 5.00 pm (recipient's local time) on a Business Day, the notice will be considered to have been received by the recipient at 9.00 am (recipient's local time) on the next Business Day.

11. General

Entire agreement

- 11.1 To the extent permitted by law, in relation to the subject matter of this Agreement, this Agreement:
- (a) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
 - (b) supersedes any prior agreement (whether or not in writing) between the parties.

Further assurances

- 11.2 Each party must, at its own expense, whenever requested by the other party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this Agreement and the transactions contemplated by this Agreement.

No merger

- 11.3 The rights and obligations of the parties do not merge on completion of any transaction contemplated under this Agreement. They survive the execution and delivery of any assignment or other document entered into to implement any transaction contemplated under this Agreement.

Assignment

- 11.4 A party cannot assign, novate or otherwise transfer or deal in any other way with any of its rights or obligations under this Agreement without the other party's prior written consent.

Invalid or unenforceable provisions

- 11.5 If a provision of this Agreement is invalid or unenforceable in a jurisdiction:
- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
 - (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions of this Agreement.

Waiver and exercise of rights

- 11.6 A waiver by a party of a provision of, or of a right under, this Agreement is only binding on the party granting the waiver if it is given in writing and is signed by the party or an authorised officer of the party granting the waiver.
- 11.7 A waiver is effective only in the specific instance and for the specific purpose for which it is given.
- 11.8 A single or partial exercise of a right by a party does not preclude another exercise of that right or the exercise of another right.
- 11.9 The failure to exercise, or the delay in exercising, a right does not operate as a waiver or prevent the party so failing or exercising its right from later doing so.

Amendment

- 11.10 Except as expressly provided to the contrary in this Agreement, this Agreement may only be amended by a document signed by or on behalf of each party.

Counterparts

- 11.11 This Agreement may be signed in counterparts and all counterparts taken together constitute one document.

Rights cumulative

- 11.12 Except as expressly provided to the contrary in this Agreement or as permitted by law, the rights, powers and remedies provided in this Agreement are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Agreement.

Consents or approvals

- 11.13 A party may give its approval or consent conditionally or unconditionally, or withhold its approval or consent, in its absolute discretion unless this Agreement expressly provides otherwise.

GST

- 11.14 Unless expressly included, the consideration for any supply under or in connection with this Agreement does not include GST.
- 11.15 To the extent that any supply made by a party to another party (**Recipient**) under or in connection with this Agreement is a taxable supply and a tax invoice has been provided to the Recipient, the Recipient must pay, in addition to the consideration to be provided under this Agreement for that supply (unless it expressly includes GST) an amount equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.
- 11.16 The amount of GST payable in accordance with clause 11.15 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.

Governing law and jurisdiction

- 11.17 This Agreement is governed by the laws of New South Wales
- 11.18 Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.


Service of process

- 11.19 Each party agrees that a document required to be served in proceedings about this Agreement may be served:
- (a) by being delivered to or left at its address for service of notices under clauses 10.1 and 10.2; or
 - (b) in any other way permitted by law.

Execution

Executed as an agreement.

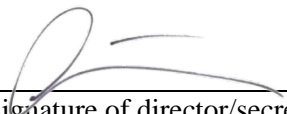
Signed by
American Pacific Borates Limited
by a director and secretary/director:



Signature of director

David Salisbury

Name of director (please print)




Signature of director/secretary

Anthony Hall

Name of director/secretary (please print)

Signed for and on behalf
of **5E Advanced Materials, Inc.**
by its duly authorised officer:



Signature of authorised officer

Aaron Bertolatti - Secretary

Name and title of authorised officer (please
print)

Scheme of Arrangement

American Pacific Borates Limited

**The holders of fully paid ordinary shares in
American Pacific Borates Limited as at the
Record Date**

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Scheme of Arrangement

pursuant to section 411 of the *Corporations Act 2001* (Cth)

between **American Pacific Borates Limited (ACN 615 606 114)** (a company incorporated in Australia) of Level 12, 197 St Georges Terrace, Perth WA 6000 Australia (**ABR**)

and **The holders of fully paid ordinary shares in ABR as at the Record Date**

Operative provisions

1. Definitions and interpretation

Definitions

1.1 In this document, unless the context requires otherwise:

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

ABR Shareholder means each person who is registered in the Share Register as a holder of ABR Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities market which it operates.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Rules means the ASX Settlement Operating Rules.

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, New South Wales.

CDI means a CHESS Depositary Interest, being a unit of beneficial ownership in a Holdco Share that is registered in the name of CDN, or beneficial ownership is held by CDN, in accordance with the ASX Settlement Rules and **CDIs** means a number of them.

CDN means CHESS Depositary Nominees Pty Ltd (ACN 071 346 506).

CHESS means the Clearing House Electronic Subregister System of share transfers operated by ASX Settlement.

Condition means a condition set out in clause 3.1.

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

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing between ABR and Holdco.

Deed Poll means the deed poll in respect of this Scheme dated on or about the date of this document executed by Holdco in favour of each Scheme Shareholder.

Depository Nominee has the meaning given in the ASX Settlement Rules.

Effective means, when used in relation to this Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which this Scheme becomes Effective.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement, security interest (as defined in section 12 of the *Personal Property Securities Act 2009* (Cth)), right of first refusal, pre-emptive right, any similar restriction, or any agreement to create any of them or allow them to exist.

End Date means 5.00 pm on 31 January 2022 or such other date and time agreed in writing between ABR and Holdco.

Holdco means 5E Advanced Materials, Inc. (a company incorporated in the State of Delaware, United States of America).

Holdco CDI means a CDI representing a beneficial interest in 1/10th of a Holdco Share.

Holdco Share means a share of voting common stock in Holdco.

Implementation Date means the fifth Business Day after the Record Date or such other date as is agreed by ABR and Holdco.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address, as shown in the Share Register (as at the Record Date), is in a place outside Australia, New Zealand, Canada, Hong Kong, Ireland, Papua New Guinea, Singapore, Malaysia, Thailand or the United States, unless Holdco is satisfied, acting reasonably, that the laws of that place permit the offer and issue of Holdco Shares or Holdco CDIs to that Scheme Shareholder and, in Holdco's sole discretion, is not unduly onerous or impracticable for Holdco to do so.

NASDAQ means Nasdaq Stock Market LLC or the Nasdaq Stock Market (or such other market operated by Nasdaq Stock Market LLC on which Holdco Shares may be listed or quoted), as the context requires.

Record Date means 7.00 pm on the second Business Day after the Effective Date.

Sale Agent means the person appointed by ABR to sell the Scheme Consideration that is attributable to Ineligible Foreign Shareholders under the terms of this Scheme.

Sale Facility means a facility to be established by ABR and managed by the Sale Agent under which the Scheme Consideration which otherwise would be received by Ineligible Foreign Shareholders will be sold in accordance with this Scheme and the agreement to be entered into between ABR and the Sale Agent.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between ABR and Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by ABR and Holdco.

Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of this Scheme for the transfer to Holdco of their Scheme Shares being:

- (a) where the Scheme Shareholder is a Share Elected Scheme Shareholder, 1 Holdco Share for every 10 Scheme Shares; or
- (b) where the Scheme Shareholder is a CDI Elected Scheme Shareholder, 1 Holdco CDI for every Scheme Share.

Scheme Implementation Agreement means the scheme implementation agreement dated 11 October 2021 between ABR and Holdco.

Scheme Meeting means the meeting of ABR Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme.

Scheme Share means an ABR Share held by a Scheme Shareholder as at the Record Date.

Scheme Shareholder means each person who holds an ABR Share as at the Record Date.

Second Court Date means the first day on which the Court hears the application to approve this Scheme under section 411(4)(b) of the Corporations Act, or if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

Share Elected Scheme Shareholder means each Scheme Shareholder (other than an Ineligible Foreign Shareholder) who has made a valid Share Election.

Share Election means a valid election for Holdco Shares by a Scheme Shareholder pursuant to the terms of this Scheme.

Share Register means the register of shareholders of ABR maintained by or on behalf of ABR.

Interpretation

1.2 In this document:

- (a) unless the context requires otherwise, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
 - (iv) to a clause, paragraph, Schedule or Annexure is to a clause, paragraph, Schedule or Annexure of or to this document;
 - (v) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
 - (vi) to any time is to Sydney time;
 - (vii) to "\$" is to the lawful currency of Australia;
- (b) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;

- (d) headings are for convenience only and do not affect interpretation of this document;
 - (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
 - (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.
-

2. Preliminary

ABR

- 2.1 ABR is a public company limited by shares, incorporated in Australia and taken to be registered in Western Australia. Its registered office is at Level 12, 197 St Georges Terrace, Perth WA 6000.
- 2.2 ABR is admitted to the official list of ASX and ABR Shares are quoted on ASX.
- 2.3 As at 11 October 2021, 388,432,903 ABR Shares were on issue.

Holdco

- 2.4 Holdco is a corporation formed in the State of Delaware, United States of America. Its principal executive office is at 9329 Mariposa Suite 210, Hesperia California, 92344 United States of America.

Effect of Scheme

- 2.5 If this Scheme becomes Effective:
 - (a) Holdco will provide, or procure the provision of, the Scheme Consideration to Scheme Shareholders in accordance with the terms of this Scheme; and
 - (b) subject to provision of the Scheme Consideration, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Holdco and ABR will enter Holdco in the Share Register as the holder of the Scheme Shares.

Scheme Implementation Agreement

- 2.6 ABR and Holdco have entered into the Scheme Implementation Agreement which sets out the terms on which ABR and Holdco have agreed to implement this Scheme.

Deed Poll

- 2.7 This Scheme attributes actions to Holdco but does not itself impose an obligation on Holdco to perform those actions. Holdco has executed the Deed Poll in favour of each Scheme Shareholder under which it has covenanted, subject to this Scheme becoming Effective, to perform certain steps attributed to it under this Scheme and to do all things necessary or desirable to implement this Scheme, including to provide, or procure the provision of, the Scheme Consideration.
- 2.8 ABR undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Holdco on behalf of and as trustee and nominee for the Scheme Shareholders.

3. Conditions

Conditions to Scheme

3.1 This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following Conditions:

- (a) **Satisfaction of Conditions:** all of the conditions set out in clause 3.1 of the Scheme Implementation Agreement, other than the condition in clause 3.1(b), having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement, before 8.00 am on the Second Court Date;
- (b) **Scheme Implementation Agreement:** as at 8.00 am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with its terms;
- (c) **Court Approval:** the Court making orders under section 411(4)(b) of the Corporations Act approving this Scheme and, if applicable, ABR and Holdco having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;
- (d) **Court Order:** the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme,

and the provisions of clauses 4, 5, 6 and 7 will not come into effect unless and until each of these Conditions has been satisfied.

Certificate in relation to Conditions

3.2 ABR and Holdco must provide to the Court on the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not all of the Conditions (other than the Conditions in clauses 3.1(c) and 3.1(d)) have been satisfied or waived as at 8.00 am on the Second Court Date.

3.3 The certificate referred to in clause 3.2 will, in the absence of manifest error, constitute conclusive evidence of whether the Conditions have been satisfied or waived.

Effective Date

3.4 Subject to clause 3.5, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

End Date

3.5 This Scheme will lapse and have no further force or effect if the Effective Date has not occurred on or before the End Date.

4. Implementation of Scheme

Lodgement of Court orders with ASIC

4.1 ABR must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as practicable and, in any event, by no later than 5.00 pm on the first Business Day after the date on which the Court approves this Scheme (or on such other Business Day as ABR and Holdco agree).

Transfer of Scheme Shares

- 4.2 Subject to this Scheme becoming Effective and provision of the Scheme Consideration in accordance with clause 5, on the Implementation Date the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to Holdco without the need for any further act by any Scheme Shareholder by:
- (a) ABR delivering to Holdco a duly completed share transfer form executed on behalf of the Scheme Shareholders (which may be a master share transfer form) to transfer all the Scheme Shares to Holdco;
 - (b) Holdco duly executing this transfer form and delivering this transfer form to ABR for registration; and
 - (c) to the extent applicable, ABR effecting a valid transfer of Scheme Shares under section 1074D of the Corporations Act.
- 4.3 As soon as practicable after receipt of the transfer form or completion of the transfer procedure, ABR must enter the name and address of Holdco in the Share Register as the holder of the Scheme Shares.
- 4.4 To the extent permitted by law, the Scheme Shares will be transferred to Holdco free from all Encumbrances.
-

5. Scheme Consideration

Scheme Consideration

- 5.1 ABR must use its best endeavours to procure that, on the Implementation Date, Holdco provides the Scheme Consideration to each Scheme Shareholder by:
- (a) (subject to clause 5.3) in respect of each Share Elected Scheme Shareholder, issuing 1 Holdco Share for every 10 Scheme Shares held by the Scheme Shareholder;
 - (b) (subject to clause 5.3) in respect of all other Scheme Shareholders (other than an Ineligible Foreign Shareholder):
 - (i) procuring CDN to issue 1 Holdco CDI for every Scheme Share held by that Scheme Shareholder; and
 - (ii) issuing to CDN (as Depositary Nominee) the relevant number of Holdco Shares underlying such Holdco CDIs (being 1 Holdco Share for every 10 Holdco CDIs); and
 - (c) in respect of each Ineligible Foreign Shareholder:
 - (i) procuring CDN to issue to the Sale Agent such number of Holdco CDIs that the Ineligible Foreign Shareholder would otherwise have been entitled to; and
 - (ii) issuing to CDN (as Depositary Nominee) the relevant number of Holdco Shares underlying such Holdco CDIs (being 1 Holdco Share for every 10 Holdco CDIs).

