



ACN: 157 690 830

Notice of General Meeting

A General Meeting of NOVONIX Limited will be held by the Virtual Meeting Facility at 8am (AEST) on 30 June 2020.

In light of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors have made a decision that there will not be a physical meeting where Shareholders can attend in person. ACCORDINGLY, THE DIRECTORS STRONGLY ENCOURAGE ALL SHAREHOLDERS TO EITHER LODGE A DIRECTED PROXY FORM PRIOR TO THE MEETING OR ATTEND AND VOTE ONLINE AT THE VIRTUAL MEETING.

In accordance with subsection 5(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be dispatching physical copies of the Notice. For shareholders that the Company has email addresses on records, the Company will send a copy of this Notice and material relating to the Meeting or provide a link to where the Notice and other material can be viewed or downloaded by email. To the other Shareholders, the Company will send a letter setting out a URL for viewing or downloading the Notice and other material.

Shareholders can access a copy of the Notice at the following link: www.novonixgroup.com.

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

Please contact the Company Secretary on 61 439 310 818 or suzanne.yeates@oasolutions.com.au if you wish to discuss any matter concerning the Meeting.

NOVONIX Limited
ACN 157 690 830

Notice of General Meeting

Notice is hereby given that a General Meeting of the Shareholders of NOVONIX Limited will be held by the Virtual Meeting Facility on 30 June 2020 at 8am (AEST) (**Meeting**).

In light of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors have made a decision that there will not be a physical meeting where Shareholders can attend in person. ACCORDINGLY, THE DIRECTORS STRONGLY ENCOURAGE ALL SHAREHOLDERS TO EITHER LODGE A DIRECTED PROXY FORM PRIOR TO THE MEETING OR ATTEND AND VOTE ONLINE AT THE VIRTUAL MEETING.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form form part of this Notice of Meeting.

Shareholders are encouraged to participate in and vote at the Meeting virtually via the Virtual Meeting Facility or vote by returning a completed Proxy Form or vote online. Instructions on how to complete a Proxy Form and vote online are set out in the Explanatory Statement.

Proxy Forms must be received by no later than 8am (AEST) on 28 June 2020.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

The business of the Meeting affects your shareholding and your vote is important. This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEST) on 28 June 2020.

AGENDA

RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE UNDER AN INSTITUTIONAL PLACEMENT

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 19,495,469 fully paid ordinary shares in the capital of the Company at an issue price of \$0.29 per share to institutional and sophisticated investors on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 2 - ISSUE OF SHARES TO A RELATED PARTY UNDER A STRATEGIC PLACEMENT

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 67,085,100 fully paid ordinary shares in the capital of the Company at an issue price of \$0.29 per share to SBIF or its nominee on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

VOTING PROHIBITION AND EXCLUSION STATEMENTS

Listing Rule 14.11

Under Listing Rule 14.11, the Company will disregard any votes cast in favour of a resolution by or on behalf of:

- (a) the below named person or class of persons excluded from voting; or
- (b) an associate of that person or those persons:

Resolution	Persons excluded from voting
Resolution 1 - Ratification of Prior Issue under an Institutional Placement	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 2 - Issue of Shares to a Related Party under a Strategic Placement	A person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of such person.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board of Directors



Ms Suzanne Yeates
Company Secretary
29 May 2020

Explanatory Statement

1 INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held by the Virtual Meeting Facility on 30 June 2020 at 8am (AEST). The purpose of this Explanatory Statement is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

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A Proxy Form is located at the end of this Explanatory Statement.

ASX takes no responsibility for the contents of the Notice or Explanatory Statement.

Please contact the Company Secretary on +61 439 310 818 or suzanne.yeates@oasolutions.com.au if you wish to discuss any matter concerning the Meeting.

2 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

In light of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors have made a decision that there will not be a physical meeting where Shareholders can attend in person. ACCORDINGLY, THE DIRECTORS STRONGLY ENCOURAGE ALL SHAREHOLDERS TO EITHER LODGE A DIRECTED PROXY FORM PRIOR TO THE MEETING OR ATTEND AND VOTE ONLINE AT THE VIRTUAL MEETING.

2.1 Participating in the meeting through the Virtual Meeting Facility

Shareholders can participate in and vote at the meeting through the virtual meeting facility at <https://agmlive.link/NVX20> (Virtual Meeting Facility).