Sequence of transactions

- 5.2 Subject to the remaining provisions of this clause 5, the transactions which form part of this Scheme will be implemented in the following sequence on the Implementation Date:

- (a) each Scheme Shareholder will receive the Scheme Consideration for the Scheme Shares held by that Scheme Shareholder on the Record Date; and
- (b) in exchange, all Scheme Shares will be transferred to Holdco.

Fractional entitlements

- 5.3 Where a Scheme Shareholder would otherwise be entitled under the Scheme to a fraction of a Holdco Share or a number of Holdco CDIs that do not equate to a whole number of Holdco Shares as part of the Scheme Consideration, the fractional entitlement will be rounded up to the nearest whole number of Holdco Shares.

Holdco CDIs

- 5.4 On the Business Day prior to the Implementation Date, ABR must procure that Holdco enters in its register of stockholders the name of CDN (as Depositary Nominee) to hold the Holdco Shares underlying the Holdco CDIs to be issued in accordance with this Scheme.
- 5.5 After the satisfaction of the obligation of Holdco under clause 5.4, ABR must procure that Holdco:
- (a) on the Implementation Date, procures that CDN records in the register of Holdco CDIs each Scheme Shareholder who is to receive Holdco CDIs under this Scheme and issues Holdco CDIs to the Sale Agent in accordance with clause 5.1; and
 - (b) as soon as is reasonably practicable despatches, or causes to be despatched, to each Scheme Shareholder who is to receive Holdco CDIs under this Scheme, a holding statement or confirmation advice in the name of that Scheme Shareholder representing the number of Holdco CDIs issued to that Scheme Shareholder.

Holdco Shares

- 5.6 The obligation of ABR to procure that Holdco issues Holdco Shares under clause 5.1 will be satisfied by Holdco, on the Implementation Date, procuring the entry into its register of stockholders the name of each person who is to receive Holdco Shares.

Sale Facility

- 5.7 Where a Scheme Shareholder is an Ineligible Foreign Shareholder, the number of Holdco Shares to which that Scheme Shareholder would otherwise have been entitled to under this Scheme will be issued to the Sale Agent (in the form of Holdco CDIs) and sold under the Sale Facility.
- 5.8 ABR will procure that, after the Implementation Date, the Sale Agent:
- (a) as soon as is reasonably practicable and, in any event, within 1 month after the Implementation Date, sells all Holdco CDIs issued to it under clause 5.7 in such manner, at such price and on such other terms as the Sale Agent determines in good faith and at the risk of the Ineligible Foreign Shareholders; and
 - (b) as soon as is reasonably practicable and, in any event, within 10 Business Days after the settlement of the sale of the last of the Holdco CDIs, remits the gross proceeds of the sale (free of any brokerage costs) to the Ineligible Foreign Shareholders in the amount to which they are entitled (on an averaged basis so that each Ineligible Foreign Shareholder receives the same price per Sale Security, subject to rounding to the nearest whole cent).

- 5.9 The remittance to each Ineligible Foreign Shareholder of the sale proceeds pursuant to clause 5.8(b) is in full and final satisfaction of that Ineligible Foreign Shareholder's right and entitlement to the Scheme Consideration referable to it.
- 5.10 Each Ineligible Foreign Shareholder, without the need for any further action, irrevocably appoints ABR as its agent to take any necessary or appropriate actions, or to receive on its behalf any financial services guide or other notice which may be given by the Sale Agent in connection with the Sale Facility.

Holdco Shares to rank equally

- 5.11 Holdco covenants in favour of ABR (in its own right and separately as trustee or nominee of each Scheme Shareholder) that:
- (a) all Holdco Shares issued as Scheme Consideration (including those issued to CDN in connection with the Holdco CDIs) will, upon their issue:
 - (i) rank equally with all other Holdco Shares then on issue; and
 - (ii) be fully paid and free from any Encumbrances; and
 - (b) it will use all reasonable endeavours to ensure that:
 - (i) Holdco Shares issued as Scheme Consideration will be listed for quotation on NASDAQ with effect from the Business Day after the Implementation Date (or such later date as NASDAQ may require); and
 - (ii) Holdco CDIs issued as Scheme Consideration will be listed for quotation on ASX with effect from the Business Day after the Implementation Date (or such later date as ASX may require).

Joint holders

- 5.12 In the case of Scheme Shares held in joint names:
- (a) any Scheme Consideration will be issued to and registered in the names of the joint holders;
 - (b) holding statements or notices confirming the issue of the Scheme Consideration will be provided to the holder whose name appears first in the Share Register as at the Record Date; and
 - (c) any amount to be paid to Scheme Shareholders will be payable to the joint holders.

Obligations of Scheme Shareholders

- 5.13 Each Scheme Shareholder who will be issued Holdco Shares or Holdco CDIs under this Scheme agrees to:
- (a) become a stockholder or CDI holder of Holdco (without the need for any further action on its part);
 - (b) be bound by the certificate of incorporation and by-laws of Holdco in force from time to time in respect of their Holdco Shares or Holdco CDIs; and
 - (c) have their name and address entered into the register of stockholders or CDI holders (as applicable) maintained by or on behalf of Holdco.

6. Dealings in ABR Shares

Determination of Scheme Shareholders

- 6.1 Each Scheme Shareholder will be entitled to participate in this Scheme.
- 6.2 For the purpose of determining who is a Scheme Shareholder, dealings in ABR Shares will only be recognised if:
- (a) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Share Register as the holder of the relevant ABR Shares by the Record Date; and
 - (b) in all other cases, share transfer forms in registrable form or transmission applications in respect of those dealings are received by ABR or its share registry by the Record Date.

ABR's obligation to register

- 6.3 ABR must register any registrable transfers or transmission applications of the kind referred to in clause 6.2(b) by the Record Date.

Transfers after the Record Date

- 6.4 If this Scheme becomes Effective, an ABR Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any ABR Shares or any interest in them after the Record Date (other than a transfer to Holdco in accordance with this Scheme and any subsequent transfers by Holdco or its successors in title).
- 6.5 ABR will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of ABR Shares received after the Record Date (other than a transfer to Holdco in accordance with this Scheme and any subsequent transfers by Holdco or its successors in title).

Maintenance of Share Register

- 6.6 For the purpose of determining entitlements to the Scheme Consideration, ABR will, until the Scheme Consideration has been issued to Scheme Shareholders, maintain or procure the maintenance of the Share Register in accordance with this clause 6. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

Effect of certificates and holding statements

- 6.7 From the Record Date, each certificate or holding statement for Scheme Shares will cease to have any effect as a document of title in respect of the Scheme Shares or otherwise (other than holding statements in favour of Holdco and its successors in title).
- 6.8 Each entry on the Share Register as at the Record Date (other than entries in respect of Holdco and its successors in title) will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration.

Information to be made available to Holdco

- 6.9 As soon as reasonably practicable after the Record Date and in any event at least two Business Days before the Implementation Date, ABR will give to Holdco or as it directs or procure that Holdco be given or as it directs, details of the name, address and number of Scheme Shares held by each Scheme Shareholder as shown in the Share Register at the Record Date in the form Holdco reasonably requires.

7. Quotation

ABR will:

- (a) apply to ASX for suspension of trading of ABR Shares on ASX with effect from the close of trading on the Effective Date; and
- (b) if this Scheme has been fully implemented in accordance with its terms, on the date determined by Holdco, apply to ASX for the termination of official quotation of ABR Shares on ASX and to have ABR removed from the official list of ASX.

8. General Scheme provisions

Appointment of ABR as agent and attorney

- 8.1 Each Scheme Shareholder, without the need for any further act, irrevocably appoints ABR and each of the directors and officers of ABR (jointly and severally) as its agent and attorney for the purpose of doing all things and executing all deeds, instruments, transfers and other documents that may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including but not limited to:
- (a) enforcing the Deed Poll against Holdco;
 - (b) in the case of Scheme Shares in a CHESS holding:
 - (i) causing a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS subregister of ABR to the issuer sponsored subregister operated by ABR or its share registry at any time after Holdco has issued the Scheme Consideration which is due under this Scheme to Scheme Shareholders; and
 - (ii) completing and signing on behalf of Scheme Shareholders any required form of transfer of Scheme Shares;
 - (c) in the case of Scheme Shares registered in the issuer sponsored subregister operated by ABR or its share registry, completing and signing on behalf of Scheme Shareholders any required form of transfer; and
 - (d) in all cases, executing any document or doing any other act necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including executing a proper instrument of transfer of Scheme Shares for the purposes of section 1071B of the Corporations Act (which may be a master transfer).
- 8.2 ABR may sub-delegate its functions, authorities or powers under clause 8.1 as agent and attorney of each Scheme Shareholder to any or all of its directors or officers.

Agreement by Scheme Shareholders

- 8.3 Subject to provision of the Scheme Consideration as contemplated in clause 5.1, each Scheme Shareholder agrees to:
- (a) the transfer of its Scheme Shares together with all rights and entitlements attaching to those Scheme Shares to Holdco in accordance with the terms of this Scheme; and

- (b) the variation, cancellation or modification (if any) of the rights attached to its ABR Shares constituted by or resulting from this Scheme.

Warranty by Scheme Shareholders

- 8.4 Each Scheme Shareholder is deemed to have warranted to ABR, and is deemed to have authorised ABR to warrant to Holdco as agent and attorney for the Scheme Shareholder, that:
- (a) all of its Scheme Shares (including all rights and entitlements attaching to them) transferred to Holdco under this Scheme will, on the date of the transfer, be fully paid and free from all Encumbrances; and
 - (b) it has full power and capacity to sell and transfer its Scheme Shares (including all rights and entitlements attaching to them) to Holdco.

Title to Scheme Shares

- 8.5 On and from the Implementation Date, subject to provision of the Scheme Consideration as contemplated in clause 5.1, and pending registration by ABR of Holdco in the Share Register as the holder of the Scheme Shares, Holdco will be beneficially entitled to the Scheme Shares.

Appointment of Holdco as sole proxy

- 8.6 On and from the Implementation Date and subject to provision of the Scheme Consideration as contemplated in clause 5.1, until registration by ABR of Holdco in the Share Register as the holder of the Scheme Shares, each Scheme Shareholder:
- (a) without the need for any further act irrevocably appoints Holdco and each of its directors, officers and secretaries (jointly and each of them separately) as its agent and attorney to appoint an officer or agent nominated by Holdco as its sole proxy and where applicable, corporate representative to:
 - (i) attend shareholders' meetings of ABR;
 - (ii) exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder; and
 - (iii) sign any shareholders' resolution of ABR;
 - (b) undertakes not to attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative other than under clause 8.6;
 - (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Holdco reasonably directs; and
 - (d) acknowledges and agrees that in exercising the powers referred to in this clause 8.6, Holdco and each of the directors, officers and secretaries of Holdco may act in the best interests of Holdco as the intended registered holder of the Scheme Shares.
- 8.7 ABR undertakes in favour of each Scheme Shareholder that it will appoint the officer or agent nominated by Holdco as that Scheme Shareholder's proxy or, where applicable, corporate representative in accordance with clause 8.6(a).

Scheme alterations and conditions

- 8.8 If the Court proposes to approve this Scheme subject to any alterations or conditions under section 411(6) of the Corporations Act, ABR may, by its counsel or solicitors, and with the

consent of Holdco, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Shareholders.

Effect of Scheme

- 8.9 The Scheme binds ABR and all Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at the meeting or vote against this Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of ABR.

No liability when acting in good faith

- 8.10 Neither ABR nor Holdco, nor any of their respective officers or agents, will be liable to an ABR Shareholder for anything done or omitted to be done in the performance of this Scheme in good faith.

Notices

- 8.11 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to ABR, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at ABR's registered office or at the address of its share registry.
- 8.12 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any ABR Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

Further assurances

- 8.13 Each party must, at its own expense, whenever requested by the other party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this Scheme and the transactions contemplated by this Scheme.

Costs and stamp duty

- 8.14 Holdco will pay all stamp duty (if any) and any related fines, penalties and interest payable on the transfer by Scheme Shareholders of the Scheme Shares to Holdco.
- 8.15 Holdco will pay all brokerage costs and similar fees incurred in connection with the operation of the Sale Facility.