In light of the COVID-19, the Company encourages shareholders to attend the Meeting by making use of this technology.

To access the Virtual Meeting Facility, enter <https://agmlive.link/NVX20> into a web browser on your computer or online device and follow the prompts. To lodge your votes or ask questions:

- (a) Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top right of the Proxy Form/holding statement; and
- (b) Proxyholders will need their proxy code which Link Market Services will provide via email no later than 12 hours prior to the Meeting.

Further information on how to participate virtually is set out in this Notice and the Online Platform Guide at www.novonixgroup.com/.

Shareholder Questions

A discussion will be held on all items to be considered at the Meeting.

All shareholders will have a reasonable opportunity to ask questions during the Meeting via the Virtual Meeting Facility.

To ensure that as many Shareholders as possible have the opportunity to ask questions, Shareholders are requested to observe the following:

- (c) all Shareholder questions should be stated clearly and should be relevant to the business of the Meeting;
- (d) if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- (e) Shareholders should not ask questions at the Meeting regarding personal matters or those that are commercial in confidence.

Shareholders who prefer to register questions in advance of the Meeting are invited to do so. A Shareholder question form has been included with this Notice and is also available on the Company's website: www.novonixgroup.com/.

Written questions must be received by the Company or Link Market Services Limited by 5pm (AEST) on 25 June 2020, and can be submitted online, by mail or by fax (as set out on the top of the Shareholder question form).

Each resolution considered at the Meeting will be conducted by poll, rather than a show of hands. The Chair considers voting by poll to be in the interests of the shareholders as a whole, and to ensure the representation of as many shareholders as possible at the Meeting.

How to Vote at the Virtual Meeting

Shareholders may vote through the Virtual Meeting Facility. We recommend logging into Virtual Meeting Facility at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- (f) Enter <https://agmlive.link/NVX20> into a web browser on your computer or online device and follow the prompts;

- (g) Shareholders will need their SRN or HIN (printed at the top right of the Proxy Form/holding statement); and
- (h) Proxyholders will need their proxy code which Link Market Services will provide via email no later than 12 hours prior to the Meeting.

Voting through the Virtual Meeting Facility will be open between the commencement of the Meeting at 8:00am (AEST) on 30 June 2020 and the time at which the Chair announces voting closure.

More information about participation of the Meeting via the Virtual Meeting Facility is available in the Online Platform Guide at www.novonixgroup.com/.

2.2 Voting by Proxy

To vote by proxy, please complete and sign and return the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form.

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

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

The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on the Resolutions.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 8am (AEST) on 28 June 2020. Any Proxy Form received after that time will not be valid for the Meeting.

Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair of the Meeting must follow your instructions. The proxy form can be completed and/or returned to the Company as follows:

Online: www.linkmarketservices.com.au

By mail: NOVONIX Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

By hand: Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

2.3 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting.

2.4 Eligibility to vote

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEST) on 28 June 2020.

3 INTRODUCTION

3.1 Introduction

On 27 May 2020, NOVONIX announced that it will undertake a capital raising (**Equity Raising**) to raise approximately \$58.28 million through:

- (a) a placement of 19,495,469 Shares to institutional and sophisticated investors to raise \$5.65 million (**Institutional Placement**);
- (b) an accelerated non-renounceable offer of 1 new Share for every 1 existing Share to raise approximately \$37.91 million (before direct offer costs) (**Entitlement Offer**); and
- (c) subject to shareholder approval, a placement of between 50,755,077 Shares and 67,085,100 Shares to St Baker Energy Innovation Fund (**SBIF**), to raise between \$14.72 million and \$19.45 million and which will result in SBIF holding 19.9% of the Company's issued Shares (**Strategic Placement**). See section 5.1 for details.

The issue price under the Equity Raising is \$0.29 per Share.

The \$58.28 million Equity Raising is managed and fully underwritten by Morgans Corporate Limited, and partially sub-underwritten by SBIF for approximately \$4.74 million (with the amount to be subscribed for under the Strategic Placement reduced to the extent shortfall Shares are placed to SBIF under the Entitlement Offer).

Shares under the Institutional Placement will be issued to unrelated institutional investors introduced by Morgans by the Company utilizing its 15% capacity under Listing Rule 7.1. As of the date of this Notice, the Institutional Placement is scheduled to close on 5 June 2020, which is prior to the date of the Meeting.