Governing law and jurisdiction

- 8.16 This document is governed by the laws of New South Wales. Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Deed Poll

By 5E Advances Materials, Inc.

in favour of each Scheme Shareholder

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Title **Deed Poll**

Date 11 October 2021

By **5E Advanced Materials, Inc.** (a company incorporated in the State of Delaware, United States of America) of 9329 Mariposa Suite 210, Hesperia California, 92344 United States of America (**Holdco**)

in favour of **The holders of fully paid ordinary shares in ABR as at the Record Date**

Recitals

- A ABR and Holdco are parties to a Scheme Implementation Agreement dated 11 October 2021 (**Scheme Implementation Agreement**).
- B Holdco is entering into this Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform certain of its obligations under the Scheme Implementation Agreement and certain steps attributed to it under the Scheme, including ensuring that the Scheme Consideration is issued to Scheme Shareholders.
- C The effect of the Scheme will be that the Scheme Shares, together with all rights and entitlements attaching to them, will be transferred to Holdco in exchange for the Scheme Consideration.

Operative provisions

1. Definitions and interpretation

Definitions

- 1.1 Words and phrases defined in the Scheme have the same meanings in this Deed Poll unless the context requires otherwise, and:

Deed Poll means this deed poll.

Scheme means the scheme of arrangement between ABR and Scheme Shareholders under which all of the Scheme Shares will be transferred to Holdco under Part 5.1 of the Corporations Act as described in the Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by ABR and Holdco in accordance with the Scheme.

Interpretation

- 1.2 Clause 1.2 of the Scheme applies to the interpretation of this Deed Poll except that references to "this document" in that clause are to be read as references to "this Deed Poll".

2. Nature of Deed Poll

2.1 Holdco acknowledges that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not a party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints ABR and each of the directors and officers of ABR (jointly and severally) as its agent and attorney to enforce this Deed Poll against Holdco.

3. Conditions precedent and termination

Conditions precedent

3.1 Holdco's obligations under clause 4 in relation to the Scheme are subject to the Scheme becoming Effective.

Termination

3.2 Holdco's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will have no further force or effect if:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms prior to the occurrence of the Effective Date for the Scheme; or
- (b) the Scheme does not become Effective on or before the End Date,
unless Holdco and ABR otherwise agree in writing.

Consequences of termination

3.3 If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available:

- (a) Holdco is released from its obligations to further perform this Deed Poll, except for any obligations which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights it has against Holdco in respect of any breach of this Deed Poll which occurred before its termination.

4. Payment of Scheme Consideration

4.1 Subject to clause 3, Holdco undertakes to each Scheme Shareholder:

- (a) to issue to each Scheme Shareholder (or, in accordance with the terms of the Scheme, to the Sale Agent where such Scheme Shareholder is an Ineligible Foreign Shareholder) the Scheme Consideration;
- (b) that the Holdco Shares to be issued to Scheme Shareholders in accordance with the terms of the Scheme (including those issued in connection with the Holdco CDIs) will, upon their issue:
 - (i) rank equally in all respects with all other Holdco Shares then on issue; and

- (ii) be fully paid and free from any Encumbrances; and
- (c) to undertake all other actions attributed to it under, and otherwise comply with its obligations in, the Scheme as if it were a party to the Scheme,

subject to and in accordance with the provisions of the Scheme.

5. Representations and warranties

Holdco represents and warrants that:

- (a) **status:** it has been incorporated or formed in accordance with the laws of its place of incorporation;
- (b) **power:** it has power to enter into this Deed Poll, to comply with its obligations under it and exercise its rights under it;
- (c) **no contravention:** the entry by it into, its compliance with its obligations and the exercise of its rights under, this Deed Poll do not and will not conflict with:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
 - (ii) any law binding on or applicable to it or its assets;
- authorisations:** it has in full force and effect each authorisation necessary for it to enter into this Deed Poll, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (d) **validity of obligations:** its obligations under this Deed Poll are valid and binding and are enforceable against it in accordance with its terms; and
- (e) **insolvency:** Holdco is not Insolvent.

6. Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Holdco having fully performed its obligations under this Deed Poll; and
- (b) the termination of this Deed Poll under clause 3.2.

7. Notices

7.1 Any notice or other communication given to Holdco under or in connection with this Deed Poll must be:

- (a) in legible writing and in English;
- (b) addressed to Holdco at the address or email address set out below:

Address: 9329 Mariposa Suite 210, Hesperia California, 92344 United States of America

Attention: Henri Tausch

Email: htausch@americanpacificborate.com

- (c) signed by the sender or a person duly authorised by the sender; and
- (d) sent to Holdco by hand, prepaid post (airmail if to or from a place outside Australia) or email.

7.2 Without limiting any other means by which a party may be able to prove that a notice has been received by Holdco, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of Holdco;
- (b) if sent by pre-paid post, three Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by email, when the sender receives an automated message confirming delivery of four hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, whichever occurs first,

but if a notice is served by hand, or is received by email, on a day that is not a Business Day, or after 5.00 pm (Holdco's local time) on a Business Day, the notice will be considered to have been received by Holdco at 9.00 am (Holdco's local time) on the next Business Day.

8. General

Stamp duty

8.1 Holdco:

- (a) must pay all stamp duty (if any) and any related fines, penalties and interest in respect of the Scheme and this Deed Poll, the performance of this Deed Poll and each transaction effected by or made under this Deed Poll; and
- (b) indemnifies each Scheme Shareholder on demand against any liability arising from failure to comply with clause 8.1(a).

Waiver

- 8.2 Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed Poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed Poll.
- 8.3 No waiver of a breach of any term of this Deed Poll will operate as a waiver of another breach of that term or of a breach of any other term of this Deed Poll.
- 8.4 Nothing in this Deed Poll obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.
- 8.5 A provision of or right under this Deed Poll may not be waived except in writing signed by the person granting the waiver.

Variation

- 8.6 A provision of this Deed Poll may not be varied unless the variation is agreed to in writing by Holdco and ABR, and the Court indicates that the variation would not of itself preclude approval of the Scheme. A variation which complies with this clause is effective when Holdco enters into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

Rights cumulative

- 8.7 The rights, powers and remedies of Holdco and of each Scheme Shareholder under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.

Assignment

- 8.8 The rights and obligations of Holdco and of each Scheme Shareholder under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity.

Further assurances

- 8.9 Holdco must, at its own expense, whenever requested by ABR, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this Deed Poll and the transactions contemplated by this Deed Poll.


Governing law and jurisdiction

- 8.10 This Deed Poll is governed by the laws of New South Wales.
- 8.11 Holdco irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Execution

Executed as a deed.

Signed for and on behalf
of **5E Advanced Materials, Inc.**
by its duly authorised officer:



Signature of authorised officer

Aaron Bertolatti - Secretary
Name and title of authorised officer (please
print)

Annexure E - Notice of Meeting

American Pacific Borates Limited ACN 615 606 114 (Company)

Notice of Meeting

Notice is given that, by an order of the Federal Court of Australia (**Court**) made on 27 October 2021 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of holders of ordinary shares in the Company will be held at 10.00 am (AEDT) on 3 December 2021.

In order to minimise the public health risks associated with the COVID-19 pandemic, and in accordance with the restrictions imposed by Australian Federal and State Governments in response to it, the Scheme Meeting will be held virtually via an online platform. There will be no physical meeting.

Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the Scheme Meeting online at <https://web.lumiagm.com/352665562>. The online platform will allow Shareholders to view and participate in the Scheme Meeting, ask questions and vote.

Further details on how to participate in the Scheme Meeting via the online platform will be made available at www.computershare.com.au/virtualmeetingguide and on the Company's website at www.americanpacificborates.com.

Business of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment, or any alterations or conditions required by the Court to which the Company and Holdco agree) to be made between the Company and the holders of ordinary shares in the Company (**Scheme**).

A copy of the Scheme, and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet of which this Notice of Meeting forms part. Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this Notice of Meeting.

Capitalised terms used but not defined in this Notice of Meeting have the defined meanings set out in the Scheme Booklet, unless the context otherwise requires.

Scheme Resolution

The Scheme Meeting will be asked to consider and, if thought fit, to pass (with or without amendment) the following resolution:

"That pursuant to and in accordance with section 411 of the Corporations Act, the Scheme proposed to be entered into between the Company and holders of its ordinary shares (the details of which are described in the Scheme Booklet of which the notice convening this Scheme Meeting forms part) is agreed to (with or without any amendment, or any alterations or conditions as approved by the Court to which the Company and Holdco agree)."

By order of the Court and the Board



Aaron Bertolatti

Company Secretary

27 October 2021

Explanatory Notes

General

These explanatory notes relate to the Scheme, and should be read in conjunction with the Scheme Booklet dated 27 October 2021 (**Scheme Booklet**) and the Notice of Meeting. These explanatory notes and the Scheme Booklet form part of the Notice of Meeting.

The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Annexure C of the Scheme Booklet

Terms used in these explanatory notes, unless otherwise defined, have the same meanings as set out in the Scheme Booklet.

Chair

The Court has directed that David J. Salisbury is to act as chair of the Scheme Meeting and that if David J. Salisbury is unable or unwilling to act, Anthony Hall is to act as chair of the Scheme Meeting.

Required voting majority

For the Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be passed by:

- a majority in number of Shareholders present and voting (either online or by proxy, attorney or by corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution contained in this Notice of Meeting.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme (with or without amendment, or any alterations or conditions required by the Court to which the Company and Holdco agree) is subject to approval by the Court. If the Scheme Resolution is passed by the requisite majorities set out above, and the other conditions to the Scheme (other than approval by the Court) are satisfied or waived (where capable of waiver) by the time required under the Scheme, the Company will apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Entitlement to vote

For the purposes of the Scheme Meeting, Shares will be taken to be held by the persons who are registered as Shareholders at 7.00 pm (AEDT) on 1 December 2021. Only those Shareholders entered on the Register at that time will be entitled to participate in, and vote at, the Scheme Meeting.

Accordingly, registrable transmission applications to transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Participation in the Scheme Meeting

Shareholders and their authorised proxies, attorneys and corporate representatives can participate in, and vote at, the Scheme Meeting virtually via an online platform at <https://web.lumiagm.com/352665562>.

The online platform can be accessed via a computer or mobile or tablet device with internet access. The online platform will allow Shareholders and their authorised proxies, attorneys and corporate representatives to participate in the Scheme Meeting, ask questions and vote online.

To participate and vote at the Scheme Meeting using the online platform:

- Shareholders will require their Security Holder Reference Number (**SRN**) or Holder Identification Number (**HIN**) (which is shown on their holding statement or Proxy Form) and their postcode (or country code if outside Australia - a full list of country codes is included in the Scheme Meeting Online Guide);
- Appointed proxies will require a unique username and password, which can be obtained by contacting the Information Line on 1300 161 428 (within Australia) or +61 3 9415 4037 (outside Australia); and
- Attorneys and corporate representatives can log in to the online platform using the SRN / HIN and postcode (or country code) of the relevant Shareholder.

It is recommended that Shareholders login to the online platform at least 15 minutes prior to the scheduled start time for the Scheme Meeting.

The Scheme Meeting Online Guide provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site. The Scheme Meeting Online Guide has been released to the ASX and will be made available at www.computershare.com.au/virtualmeetingguide and on the Company's website at www.americanpacificborates.com.

Shareholders are encouraged to monitor the Company's website and ASX announcement, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

How to vote

Voting will be conducted by poll.

If you are a Shareholder entitled to attend and vote at the Scheme Meeting, you may vote by:

- **online:** during the Scheme Meeting via the online platform.
- **by proxy:** by lodging a Proxy Form online or by completing, signing and lodging a Proxy Form in accordance with the instructions set out in the Proxy Form. To be valid, Proxy Forms must be received by the Registry by 10.00 am (AEDT) on 1 December 2021.
- **by attorney:** by appointing an attorney to attend the Scheme Meeting on their behalf and providing a duly executed power of attorney to the Registry by 10.00 am (AEDT) on 1 December 2021.
- **by corporate representative:** in the case of a body corporate, by appointing a corporate representative to vote at the Scheme Meeting on their behalf and providing a duly executed appointment of corporate representative (in accordance with sections 250D and 253B of the Corporations Act) prior to the Scheme Meeting.

Jointly held securities

If you hold Shares jointly with one or more persons, only one joint holder may vote. If more than one joint holder attempts to vote at the Scheme Meeting, only the vote of the Shareholder whose name appears first on the Register will be counted.

Voting online

To vote online at the Scheme Meeting, you must attend the Scheme Meeting via the online platform, which will be available at <https://web.lumiagm.com/352665562>.

Online voting will be open between the start of the Scheme Meeting and the close of voting as announced by the chair during the Scheme Meeting. Instructions on how to cast your vote online via the online platform, refer to the Scheme Meeting Online Guide.

Voting by proxy

Shareholders entitled to participate in and vote at the Scheme Meeting may appoint a person to participate in and vote at the Scheme Meeting as their proxy. Please refer to the Proxy Form for instructions on completion and lodgement.

The following applies to proxy appointments:

- a proxy need not be a Shareholder, and may be an individual or a body corporate. If a body corporate is appointed as proxy, it must ensure that it appoints an individual as its corporate representative in accordance with sections 250D and 253B of the Corporations Act to exercise its powers as proxy at the Scheme Meeting;
- a Shareholder who is entitled to cast two or more votes at the Scheme Meeting may appoint not more than two proxies. If you wish to appoint a second proxy, a second Proxy Form should be used, and you should clearly indicate the number or proportion of votes that may be cast by each proxy appointed. If you do not indicate the number or proportion of votes that each proxy may cast, each proxy may exercise half of your votes, with any fractions of votes disregarded;
- if you hold Shares jointly with one or more other persons, all Shareholders must sign the Proxy Form; and
- each proxy will have the right to vote and ask questions at the Scheme Meeting.

A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority.

If you have appointed a proxy and participate in the Scheme Meeting and vote on the Scheme Resolution, the authority of your proxy to participate and vote, on your behalf, is automatically revoked. However, if you attend the Scheme Meeting but do not vote on the Scheme Resolution, you will not revoke your proxy appointment.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Registry before the commencement of the Scheme Meeting.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote for or against, or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the Scheme Meeting.

If you do not direct your proxy how to vote on the Scheme Resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on the Scheme Resolution, he or she is directed not to vote on your behalf, and the Shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your Proxy Form:

- without nominating a proxy on it, you will be taken to have appointed the chair of the Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy identified, but your proxy does not participate in the Scheme Meeting, the chair of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The chair of the Scheme Meeting intends to vote all available undirected proxies in favour of the Scheme Resolution.

Voting by attorney

You may appoint an attorney to participate in and vote at the Scheme Meeting on your behalf. Your attorney need not be a Shareholder. Each attorney will have the right to vote and ask questions at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the Scheme Meeting must be duly executed by you, and specify your name, the Company and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, must be received by the Registry before 10.00 am (AEDT) on 1 December 2021 in any of the ways specified for Proxy Forms below (except that a power of attorney or certified copy of a power of attorney cannot be lodged online).

Voting by corporate representative

A body corporate that is a Shareholder, or that has been appointed as a proxy, must appoint an individual to act as its corporate representative at the Scheme Meeting. The appointment must comply with the requirements of section 250D and section 253B of the Corporations Act. An appointment of corporate representative may be downloaded from www.investorcentre.com/au under "Printable Forms" or obtained from the Registry by calling 1300 850 505.

The appointment of corporate representative may set out restrictions on the corporate representative's powers. The appointment of corporate representative must be received by the Registry prior to the Scheme Meeting. Shareholders may submit the appointment of corporate representative in any of the ways specified for Proxy Forms below (except that an appointment of corporate representative cannot be lodged online).

If an appointment of corporate representative is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority or a certified copy of the power of attorney or other authority must accompany the completed appointment of corporate representative, unless the power of attorney or other authority has previously been received by the Registry.

How to submit a Proxy Form

To appoint a proxy, you should complete and submit the Proxy Form in accordance with the instructions on that form.

To be effective, proxy appointments must be received by the Registry by 10.00 am (AEDT) on 1 December 2021 in one of the following ways:

- **online:**
at www.investorvote.com.au
- **by post in the provided reply paid envelope to the Registry at the following address:**
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia
- **by fax to the Registry:**
1800 783 447 (within Australia) or +61 3 9437 2555 (outside of Australia)
- **by mobile:**
Scan the QR Code on your Proxy Form and follow the prompts
- **Custodian voting:**
For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Proxy Forms received after this time will be invalid.

If a Proxy Form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed Proxy Form unless the power of attorney or other authority has previously been received by the Registry.

For more information concerning the appointment of proxies and ways to lodge the Proxy Form, please refer to the Proxy Form.

Questions

Shareholders will have a reasonable opportunity to ask questions during the Scheme Meeting via the online platform. Refer to the Scheme Meeting Online Guide for instructions on how to ask questions via the online platform.

Shareholders who prefer to register questions in advance of the Scheme Meeting are also invited to do so by submitting questions by email to info@americanpacificborate.com. The chair of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

Questions must be submitted to ABR by 10.00 am (AEDT) on 1 December 2021.

Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The chair has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chair will have regard to the number of Shareholders impacted, and the extent to which participation in the Scheme Meeting is affected. Where the chair considers it appropriate, the chair may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

Advertisement

Where this Notice of Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained from the ASX website at www.asx.com.au or from the Company's website at www.americanpacificborates.com.

Annexure F - Explanation of CDIs

1 What are CDIs?

As Holdco intends to be listed on the ASX, Holdco will, in order for Holdco Shares to trade electronically on the ASX, need to participate in the electronic transfer and settlement system known as CHESS.

CHESS cannot be directly used, however, for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as the United States. Accordingly, if Holdco's listing application is approved by ASX, to enable Holdco Shares to be cleared and settled electronically through CHESS, Holdco will issue depositary interests, called CHESS Depositary Interests or CDIs (that is, Holdco CDIs) to Eligible Shareholders who receive Holdco CDIs by default as their Scheme Consideration (i.e. those Eligible Shareholders who have not made a valid election to receive Holdco Shares).

CDIs confer the beneficial ownership of foreign securities, such as Holdco Shares, on the CDI holder, with the legal title, or beneficial ownership, to such securities held by an Australian depositary entity (in this case, CHESS Depositary Nominees Pty Ltd, the **Depositary Nominee**).

Each holder of Holdco CDIs will be deemed to acknowledge and agree for the benefit of Holdco that they are bound by the bylaws of Holdco in respect of any Holdco CDIs issued to them.

2 Who is the Depositary Nominee and what is their role?

Holdco will appoint the Depositary Nominee to hold the legal title, or beneficial ownership, to Holdco Shares for the benefit of holders of Holdco CDIs. The Depositary Nominee is an approved general shareholder of ASX Settlement and a wholly-owned subsidiary of ASX.

The Depositary Nominee will be the registered holder, or beneficial owner, of those Holdco Shares held for the benefit of holders of Holdco CDIs. The Depositary Nominee does not charge a fee for providing this service.

3 What is the ratio of Holdco CDIs to Holdco Shares?

10 Holdco CDIs will represent an interest in 1 Holdco Share.

4 How is trading in Holdco CDIs effected?

Holders of Holdco CDIs who wish to trade their Holdco CDIs will be transferring the beneficial interest in the underlying Holdco Shares that the Holdco CDIs represent, rather than the legal title to those Holdco Shares.

The transfer will be settled electronically by delivery of the relevant Holdco CDIs through CHESS. In other respects, trading in Holdco CDIs is essentially the same as trading in other CHESS approved securities, such as Shares.

Importantly, only Holdco CDIs can be traded on ASX. Holdco Shares cannot be traded on the ASX unless they converted into Holdco CDIs.

5 Will Holdco CDIs be listed and trade on NASDAQ?

Holdco CDIs will be quoted and traded on the ASX in Australian dollars, and will not be quoted on NASDAQ. Holdco Shares will be quoted and traded on NASDAQ in US dollars and will not be quoted on the ASX.

Holders of Holdco CDIs should note that there may be differences in the levels of trading and liquidity of Holdco CDIs on the ASX and Holdco Shares on NASDAQ. Holders of Holdco CDIs can elect to convert their Holdco CDIs to Holdco Shares (and vice versa) at any time after the Scheme is implemented.

6 Holding statements for Holdco CDIs

If a holder of Holdco CDIs is sponsored by a participant in CHESS (usually their broker), they can hold their Holdco CDIs on the CHESS sub-register. Otherwise, Holdco CDIs will be held on the issuer-sponsored sub-register.

Each holder of Holdco CDIs will receive a holding statement when their Holdco CDI holding is first established (i.e. upon implementation of the Scheme) with the reference number of their holding.

7 What rights do holders of Holdco CDIs have?

As noted above, holders of Holdco CDIs will not hold the legal title to the underlying Holdco Share to which the Holdco CDIs relate, as the legal title, or beneficial ownership, to the Holdco Share will be held by the Depositary Nominee. Holders of Holdco CDIs will, however, have a beneficial interest in the underlying Holdco Share

Section 6.7 of the Scheme Booklet contains a summary of the principal rights attaching to the Holdco Shares. The following provides an overview of the rights and entitlements of holders of Holdco CDIs. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of holders of Holdco CDIs. To obtain such a statement, persons should seek independent legal advice

(a) Dividends and Distributions

Despite legal title or beneficial ownership being vested in the Depositary Nominee, the ASX Settlement Rules provide that holders of Holdco CDIs are entitled to receive all the direct economic benefits and other entitlements in relation to the underlying Holdco Shares that are held by the Depositary Nominee, including dividends and other entitlements that attach to the underlying Holdco Shares.

It is possible that marginal differences may exist between the resulting entitlement of a holder of Holdco CDIs and the entitlements that would have accrued if a holder of Holdco CDIs held their holding directly as Holdco Shares. As the ratio of Holdco CDIs to Holdco Shares is not one-to-one, and any entitlement will be determined on the basis of Holdco Shares rather than Holdco CDIs, a holder of Holdco CDIs may not always benefit to the same extent (e.g. from the rounding up of fractional entitlements). Holdco will, however, be required by the ASX Settlement Rules to minimise any such differences where legally permissible. If a cash dividend or any other cash distribution is declared in a currency other than Australian dollars, Holdco currently intends to convert that dividend or other cash distribution to which a holder of Holdco CDIs are entitled to Australian dollars and distribute it to the relevant holder of Holdco CDIs in accordance with their entitlement.

Due to the need to convert dividends from United States dollars to Australian dollars in the above mentioned circumstances, holders of Holdco CDIs may potentially be advantaged or disadvantaged by exchange rate fluctuations, depending on whether the Australian dollar weakens or strengthens against the United States dollar during the period between the resolution to pay a dividend and conversion into Australian dollars

(b) Corporate Actions

Under the ASX Settlement Rules, holders of Holdco CDIs are entitled to receive all the direct economic benefits and other entitlements in relation to the underlying Holdco Shares that are held by the Depositary Nominee. These include the entitlement to participate in rights issues, bonus issues and capital reductions. Holdco is generally required to treat holders of Holdco CDIs, in respect of corporate actions, as if they were the holders of the underlying Holdco Shares.

As noted above, it is possible that marginal differences may exist between the resulting entitlement of a holder of Holdco CDIs and the entitlements that would have accrued if a holder of Holdco CDIs held their holding directly as Holdco Shares. As the ratio of Holdco

CDIs to Holdco Shares is not one-to-one, and any entitlement will be determined on the basis of Holdco Shares rather than Holdco CDIs, a holder of Holdco CDIs may not always benefit to the same extent (e.g. from the rounding up of fractional entitlements). Holdco will, however, be required by the ASX Settlement Rules to minimise any such differences where legally permissible.

(c) Takeovers

If a takeover bid or similar transaction is made in respect of any Holdco Shares of which the Depositary Nominee is the registered holder, under the ASX Settlement Rules, the Depositary Nominee is prohibited from accepting the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant holder of Holdco CDIs in respect of the Holdco Shares represented by their holding of Holdco CDIs.

The Depositary Nominee must accept a takeover offer in respect of Holdco Shares represented by a holding of Holdco CDIs if the relevant holder of Holdco CDIs instructs it to do so and must notify the entity making the takeover bid of the acceptance.

(d) Rights on liquidation and winding up

If Holdco is liquidated, dissolved or wound-up, a holder of Holdco CDIs will be entitled to the same economic benefit in relation to their Holdco CDIs (through the Depositary Nominee) as holders of Holdco Shares.

(e) Communications

Holders of Holdco CDIs will receive from Holdco all of the notices and company announcements (such as annual reports) that holders of Holdco Shares are entitled to receive from Holdco.

(f) Voting

If holders of Holdco CDIs wish to attend and vote at Holdco's general meetings, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Rules, Holdco must allow holders of Holdco CDIs to attend any meeting of the holders of Holdco Shares unless applicable US law at the time of the meeting prevents holders of Holdco CDIs from attending those meetings.

In order to vote at a stockholder meeting of Holdco, a holder of Holdco CDIs has the following options:

- instruct the Depositary Nominee (as the legal owner of the Holdco Shares) to vote the Holdco Shares represented by their Holdco CDIs in a particular manner. A voting instruction form will be sent to holders of Holdco CDIs with the notice of meeting or proxy statement for the meeting and that instruction form must be completed and returned to the Holdco Registry in Australia prior to the meeting. The instruction form must be completed and returned to the Holdco Registry prior to the record date fixed for the relevant meeting (**CDI Voting Instruction Receipt Time**), which is notified to the holder of Holdco CDIs in the voting instructions included in a notice of meeting; or
- inform Holdco that they wish to nominate themselves or a third party to be appointed as the Depositary Nominee's proxy with respect to the Holdco US Shares underlying their Holdco CDIs for the purposes of attending and voting at the meeting. The instruction form must be completed and returned to the Holdco Registry prior to the CDI Voting Instruction Receipt Time.