Resolution 1 seeks shareholder approval under Listing Rule 7.4 to ratify the agreement to issue Shares under the Institutional Placement.

The Entitlement Offer is undertaken by the Company in accordance with Listing Rule 7.2 and no shareholder approval is required.

SBIF is controlled by Trevor St Baker, the father of Director Philip St Baker, and as a result, SBIF is a related party of the Company. Further information on the Strategic Placement is set out in section 5.1. Resolution 2 seeks shareholder approval under Listing Rule 10.11 to issue Shares under the Strategic Placement and sub-underwriting to SBIF.

3.2 Use of funds

The Company will receive a total of approximately \$58.28 million from the Equity Raising, the Directors intends to apply the funds as follows:

- (a) A\$25.5 million to redeem all Convertible Notes and repay the SBIF Loan and Director loans.
- (b) A\$23.5M for capex and working capital to achieve 2000tpa anode capacity with DPMG deployment and self-funding capacity.
- (c) A\$5 million for commercialization of DPMG technology for cathode and other million-mile innovations (incl. electrolytes).
- (d) The remainder will be used for capital raising fees and expenses, and general working capital.

Any additional funds raised under the Strategic Placement (as a result of more than 50,755,077 Shares being issued to SBIF under the Strategic Placement) will be used for general working capital.

3.3 Pro forma financial information

Set out in SCHEDULE 2 is the reviewed Statement of Financial Position of the Company and the Pro-Forma Statement of Financial Position, as at 31 December 2019 and on the basis of the following assumptions and adjustments:

- (a) The Equity Raising was effective on 31 December 2019.
- (b) No further Shares are issued other than under the Equity Raising.
- (c) Completion of the Equity Raising under two scenarios:
 - (i) SBIF subscribes for its maximum number of sub-underwritten shortfall Shares under the Entitlement Offer and 50,755,077 Shares are issued under the Strategic Placement.
 - (ii) The Entitlement Offer is fully subscribed with no shortfall issued to SBIF, in which case SBIF will be issued an additional 16,330,023 Shares under Strategic Placement to raise an additional \$4.74 million.

- (d) A share purchase plan and placement that completed in January 2020 raising \$1,291,024 net of costs.
- (e) Director loan funds of \$2,798,960 (drawn down since 31 December 2019) are repaid.
- (f) Share based payment expense associated with cancelation of Director and management Options.
- (g) Redemption of all Convertible Notes.
- (h) Creditors (including Directors) satisfy their entitlement under the Entitlement Offer by set off against their creditor claims of \$2.8 million.
- (i) Costs of the Equity Raising are \$2.4 million and have been offset against the proceeds of the Equity Raising.

The pro-forma Statement of Financial Position has been prepared to provide Shareholders with information on the effect of the Resolutions on the Company as set out in SCHEDULE 2. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

3.4 Capital structure

(a) Shares

The capital structure of the Company after the Equity Raising will be as follows:

Shares (approx.)	Assuming minimum subscription under the Strategic Offer		Assuming maximum subscription under the Strategic Offer	
	Number of Shares	%	Number of Shares	%
Existing Shares on issue as at 26 May 2020	130,721,435	39.41	130,721,435	37.56
Institutional Placement	19,495,469	5.88	19,495,469	5.60
Entitlement Offer	130,721,435	39.41	130,721,435	37.56
Strategic Placement ¹	50,755,077	15.30	67,085,100	19.28
Total	331,693,416	100	348,023,439	100

(b) Options

The Company has entered into agreement with holders of the Company's existing Options to cancel 40.5 million Options, with immediate effect. Following this the number of Options on issue will be as follows:

Exercise price	Expiry date	Number
\$0.90	06/03/2023	66,666
\$1.20	06/03/2023	66,667
\$1.40	06/03/2023	66,667
\$0.80	14/07/2020	250,000
\$0.95	14/07/2020	250,000
\$1.10	14/07/2020	250,000
\$0.70	29/08/2023	500,000
\$0.90	29/08/2023	500,000
\$0.66	01/07/2021	5,000,000
\$0.74	Cessation of employment	1,500,000
\$0.79	13/02/2023	200,000
\$0.55	06/12/2023	40,000
\$0.55	02/11/2023	160,000
\$0.90	14/07/2022	450,000
\$0.50	Cessation of employment	18,750,000
\$0.50	05/08/2024	12,000,000
Total		40,050,000

3.5 Listing Rules

Broadly speaking, Listing Rule 7.1 limits the number of equity securities a company can issue in a Relevant Period to 15% of its issued share capital, except for certain issues, including where first approved by Shareholders.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the

company's capacity to issue further equity securities without Shareholder approval under that rule.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to a related party unless it obtains the approval of its shareholders. Securities issued with shareholder approval under Listing Rule 10.11 are not included in the 15% capacity under Listing Rule 7.1.