Alternatively, a holder of Holdco CDIs can convert their Holdco CDIs into a holding of Holdco Shares and vote those Holdco Shares at a meeting of Holdco. Such a conversion must be undertaken prior to the record date fixed by the Holdco Board for determining the entitlement of stockholders to attend and vote at the meeting. However, if the former holder of Holdco

CDIs later wishes to sell their investment on the ASX, it would be necessary to convert those Holdco Shares back to Holdco CDIs. Further details on the conversion process are set out in Section 8 of this Annexure F (below).

As holders of Holdco CDIs will not appear on Holdco's stockholder register as the legal holders of the underlying Holdco Shares, they will not be entitled to vote at a stockholder meeting unless one of the above steps is undertaken.

As each Holdco CDI represents 1/10th of a Holdco Share, if the holder of Holdco CDIs takes one of the steps noted above to allow it to vote at a stockholder meeting, the holder of Holdco CDIs will be entitled to one vote for every 10 Holdco CDIs it holds.

8 How are Holdco CDIs converted into Holdco Shares (and vice versa)?

(a) Converting Holdco CDIs to Holdco Shares

If a holder of Holdco CDIs wishes to convert their Holdco CDIs to Holdco Shares, they may do so by instructing Holdco's Registry:

- directly in the case of Holdco CDIs on the issuer sponsored sub-register operated by Holdco. Holders of Holdco CDIs will be provided with a CDI issuance request form for completion and return to the Holdco Registry; or
- through their sponsoring participant (usually their broker) in the case of Holdco CDIs which are sponsored on the CHESS sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Holdco Registry.

The Holdco Registry in the United States will then arrange for the transfer of the relevant Holdco Shares from the Depositary Nominee to the former holder of Holdco CDIs, recording them in the Holdco register of stockholders in book entry form or, if requested, deliver the relevant Holdco Shares to their DTC participant in the United States Central Securities Depositary, and trading on the ASX will no longer be possible.

The Holdco Registry will not charge a fee to a holder of Holdco CDIs seeking to convert their Holdco CDIs to Holdco Shares, although a fee will be payable by market participants.

(b) Converting Holdco Shares to Holdco CDIs

If a holder of Holdco Shares wishes to convert their Holdco Shares to Holdco CDIs, they may do so by contacting the Holdco Registry in the United States. In this instance, the underlying Holdco Shares will be transferred to the Depositary Nominee, and Holdco CDIs (and a holding statement for the corresponding Holdco CDIs) will be issued to the relevant security holder. No trading in the Holdco CDIs should take place on the ASX until this conversion process is complete.

The Holdco Registry will not charge a fee to a holder of Holdco Shares seeking to convert their Holdco Shares to Holdco CDIs, although a fee will be payable by market participants.

In either case, it is expected that each of the above processes will be completed within 24 hours, provided that the Holdco Registry is in receipt of a duly completed and valid request form. No guarantee can, however, be given about the time required for this conversion to take place.

9 Fees

A holder of Holdco CDIs will not incur any additional ASX or ASX Settlement charges or fees as a result of holding Holdco CDIs rather than Holdco Shares.

10 Further information

For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the following documents:

- ASX Guidance Note 5 CHESS Depositary Interests (CDIs):
www.asx.com.au/documents/rules/gn05_chess_depository_interests.pdf
- Understanding CHESS Depositary Interests:
www.asx.com.au/documents/settlement/CHESS_Depositary_Interests.pdf

Alternatively, Shareholders can also contact their broker or the relevant Holdco Registry at the details provided below:

In Australia

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia

In the United States

Computershare Trust Company N.A.
150 Royall Street
Canton, MA 02021
United States

Annexure G - Comparison of Australian and US Legal Regimes

The below sets out a comparison of some of the main differences between Australian and Delaware corporate laws.

The comparison is provided **in summary form only** and is not an exhaustive statement of all relevant laws, rules and regulations. It is intended as a general guide only and should be read in conjunction with the entirety of this Scheme Booklet - including, the waivers and confirmations sought from ASX as noted in Section 11.6 of this Scheme Booklet.

Shareholders should consult their financial, legal, taxation or other professional advisor if they have any queries or require further information.

Item	Rights of holders of Shares	Rights of holders of Holdco Shares
A Rights attaching to shares		
Share capital	<p>Australian law does not contain any concept of authorised capital or par value per share.</p> <p>The number and issue price of shares is set by the Board at the time of each issue.</p>	<p>Holdco's certificate of incorporation authorises the issue of up to 200,000,000 shares, consisting of:</p> <ul style="list-style-type: none"> 180,000,00 shares of common stock, par value of US\$0.01 per share; and 20,000,000 shares of preferred stock, par value of US\$0.01 per share.
Issue of new shares / stock	<p>Subject to the Listing Rules and the Corporations Act, the Board is generally free to authorise the issue of additional securities.</p> <p>ASX Listing Rule 7.1 prohibits the Company from issuing or agreeing to issue securities in any 12 month period if the issue would exceed 15% of the Company's fully paid ordinary shares unless it obtains shareholder approval (or an exception applies).</p> <p>There are also restrictions under the Corporations Act and the ASX Listing Rules with respect to the issuance of securities under certain circumstances, such as to related parties (including Directors), unless an exception applies.</p>	<p>If all the stock authorised in Holdco's certificate of incorporation has not been issued, then the Holdco Board may issue Holdco Shares in such manner, for such consideration and on such terms as the Holdco Board may determine, without stockholder approval, not exceeding the number of authorised stock.</p> <p>Under the NASDAQ Listing Rules, stockholder approval is required for certain significant issuances of Holdco Shares, including issuances in excess of 20% of the voting power or number of stock outstanding before the issuance (or 5% in the case of certain related parties), issuances of Holdco Shares that will result in a change in control and issuances in connection with a new or materially amended equity compensation arrangement for officers, directors, employees or consultants of Holdco.</p>
Buy-back of shares / stock	<p>The Corporations Act allows a company to buy-back its shares through a specific buy-back procedure, provided that:</p> <ul style="list-style-type: none"> the buy-back does not materially prejudice the company's ability to pay its creditors; and the company follows the procedure set out in the Corporations Act. <p>The procedure, which may require shareholder approval, depends on the type of buy-back and quantity of shares subject to the buy-back.</p>	<p>The Delaware Corporation Law will generally permit Holdco to purchase or redeem stock out of funds legally available for that purpose without obtaining stockholder approval, provided that:</p> <ul style="list-style-type: none"> the capital of Holdco is not impaired; such purchase or redemption would not cause the capital of Holdco to become impaired; the purchase price does not exceed the price at which the Holdco Shares are

Item	Rights of holders of Shares	Rights of holders of Holdco Shares
		<p>redeemable at the option of Holdco; and</p> <ul style="list-style-type: none"> immediately following any such redemption, Holdco shall have outstanding one or more Holdco Shares of one or more classes or series of stock, which stock shall have full voting powers.
<p>Transfer of shares</p>	<p>Subject to the Corporations Act and the ASX Listing Rules, Shares are generally freely transferable.</p> <p>The Board may refuse to register a transfer of Shares only if that refusal is permitted or required by the ASX Listing Rules or the ASX Settlement Rules.</p> <p>The Board must refuse to register a transfer of Shares if:</p> <ul style="list-style-type: none"> the Corporations Act or the ASX Listing Rules forbid the registration; subject to section 259C of the Corporations Act, registration of the transfer would result in a transfer to a subsidiary of the Company; or the securities that are the subject of the transfer are classified as restricted securities under the ASX Listing Rules. <p>The Board may sell Shares held by a Shareholder whose holding of Shares is less than a "Marketable Parcel" (as defined in the ASX Listing Rules) if it does so in accordance with the ASX Listing Rules.</p>	<p>Under Delaware Corporation Law, Holdco Shares are freely transferable. Transfers of Holdco Shares may be subject to restrictions imposed by United States federal or state securities laws, by the certificate of incorporation or bylaws or by an agreement signed with the holders of Holdco Shares on issue.</p> <p>Holdco's certificate of incorporation and bylaws do not impose any specific restrictions on the transfer of Holdco Shares.</p> <p>Transfers of Holdco Shares shall be made only on the transfer books of Holdco or by a transfer agent designated to transfer Holdco Shares. Where Holdco Shares are certificated, certificates shall be surrendered for cancellation before a new certificate, if any, is issued.</p>
<p>Dividends and distributions</p>	<p>The ABR Constitution permits the Board to pay dividends to Shareholders from time to time in its sole discretion, subject to the limitation that dividends are not paid out of the Company's capital.</p> <p>The Corporations Act states that the Company must not pay a dividend unless:</p> <ul style="list-style-type: none"> the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; the payment of the dividend is fair and reasonable to its shareholders as a whole; and the payment of the dividend does not materially prejudice the Company's ability to pay its creditors. 	<p>Under Delaware Corporation Law, the Holdco Board is permitted to declare and pay dividends to Holdco Shareholders either:</p> <ul style="list-style-type: none"> out of Holdco's surplus, which is defined to be the net assets less statutory capital; or if no surplus exists, then out of the net profits for the fiscal year in which the dividend is declared and / or the preceding fiscal year, provided that the capital of Holdco is not less than the aggregate amount of the capital represented by Holdco's outstanding stock of all classes having a preference on distribution of assets. <p>Holdco Shareholders are entitled to receive dividends when and as declared by the Holdco Board out of funds legally available for that purpose.</p>
<p>Voting rights</p>	<p>Subject to any voting restrictions under the ASX Listing Rules and the Corporations Act,</p>	<p>Holdco's certificate of incorporation provides that each Holdco Shareholder is entitled to one</p>

Item	Rights of holders of Shares	Rights of holders of Holdco Shares
	<p>each Share entitles the holder at any general meeting of the Company's Shareholders (whether in person or by proxy, attorney or corporate representative) to one vote on a show of hands and one vote per Share on a poll.</p> <p>Where the ASX Listing Rules require that some Shareholders are not entitled to vote on a resolution or that votes cast by some Shareholders are to be disregarded for the resolution to have the intended effect, and the notice of meeting at which the resolution was proposed states that fact, the Company must not count any votes purported to be cast by those shareholders on the resolution.</p>	<p>vote per Holdco Share.</p>
<p>Variation of class rights</p>	<p>The rights attaching to a class of shares may only be varied (subject to the terms of issue of shares of that class and sections 246B to 246E of the Corporations Act) by a special resolution passed at a general meeting of the holders of the issued shares in the affected class or with the consent in writing of the holders of 75% of the issued shares of that class.</p> <p>The Corporations Act provides that the shareholders with at least 10% of the votes in the affected class may apply to the Court (within a limited time frame) to have the variation, cancellation or modification set aside.</p> <p>Subject to the shares' terms of issue, the rights attached to a class of shares are not deemed varied by the issue of further shares of that class.</p>	<p>Under the Delaware Corporation Law, any amendment to Holdco's certificate of incorporation requires approval by a majority of the holders of the outstanding stock of a particular class if that amendment would:</p> <ul style="list-style-type: none"> ▪ increase or decrease the aggregate number of authorised stock of that class; ▪ increase or decrease the par value of the stock of that class; or ▪ alter or change the powers, preferences or special rights of the stock of that class so as to affect them adversely. <p>If an amendment would alter or change the powers, preferences or special rights of one more series of any class so as to adversely affect that series without adversely affecting the entire class, then only the stock of the series so affected shall be considered a separate class and entitled to such separate class approval of the proposed amendment.</p> <p>Under the Delaware Corporation Law, amendments to Holdco's certificate of incorporate also generally require:</p> <ul style="list-style-type: none"> ▪ a Holdco Board resolution recommending the amendment; and ▪ approval of a majority of Holdco Shareholders entitled to vote and a majority of the outstanding stock of each class entitled to vote. <p>Pursuant to Holdco's bylaws, Holdco's bylaws may be adopted, amended or repealed by the affirmative vote of a majority of the Holdco Directors present at a meeting of the Holdco Board or by the affirmative vote of the holders of at least two-thirds of the voting power of all of the Holdco Shares then issued and outstanding</p>

Item	Rights of holders of Shares	Rights of holders of Holdco Shares
		and entitled to vote generally in any election of directors, voting together as a single class.
B Directors and Governance		
Powers of the board	<p>The ABR Constitution grants the Board the power to manage the Company's business and to exercise all powers of the Company except the powers specified in the Corporations Act or the ABR Constitution that are to be exercised by the Company in general meeting.</p> <p>The ASX Listing Rules also impose restrictions on the disposal of a company's main undertaking, requiring compliance with the ASX's requirements (including Shareholder approval).</p>	<p>Holdco's bylaws grant the Holdco Board the power to manage or direct Holdco's business and affairs, and to exercise all the powers of the corporation, except as otherwise provided by the Delaware Corporation Law or in the certificate of incorporation.</p> <p>At any meeting of the Holdco Board, all matters shall be determined by the vote of a majority of the directors present in person or telephonically.</p> <p>Action may also be taken by the Holdco Board without a meeting if all members thereof consent thereto in writing or by electronic transmission.</p>
Duties of directors	<p>Under Australian law, the Directors have a wide range of both general law and statutory duties to the Company.</p> <p>These duties are of a fiduciary nature and include the duty to:</p> <ul style="list-style-type: none"> act in good faith in the best interests of the Company as a whole; act for a proper purpose; not improperly use information or their position; exercise care, skill and diligence; and avoid actual or potential conflicts of interest. 	<p>Under Delaware law, the directors of Holdco have fiduciary obligations, including the duty of care and the duty of loyalty.</p> <p>The duty of care requires directors to inform themselves of all reasonably available material information before making business decisions on behalf of Holdco and to act with requisite care in discharging their duties to Holdco.</p> <p>The duty of loyalty requires directors to act in good faith and in Holdco's best interests.</p>
Remuneration of directors and officers	<p>Non-executive directors</p> <p>Under the ASX Listing Rules, the maximum amount to be paid to the Company's non-executive Directors for their services as Directors (other than the salary of an executive Director) in aggregate is not to exceed the amount approved by shareholders in general meeting.</p> <p>Executive directors</p> <p>The remuneration of the executive Directors of the Company may from time to time be fixed by the Directors, and does not form part of the abovementioned fee cap. This remuneration may be by way of salary or other benefits, but may not be a commission on or percentage of operating revenue.</p> <p>Two strike rule</p> <p>Australian law gives shareholders of listed</p>	<p>Holdco's bylaws provide that the directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Holdco Board may from time to time determine. Compensation must be determined by a duly authorised committee of the Holdco.</p> <p>Members of special or standing committees may be allowed compensation for attending committee meetings.</p> <p>For so long as Holdco remains admitted to the official list of ASC, Holdco's bylaws provide that a non-executive director fee cap (consistent with the requirements of the ASX Listing Rules) will apply.</p>

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	<p>companies the right to participate in a non-binding vote, to be held at the annual general meeting of a company, on the adoption of the remuneration report of the company. The remuneration report is included in the directors' report and is required to contain a discussion of the board's policy in relation to remuneration of key management personnel of the company.</p> <p>However, if 25% or more of the votes cast are against the passing of the resolution for two annual general meetings in a row, the company must put forward a resolution to spill the board of directors. If the spill resolution is approved, then all directors must stand for re-election at a general meeting to be held within 90 days.</p>	
Retirement benefits	<p>Under the Corporations Act, a company is allowed to pay benefits to directors and officers on their retirement or termination. These benefits require shareholder approval in certain circumstances.</p> <p>Under the ASX Listing Rules, the Company must ensure that no Director or other officer of any entity in the ABR Group will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the Company as set out in its latest financial statements given to the ASX. The 5% limit may, however, be exceeded with shareholder approval.</p>	<p>Neither the Delaware Corporation Law nor Holdco's certificate of incorporation or bylaws mandate the payment of retirement benefits to directors or officers.</p>
Transactions involving directors and other related parties	<p>The Corporations Act prohibits the Company from giving a related party (including a Director) a financial benefit unless either:</p> <ul style="list-style-type: none"> ▪ the Company obtains Shareholder approval (in compliance with the Corporations Act requirements) and gives the benefit within 15 months after approval; or ▪ giving the financial benefit falls within a specific exception set out in the Corporations Act, for example, a benefit given on arms' length terms or which is reasonable remuneration or which is a reimbursement of an officer or employee of the Company. <p>The issue of securities to Directors and other related parties of the Company is also regulated by the ASX Listing Rules, including the need for Shareholder approval, unless the issue falls within a specified exception.</p>	<p>Under the Delaware Corporation Law, no contract or transaction between Holdco and one or more of its directors, or between Holdco and any other corporation, partnership, association or other organisation in which one or more of its directors are directors or officers or have a financial interest, will be void or voidable solely for that reason, or solely because the relevant director is present at or participates in the Holdco Board or committee meeting that authorises the contract or transaction, or solely because the vote of the relevant director is counted for that purpose, if:</p> <ul style="list-style-type: none"> ▪ the material facts as to the director's relationship or interest, and as to the contract or transaction, are disclosed or known to the Holdco Board or committee, and the Holdco Board or committee in good faith authorises the contract or transaction by the affirmative votes of a majority of the disinterested directors, even

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	<p>Subject to limited exceptions, the ASX Listing Rules prohibit a company from acquiring a substantial asset from, or disposing of a substantial asset to, any of its directors (or other person of influence) unless the company obtains shareholder approval.</p> <p>Directors, when entering into transactions with the Company, are subject to the Australian common law and statutory duties to avoid actual and potential conflicts of interest and a Director must comply with:</p> <ul style="list-style-type: none"> the material personal interest provisions set out in section 191 of the Corporations Act; section 195 of the Corporations Act in relation to being present and voting at a board meeting that considers a matter in which he or she has a material personal interest; and declarations of material personal interests under the ASX Listing Rules in the prescribed form. <p>There are also disclosure requirements and voting restrictions imposed on Directors under the Corporations Act on matters involving a material personal interest.</p>	<p>though the disinterested directors be less than a quorum; or</p> <ul style="list-style-type: none"> the material facts as to the director's relationship or interest and as to the contract or transaction are disclosed or known to the Holdco Shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of Holdco Shareholders; or the contract or transaction is fair to Holdco as of the time that it is authorised, approved or ratified by the Holdco Board, committee or Holdco Shareholders.
<p>Number and nomination of directors</p>	<p>Number</p> <p>In accordance with the Corporations Act, as a public company in Australia, the Company must have:</p> <ul style="list-style-type: none"> no fewer than three Directors (not counting alternate Directors), at least two of whom must be ordinarily resident in Australia; and at least one company secretary, at least one of whom must be ordinarily resident in Australia. <p>Under the ABR Constitution, the Company must have at least 3 Directors in office. The maximum number of Directors in office cannot exceed 9 Directors.</p> <p>Nomination</p> <p>Under the ASX Listing Rules, the Company must accept nominations for the election of Directors up to 35 Business Days (or 30 Business Days in the case of a meeting requested by Shareholders) before the date of a general meeting at which the Directors may be elected, unless the ABR Constitution provides otherwise.</p>	<p>Number</p> <p>Holdco's bylaws provide that the number of directors shall not be less than two nor more than eleven and shall be fixed from time to time exclusively by the Holdco Board pursuant to a resolution adopted by a majority of the total number of authorised directors present (whether or not there exist any vacancies in previously authorised directorships).</p> <p>Where fixed pursuant to a resolution adopted by the majority of directors, each director shall have one vote.</p> <p>Newly created directorships resulting from any increase in the authorised number of directors will be filled only by a majority vote of the directors then in office, whether or not such directors number less than a quorum, and directors so chosen shall serve for a term expiring at the annual meeting of Holdco Shareholders at which the term of office to which they have been elected expires or until such director's successor shall have been duly elected and qualified.</p> <p>The directors shall be elected at the annual meeting of Holdco Shareholders by either a</p>

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	<p>Under the ABR Constitution, no person other than a Director seeking re-election will be eligible for election as a Director at a general meeting unless the person or a Shareholder intended to propose his or her nomination has, at least 30 Business Days before the general meeting, provided the Company with a notice consenting to the nomination.</p>	<p>plurality of the votes cast in a contested election or by a majority of the votes cast in an uncontested election.</p> <p>Holdco's bylaws provide that directors may be nominated by either the Holdco Board or by Holdco Shareholders entitled to vote in the election of directors generally, provided that a Holdco Shareholder desiring to nominate a director complies with the following procedure.</p> <p>Nomination</p> <p>The nomination of members for the Holdco Board will normally be made through the recommendation of Holdco's Nomination and Governance Committee.</p> <p>For a Holdco Shareholder to nominate a candidate for election at an annual meeting, the Holdco Shareholder must provide Holdco with advance written notice of his or her intent to make the nomination not earlier than the 120th day, nor later than the 90th day, prior to the first anniversary of the date of the preceding year's annual meeting, except that if no annual meeting was held in the previous year or the date of the annual meeting is more than 30 days earlier or 60 days later than such anniversary date, notice must be received not earlier than the close of business 120 days prior to the date of the annual meeting and not later than the close of business on the later of: (i) the 90th day before such annual meeting; or (ii) the 10th day following the day on which public announcement of the date of such meeting is first made.</p> <p>In order to nominate directors at a special meeting of Holdco Shareholders for the election of directors, the Holdco Shareholder's notice must be delivered to Holdco not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or, the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Holdco Board to be elected.</p>
<p>Removal of directors</p>	<p>A Director may only be removed by resolution at a general meeting of Shareholders. Under section 203D of the Corporations Act, a notice of intention to move the resolution must be given to the Company at least 2 months before the meeting is to be held. However, if the Company calls a meeting after the notice of intention is given, the meeting may pass the</p>	<p>The Delaware Corporation Law provides that, subject to the rights of the holders of any series of preferred stock, directors may be removed with or without cause by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of capital stock, or of a single class, entitled to vote generally in the election of directors, voting together as a</p>

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	resolution even though the meeting is held less than 2 months after the notice of intention is given.	single class.
Cessation of director's appointment	<p>The ABR Constitution provides that a person automatically ceases to be a Director in certain circumstances, including but not limited to circumstances where the person:</p> <ul style="list-style-type: none"> ceases to be a Director by virtue of the Corporations Act; becomes bankrupt or insolvent or makes any arrangement or composition with his or her creditors generally; becomes prohibited from being a Director by any order made under the Corporations Act; becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health; resigns from office by written notice to the Company; is removed from office by a resolution of the Company; or is absent for more than 6 months, without permission of the Directors, from meetings of the Directors held during that period. 	<p>While the Delaware Corporation Law does not provide for an automatic cessation of a director's appointment, section 223 implies that directors may cease to be such for any cause, including removal, death or resignation.</p>
Casual vacancies	<p>Under the ABR Constitution, the Board may appoint a person to be a Director to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office until the next annual general meeting (and is eligible for re-election) and is not taken into account in determining the number of Directors who must retire by rotation.</p>	<p>Holdco's bylaws provide that vacancies in the Holdco Board will be filled by a majority vote of the directors then in office, even if less than a quorum (and not by Holdco Shareholders).</p> <p>Directors so chosen shall serve for a term expiring at the next annual meeting of Holdco Shareholders or until such director's successor shall have been duly elected and qualified. No decrease in the number of authorised directors shall shorten the term of any incumbent director.</p>
Rotation of directors	<p>The ASX Listing Rules require:</p> <ul style="list-style-type: none"> a director must not hold office (without re-election) past the third annual general meeting following the director's appointment, or 3 years, whichever is longer; that an entity must hold an election of directors at each annual general meeting (even if none of the directors have exceeded the above time limit); and directors appointed to fill casual vacancies must not hold office (without re-election) 	<p>Neither the Delaware Corporation Law nor Holdco's certificate of incorporation provide for mandatory retirement or rotation of directors.</p> <p>Holdco's bylaws provide that each director shall hold office until the next annual meeting of stockholders to be held in the first year after the year in which he or she was elected and until his or her successor is elected, except in the case of his or her death, resignation or removal.</p>

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	<p>past the next annual general meeting.</p> <p>The ABR Constitution also provides that subject to the ASX Listing Rules:</p> <ul style="list-style-type: none"> at every annual general meeting, one-third of the Directors (other than the managing director) or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office; and a Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected, even if his or her retirement results in more than one-third of all Directors retiring. <p>Under the ABR Constitution, retiring Directors will, unless disqualified under the Corporations Act or the ABR Constitution, be eligible for election or re-election to the Board.</p>	
<p>Release from liability and indemnification of directors and officers</p>	<p>The Corporations Act prohibits the indemnification of persons against certain specific liabilities incurred as an officer of the Company:</p> <p>These are liabilities:</p> <ul style="list-style-type: none"> owed to the Company or a related body corporate; for a pecuniary penalty order or a compensation order under the Corporations Act; or that are owed to someone other than the Company or a related body corporate and did not arise out of conduct in good faith. <p>Further, the Corporations Act prohibits an indemnity for legal costs incurred in defending an action for a liability incurred as an officer of the Company in specific circumstances, including where an officer is found to have a liability for which they could not be indemnified or found guilty in criminal proceedings, or where the grounds for a court order have been established (in proceedings brought by ASIC or a liquidator).</p> <p>Payments by the Company of insurance premiums which cover conduct involving a wilful breach of duty in relation to the Company or a breach of a Director's statutory duty not to improperly use their position or improperly use information are also prohibited under the Corporations Act.</p> <p>The ABR Constitution provides that:</p> <ul style="list-style-type: none"> to the extent permitted by law, the Company indemnifies and agrees to keep 	<p>Holdco's certificate of incorporation and bylaws provide that, to the fullest extent permitted by the Delaware Corporation Law, Holdco will indemnify, and advance expenses to, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of Holdco or, while a director or officer of Holdco, is or was serving at the request of Holdco as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) actually and reasonably incurred by such person.</p> <p>Holdco may maintain insurance to protect a director against any expense, liability or loss, whether or not Holdco would have the power to indemnify such person against such expense, liability or loss under Delaware law.</p>

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	<p>indemnified every Director, executive officer or secretary of the Company against a liability to another person (other than the Company or a related body corporate of the Company) provided that the liability does not arise in respect of conduct involving a lack of good faith; and</p> <ul style="list-style-type: none"> to the extent permitted by law, the Company indemnifies and agrees to keep indemnified every Director, executive officer or secretary of the Company against a liability incurred in that capacity in defending proceedings (whether civil or criminal) in which judgement is given in favour of that officer, or that officer is acquitted, or in connection with an application in relation to proceedings in which the court grants relief under the Corporations Act. 	
Insider trading	Under the Corporations Act, any person who possesses price sensitive information relating to a company or its securities is prohibited (subject to exceptions) from buying or selling those securities or procuring others do so, or from communicating the information to third parties.	United States federal securities laws generally prohibit any person who possesses material non-public information relating to Holdco or its securities from buying or selling those securities or procuring others to do so, or from communicating the material non-public information to third parties. In connection therewith, Holdco will adopt an insider trading policy.
Continuous disclosure	<p>Subject to certain limited exceptions, the Corporations Act and the ASX Listing Rules require the Company to immediately disclose to the ASX any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.</p> <p>There are also periodic reporting and disclosure rules that apply to a public company, requiring it (among other things) to report to the ASX at the end of every half year and annually in respect of its financial statements and reports and also (in the case of the Company) quarterly.</p>	<p>Holdco will be subject to United States federal securities laws and regulations following the implementation of the Scheme in relation to its disclosure obligations.</p> <p>United States federal securities laws and regulations and the NASDAQ Listing Rules require Holdco to publicly file with the SEC, among other things:</p> <ul style="list-style-type: none"> annual reports on Form 10-K; quarterly reports on Form 10-Q; current reports containing material information required to be disclosed on Form 8-K; company insider reports regarding beneficial ownership of Holdco securities; and proxy statements.
C Shareholder and stockholder meetings		
Quorum	The ABR Constitution states that the quorum for a general meeting of Shareholders is 2 Shareholders (present in person or by proxy or	Holdco's bylaws provide that the holders of a majority of the shares of the capital stock of Holdco entitled to vote at the meeting, present

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	<p>representative).</p> <p>If a quorum is not present within 30 minutes, the meeting may be dissolved (if the meeting was convened by members) or be adjourned without specifying a date for a further meeting.</p>	<p>in person or represented by proxy, shall constitute a quorum for the transaction of business, unless or except to the extent that the presence of a larger number may be required by law. Where a separate class vote by a class or classes or series is required, a majority of the voting power of the stock of such class or classes or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter. If a quorum shall fail to attend any meeting, the chair of the meeting may adjourn the meeting to another place, if any, date, or time.</p>
<p>Annual General Meetings</p>	<p>Under the Corporations Act, a public company's annual general meeting must be held at least once in each calendar year and within five months after the end of its financial year.</p>	<p>The Delaware Corporation Law requires Holdco to have an annual stockholders' meeting to elect directors, unless directors are elected by written consent in lieu of an annual meeting. Holdco's bylaws provide that an action required or permitted to be taken by Holdco Shareholders can be effected at a duly called annual or special meeting of Holdco Shareholders.</p> <p>Under the Delaware Corporation Law, a director or stockholder of Holdco may petition the Court of Chancery of Delaware for an order compelling the holding of an annual meeting if:</p> <ul style="list-style-type: none"> ▪ no annual meeting has been held, or no action by written consent to elect directors in lieu of an annual meeting has been taken, for a period of 30 days after the date designated for the annual meeting; or ▪ no date for an annual meeting has been designated for a period of 13 months after the latest to occur of Holdco's organisation, the last annual meeting or the last action by written consent to elect directors in lieu of an annual meeting. <p>Under NASDAQ Listing Rule 5620(a), Holdco will be required to hold an annual meeting within a year of its fiscal year end.</p>
<p>Special / Extraordinary General Meetings</p>	<p>Under the ABR Constitution (and in accordance with the Corporations Act), a meeting of Shareholders may be convened at any time by the Board or a Director and must be called by the Board if it receives a request to do so from Shareholders with at least 5% of the votes that may be cast at the general meeting or by order of the court if it is impracticable to call the meeting in any other way.</p>	<p>Holdco's bylaws permit special meetings of Holdco Shareholders for any purposes prescribed in the notice of meeting to be called at any time by the Holdco Board or Holdco Shareholders holding at least 25% of the then-outstanding stock entitled to vote.</p> <p>The Holdco Board may postpone or reschedule a previously scheduled special meeting called by the Holdco Shareholders. Notice of the place, if any, date and time of all meetings of</p>

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		<p>Holdco Shareholders shall be given not less than 10 nor more than 60 days before the date on which the meeting is to be held.</p> <p>Only such business shall be conducted at a special meeting of Holdco Shareholders as shall have been brought before the meeting by or at the direction of the persons who called the meeting. If a special meeting has been called for the purpose of the election of directors, nominations of persons for election may be made at such special meeting by any Holdco Shareholder of record who shall be entitled to vote at the meeting and who delivers notice as required by Holdco's bylaws.</p>
Notice of meeting	<p>Under the Corporations Act, a notice of a general meeting of the Company must be given to the Company's shareholders at least 28 days before the date of the proposed meeting.</p> <p>Notice of the meeting must also be given to each Director and to the auditor of the Company.</p>	<p>The Delaware Corporation Law and Holdco's bylaws provide that notice of a stockholders' meeting be delivered not less than 10 days nor more than 60 days before the date of the meeting to each Holdco Shareholder entitled to vote at such meeting, except as otherwise provided in Holdco's bylaws, certificate of incorporation or as required by the Delaware Corporation Law.</p>
Resolutions at annual meetings	<p>Under the Corporations Act, a resolution at a general meeting of shareholders of the Company is to be passed by a simple majority of votes cast by the shareholders present (in person or by proxy, attorney or corporate representative) and voting at the meeting.</p> <p>A resolution put to the vote at a members' meeting must be decided on a show of hands unless a poll is demanded in accordance with the ABR Constitution or the Corporations Act.</p> <p>The Company must not count any votes on a resolution purported to be cast by those members who are not permitted to vote (under the Corporations Act or the ASX Listing Rules) on the resolution (or whose votes are to be disregarded) and the relevant notice of meeting must state that voting restriction.</p>	<p>Holdco's bylaws provide that, when a quorum is present at any meeting of Holdco Shareholders, any election of directors shall be determined: (i) in a contested election, by a plurality of the votes entitled to vote at the election; ii) in an uncontested election, by a majority of the votes cast by the stockholders entitled to vote at the election. Any other matter shall be determined by a majority in voting power of the stock present in person or represented by proxy and entitled to vote on the matter, except when a different vote is required by express provision of law, the certificate of incorporation or the bylaws of the corporation. Pursuant to Holdco's bylaws, Holdco's bylaws may be adopted, amended or repealed by the affirmative vote of at least two-thirds of the voting power of all then-outstanding Holdco Shares entitled to vote generally in the election of directors, voting together as a single class. The Holdco Board may also amend the bylaws.</p> <p>The Delaware Corporation Law requires the approval of a majority of all votes entitled to be cast by Holdco Shareholders for specified actions, including:</p> <ul style="list-style-type: none"> ▪ dissolution of the corporation; ▪ most mergers or consolidations; and

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		<ul style="list-style-type: none"> amendments to Holdco's certificate of incorporation.
Special resolutions	<p>Under the Corporations Act, a special resolution is a resolution that is required to be passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.</p> <p>Approval by special resolution of shareholders is required for actions such as modifying or repealing the ABR Constitution, changing the Company's name or type, selectively reducing or buying back capital (in some circumstances), providing financial assistance in connection with the acquisition of shares in the Company, and undertaking a voluntary winding up of the Company.</p>	The Delaware Corporation Law has no concept of special resolutions.
D Relationship between the company and its shareholders / stockholders		
Protection of minority shareholders / stockholders and relief from oppression	<p>Under the Corporations Act, any shareholder of a company can apply for an order from the court in circumstances where the conduct of a company's affairs, or any actual or purported act or omission or resolution, is either contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholder(s), whether in their capacity as a shareholder or in any other capacity.</p> <p>Former shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.</p> <p>The court may make any order that it considers appropriate in relation to the circumstances and the company, including, among other things, an order that the company be wound up, or that a person is required to do a specified act.</p>	The Delaware Corporation Law contains no equivalent statutory provisions to the Corporations Act. However, Delaware law may provide judicial remedies to Holdco Shareholders in comparable circumstances.
Inspection of books	<p>Under the Corporations Act, a shareholder of the Company must obtain a court order to obtain access to the Company's books.</p> <p>A person authorised to inspect books may make copies of those books unless the court orders otherwise.</p> <p>The court may make this order only if it is satisfied that the applicant is acting in good faith and that the inspection is to be made for a proper purpose. However, the applicant is not permitted to disclose information obtained during such an inspection.</p> <p>Outside of these provisions, any person also has a right under the Corporations Act to</p>	<p>The Delaware Corporation Law provides each Holdco Shareholder with the right to inspect, to make copies of and to take extracts from, certain books and records of Holdco for any proper purpose during normal business hours upon the stockholder making a sworn written demand, stating the purpose of his or her inspection.</p> <p>The books and records subject to an Holdco Shareholder's right of inspection include Holdco's stock ledger, Holdco's list of stockholders and certain other books and records of Holdco and its subsidiaries.</p>

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	inspect and obtain copies of the Company's statutory registers (which include the members, option holders and debenture holders registers).	
E Relationship between the company and its shareholders / stockholders		
Takeover bids	<p>The Corporations Act restricts the acquisition by any person of a "relevant interest" in issued "voting shares" in the Company under a transaction where, as a result of the transaction, that person's or someone else's "voting power" in the Company increases from 20% or below to more than 20% or, where the person's voting power was already above 20% and below 90%, increases in any way at all, subject to a number of exceptions detailed in the Corporations Act.</p> <p>Concepts of "relevant interests", "issued voting shares" and "voting power" are defined under the Corporations Act and are quite complex. The key concept of "relevant interest" is very widely defined and generally extends to a holder of the securities or a person either directly or indirectly having a power to vote (or control the vote) or dispose (or control the disposal) of the securities.</p> <p>Certain exceptions to this general takeover prohibition are set out in the Corporations Act. For example:</p> <ul style="list-style-type: none"> ▪ an acquisition resulting from a scheme of arrangement undertaken in accordance with the Corporations Act and approved by the court; and ▪ an acquisition that results from the acceptance of an offer under a takeover bid. <p>In this respect, any takeover bid made for a company must be on the same terms for all shareholders, subject to minor exceptions, and must comply with the timetable, disclosure and other requirements set out in the Corporations Act.</p> <p>The purpose of these provisions is to attempt to ensure that shareholders in the target company have a reasonable and equal opportunity to share in any premium for control and that they are given reasonable time and enough information to assess the merits of the proposal.</p>	<p>Section 203 of the Delaware Corporation Law applies to Holdco and provides that if a holder acquires 15% or more of Holdco's voting stock (an Interested Holder) without prior approval of the board of directors, then, for three years, Holdco cannot engage in a broad range of business combinations with such Interested Holder. Such business combinations include: (a) certain mergers or consolidations with the Interested Holder or entities affiliated with the Interested Holder; (b) certain sales, leases, exchanges, pledges, transfers or other dispositions of Holdco's assets to the Interested Holder, which assets have an aggregate market value equal to 10% or more of either all of the assets of Holdco or all of the outstanding stock of Holdco; and (c) certain transactions which result in the issuance or transfer by Holdco or by any direct or indirect majority owned Holdco subsidiary, to the Interested Holder, of any stock of Holdco or of such Holdco subsidiary.</p> <p>The Section 203 limitation would not apply if: (a) the business combination was approved by the Holdco Board before the holder became an Interested Holder; (b) the business combination is subsequently approved by the Holdco Board and also by two-thirds of the Holdco stock held by persons other than such Interested Holder at an annual or special meeting of Holdco Shareholders; or (c) upon consummation of the transaction which resulted in an Holdco Shareholder becoming an Interested Holder of Holdco, the Interested Holder owned at least 85% of Holdco's voting stock which was outstanding at the time the transaction commenced (excluding stock owned by any directors who are also officers and certain employee stock plans).</p> <p>The effect of the restriction is to give the Holdco Board the ability to prevent or inhibit an unsolicited takeover attempt initiated through a merger or asset purchase proposal. It may also dissuade unsolicited tender offer proposals unless the offeror is confident of achieving the 85% stockholding level via the tender offer.</p> <p>Certain provisions of the certificate of</p>

Item	Rights of holders of Shares	Rights of holders of Holdco Shares
		<p>incorporation and bylaws of Holdco also have the effect of deterring takeovers, such as those provisions:</p> <ul style="list-style-type: none"> empowering the Holdco Board to establish the rights and preferences of an undesignated class of preferred stock and to issue shares of such preferred stock without stockholder approval; requiring advance notice of a Holdco Shareholder's intention to put forth director nominees or bring up other business at an Holdco Shareholders' meeting; empowering the Holdco Board to adopt, amend and repeal the bylaws and to amend the certificate of incorporation in any manner permitted under the Delaware Corporation Law; requiring the affirmative vote of at least two-thirds of the voting power of Holdco Shareholders entitled to vote generally in the election of directors in order for Holdco Shareholders to adopt, amend or repeal any provision of Holdco's bylaws (the Holdco Board may also amend the bylaws); requiring the affirmative vote of at least a majority of Holdco Shareholders entitled to vote in order for Holdco Shareholders to adopt, amend or repeal any provision of Holdco's certificate of incorporation; and providing that the number of directors shall be fixed from time to time by Holdco's Board pursuant to a resolution adopted by a majority of the total number of authorised directors (whether or not there exist any vacancies in previously authorised directorships). <p>The certificate of incorporation and bylaws of Holdco may be amended in the future pursuant to these provisions and the Delaware Corporation Law to authorise additional takeover defence mechanisms.</p>
F Other		
Notice of substantial holdings	<p>The Corporations Act requires that a person must give notice to the Company and the ASX in the prescribed form generally within 2 Business Days if:</p> <ul style="list-style-type: none"> the person begins to have, or ceases to have, a substantial holding in the Company; or 	<p>The US Exchange Act requires any person to file a schedule 13D if the person acquires beneficial ownership of more than 5% of a voting class of an issuer's equity securities. Beneficial ownership is defined as holding voting or investment power, directly or indirectly.</p>

Item	Rights of holders of Shares	Rights of holders of Holdco Shares
	<ul style="list-style-type: none"> the person has a substantial holding in the Company and there is a movement of 1% or more in their holding. <p>A substantial holding will arise if a person and their associates have a relevant interest in 5% or more of the voting shares in the Company.</p> <p>Generally, a person will have a relevant interest in securities if such person is the holder of the securities, has power to exercise, or control the exercise of, a right to vote attached to the securities or has power to dispose of, or control the exercise of a power to dispose of, the securities (including any indirect or direct control or power).</p>	<p>The US Exchange Act requires certain categories of investors to file a schedule 13G under the same circumstances which trigger the obligation to file a schedule 13D. However, investors who qualify to file a schedule 13G may not acquire or hold the securities with a purpose to influence or change control of the issuer.</p> <p>Any person who holds more than 20% of a voting class of equity securities must file a schedule 13D.</p> <p>In addition to the above, consistent with Holdco's application for admission to the official list of ASX, Holdco will undertake to inform the ASX upon becoming aware of:</p> <ul style="list-style-type: none"> any person becoming a substantial holder of Holdco within the meaning of section 671B of the Corporations Act, and to disclose any details of the substantial holding of which Holdco is aware; and any subsequent changes in the substantial holdings of Holdco of which Holdco is aware.
Winding-up	<p>A company can be wound up voluntarily by its shareholders. The directors must give a statutory declaration of solvency for such a winding up. This procedure is therefore instigated by a solvent company. A shareholders' voluntary winding up is started by the shareholders passing a special resolution.</p> <p>If the directors do not give a statutory declaration of solvency, a creditors' voluntary winding up can commence by the shareholders passing a special resolution. This procedure is therefore instigated by an insolvent company.</p> <p>Any surplus after payment of debts and interest will go to shareholders according to the rights attached to their shares. As with unsecured creditors, they would be paid out of free assets or any funds available from charged assets following payment of all prior claims (i.e. fixed charge holders, preferential creditors and floating charge holders).</p>	<p>The Delaware Corporation Law permits the Holdco Board to authorise the dissolution of Holdco if:</p> <ul style="list-style-type: none"> a majority of the directors in office adopt a resolution to approve dissolution at a board meeting called for that purpose; holders of a majority of Holdco Shareholders entitled to vote on the matter adopt a resolution to approve dissolution at a Holdco Shareholders' meeting called for that purpose; and a certificate of dissolution is filed with the Delaware Secretary of State. <p>The Delaware Corporation Law also permits Holdco Shareholders to authorise the dissolution of Holdco without Holdco Board action if:</p> <ul style="list-style-type: none"> all of the Holdco Shareholders entitled to vote on the matter provide written consent to dissolution; and a certificate of dissolution is filed with the Delaware Secretary of State.

Annexure H - Comparison of Australian and US Financial Reporting Obligations

If the Proposed Transaction is implemented, the ABR Group will rely on the relief available under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* and will no longer be required to prepare financial statements under applicable Australian laws (in accordance with Australian Accounting Standards) and will only be required to prepare its financial statements in accordance with applicable United States laws (in accordance with US GAAP).

Nevertheless, as a foreign-incorporated entity listed on the ASX, Holdco will still be required to lodge certain financial statements prepared under applicable United States laws (in accordance with US GAAP) with the ASX. As noted in Section 11.6 of this Scheme Booklet, Holdco is seeking waivers from ASX so that Holdco may prepare its quarterly and half-yearly filings under the rules and regulations of the SEC and file these in accordance with the SEC timetable, rather than in accordance with the ASX Listing Rules. However, there is no guarantee that these waivers will be provided by ASX. If these waivers are not provided, Holdco will need to make periodic filings in accordance with both the SEC and ASX reporting timetables.

The below sets out a comparison of the periodic reporting requirements under the applicable laws of Australia and the United States.

The comparison is provided **in summary form only** and is not an exhaustive statement of all relevant laws, rules and regulations. It is intended as a general guide only and should be read in conjunction with the entirety of this Scheme Booklet

Shareholders should consult their financial, legal, taxation or other professional advisor if they have any queries or require further information.

Item	Australian reporting requirements	United States reporting requirements
Annual reporting	<p>Under the Corporations Act and ASX Listing Rules, a listed entity is required to:</p> <ul style="list-style-type: none"> prepare financial statements in respect of each financial year, have the statements audited and obtain an auditor's report; prepare a directors' report, which must include a remuneration report for key management personnel; as soon as available but by no later than 2 months after the end of the financial year, give the ASX a preliminary report (which need not be audited) containing the prescribed information; within 3 months after the end of the financial year, lodge with the ASX and ASIC the audited financial statements, directors' report and auditor's report; and within 4 months after the end of the financial year, send the annual report, including the audited financial statements, directors' report, auditor's report and a corporate governance statement (or a link to the corporate governance statement) to shareholders who have elected to receive a copy of the report and make available the annual report on a readily accessible website. 	<p>Under the US Exchange Act, public companies in the United States must file annual reports on Form 10-K with the SEC within a certain period of time (depending on the company's public market float) after the end of each fiscal year. A public company is required to:</p> <ul style="list-style-type: none"> describe its business, risk factors, the locations of its principal and material physical properties, and any material pending legal proceedings affecting it; provide information on which market its common stock trades, its ticker symbol, and the number of recorded holders of its common stock as of a recent date; provide a table of certain operating and balance sheet information for its five most recent fiscal years; provide a section on management's discussion and analysis of the company's financial condition and results of operations; provide quantitative and qualitative disclosures about market risks it bears; provide audited financial statements for the most recently completed fiscal years, including audited notes to the financial statements;

Item	Australian reporting requirements	United States reporting requirements
		<ul style="list-style-type: none"> ▪ state the conclusions of its CEO and CFO regarding the effectiveness of the company's disclosure controls and procedures as of the end of the fiscal year, including any change in its internal control over financial reporting; ▪ describe anything that occurred in the fourth fiscal quarter that was required to be disclosed in a Form 8-K, but that was not so disclosed; ▪ list its executive officers and directors and their ages, plus disclose certain previous experience for those individuals; ▪ describe the compensation of its mostly highly paid executive officers; ▪ provide information about its equity compensation plan; ▪ describe its policy, if any, regarding the review, approval or ratification of any transaction with a related party and identify any transactions that were not subject to these related party policies; ▪ provide a table that lists the fees billed by its auditors in each of the last two fiscal years; ▪ provide financial statements, financial schedules, if applicable, and certain exhibits; ▪ file section 302 and section 906 certificates of the CEO and CFO as required by Sarbanes-Oxley Act of 2002 as exhibits; and ▪ file financial statements in extensible Business Reporting Language format as an exhibit. <p>The annual report on Form 10-K is due 60 days after the end of the company's fiscal year end if it is a large accelerated filer, 75 days if it is an accelerated filer, and 90 days if it is a non-accelerated filer.</p>
Half-year reporting	<p>Under the Corporations Act and ASX Listing Rules, a listed entity is required to:</p> <ul style="list-style-type: none"> ▪ prepare financial statements for the first six months of the financial year, have the statements reviewed by the company's auditor and obtain an auditor's report; ▪ prepare a directors' report; and ▪ within two and a half months after the end of the half-year, lodge the financial statements, directors' report and auditor's 	<p>Half-year reporting is not applicable to public companies in the United States.</p>

Item	Australian reporting requirements	United States reporting requirements
	report with the ASX and ASIC.	
Quarterly reporting	<p>Quarterly cash flow reports must be lodged with the ASX by certain listed entities (being entities with more than half of their assets in cash or assets readily convertible to cash, other than listed investment companies and mining exploration companies) within one month after each quarter of a listed entity's financial year.</p> <p>Mining exploration companies are required to lodge, within one month after each quarter of its financial year:</p> <ul style="list-style-type: none"> ▪ an activity report, setting out prescribed details of its mining exploration and production and development activities for the quarter; and ▪ a cash flow report in the prescribed form. 	<p>Under the US Exchange Act, public companies in the United States must file quarterly reports on Form 10-Q within a certain period of time (depending on the company's public market float) after each of their first three fiscal quarters (and file an annual report on Form 10-K at the end of their fourth fiscal quarter).</p> <p>A public company is required to:</p> <ul style="list-style-type: none"> ▪ provide unaudited financial statements for the most recently completed fiscal quarter; ▪ provide a section on management's discussion and analysis of the company's financial condition and results of operations; ▪ disclose quantitative and qualitative information about market risks; ▪ state conclusions of the CEO and CFO regarding the effectiveness of the company's disclosure controls and procedures; ▪ describe material pending legal proceedings affecting it; ▪ provide any material updates as to risk factors from its most recent annual report on Form 10-K; ▪ describe any sales of its equity during the most recent quarter that were not registered with the SEC; and ▪ include any other information that should have been previously disclosed in a Form 8-K but that was not so disclosed. <p>Quarterly reviews by an independent registered public accounting firm are required by the SEC and Public Company Accounting Oversight Board.</p> <p>The quarterly reports on Form 10-Q are due 40 days from the end of the quarter for both large accelerated filers and accelerated filers, and 45 days for non-accelerated filers.</p>
Current reports	-	<p>In the United States, a Form 8-K Current Report must be filed within 4 business days of the occurrence of certain events set forth in the Form 8-K. Among these events are:</p> <ul style="list-style-type: none"> ▪ entry or termination of a material agreement; ▪ bankruptcy; ▪ completion of acquisition or disposal of

Item	Australian reporting requirements	United States reporting requirements
		<p>material assets;</p> <ul style="list-style-type: none"> ▪ results of operations and financial condition; ▪ material impairments; ▪ notice of delisting or transfer of listing; ▪ unregistered sales of equity securities; ▪ changes in independent accountant; ▪ non-reliance on previously issued financial information; ▪ change in control; ▪ departure of directors or officers, or appointment of directors or officers; ▪ amendments to governing documents or change of fiscal year; ▪ results of stockholder meetings; and ▪ Regulation FD disclosures.

Corporate Directory

Directors

David J. Salisbury
Anthony Hall
Stephen Hunt
Jimmy Lim

Company Secretary

Aaron Bertolatti

Registered Office

Level 12
197 St Georges Terrace
Perth WA 6000
Australia

Telephone: +61 8 6141 3145
Fax: +61 8 6141 3101

United States Office

9329 Mariposa Suite 210
Hesperia
California, 92344
United States

Telephone: +1 442 292 2120

Website

www.americanpacificborates.com

Registry

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: 1300 850 505 (within Australia)
Telephone: +61 3 9415 4000 (outside Australia)

Australian and US Legal Advisor

Baker McKenzie
Tower One - International Towers Sydney
Level 46, 100 Barangaroo Avenue
Sydney NSW 2000
Australia

Baker McKenzie
300 East Randolph Street, Suite 5000
Chicago
Illinois, 60601
United States