4 RESOLUTION 1 - RATIFICATION OF INSTITUTIONAL PLACEMENT

4.1 Introduction

The Company has received firm commitments to issue 19,495,469 Shares at \$0.29 per Share to unrelated institutional and sophisticated investors to raise \$5.65 million under the Institutional Placement. As of the date of this Notice, the Institutional Placement is scheduled to close on 5 June 2020, being prior to the date of the Meeting.

The issue under the Institutional Placement is undertaken by the Company using its 15% capacity under Listing Rule 7.1, and in doing so reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 months following the issue, until the issue has been ratified by shareholders under listing rule 7.4 or 12 months has passed since their issue.

Resolution 1 seeks Shareholder approval under Listing Rule 7.4 to ratify the issue of Shares under the Institutional Placement. The effect of passing resolution 1 is that the Shareholders ratify the issue of Shares under the Institutional Placement.

If Resolution 1 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issue. If Resolution 1 is not passed, the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issue.

4.2 Resolution 1 - Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided about the Shares issued under the Institutional Placement:

- (a) The securities will be issued to institutional and sophisticated investors (managed by Morgans Corporate Limited), who are not related parties to the Company.
- (b) The number and class of securities issued or agreed to issue by the Company is 19,495,469 Shares.
- (c) The securities issued or agreed to issue by the Company were fully paid ordinary shares that rank equally with existing Shares on issue.

- (d) The Shares are scheduled to be issued on or about 5 June 2020.
- (e) The issue price of the Shares under the Institutional Placement is \$0.29 per Share.
- (f) The purpose of the issue is to raise funds, the intended use of funds is set out in section 3.1.
- (g) Other than those set out in section 3.1 and this section 4, there are no other material terms in relation to the Institutional Placement.
- (h) A voting exclusion statement is included in the Notice.

4.3 Directors recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 as it will restore the Company's 15% annual limit permitted by Listing Rule 7.1.

5 RESOLUTION 2 - ISSUE OF SHARES TO A RELATED PARTY UNDER A STRATEGIC PLACEMENT

5.1 Introduction

On 27 May 2020 the Company and SBIF entered into a subscription agreement for the Strategic Placement, under which SBIF agreed to subscribe for, and the Company agreed to issue, that number of Shares so that following the Equity Raising SBIF would hold 19.9% of the Company's issued Shares, or up to 67,085,100 Shares. The issue price is \$0.29, the same issue price as the Institutional Placement and Entitlement Offer.

SBIF has also agreed to sub-underwrite the Entitlement Offer for up to 16,330,023 Shares, subject to Shareholder approval. SBIF will not receive any sub-underwriting fee.

SBIF currently holds convertible notes with a total face value of \$10 million (**Convertible Notes**) issued by the Company. The Company also owes SBIF approximately \$3.53 million (inclusive of interest) under a short term loan as announced to ASX on 13 March 2020 (**SBIF Loan**). The total amount owing under the Convertible Notes and SBIF Loan is approximately \$14.72 million (including the principal and interest calculated up to the date of the issue under the Strategic Placement, estimated to be early July 2020).

The Company and SBIF have agreed that SBIF's obligation to pay for Shares under the Strategic Placement will be partially satisfied through set off against SBIF's right for payment upon the redemption of the Convertible Notes and under the SBIF Loan (together approximately \$14.72 million), with the balance (up to approximately \$4.73 million, depending upon extent to which shortfall Shares are allocated to SBIF under its sub-underwriting of the Entitlement Offer) to be paid in cash.

Funds raised in excess of the targeted amount under the Equity Raising will be used for general working capital.

As noted above, SBIF is a related party to the Company, and Resolution 2 seeks shareholder approval under Listing Rule 10.11 to issue a maximum of 67,085,100 Shares under the Strategic Placement and sub-underwriting to SBIF.

SBIF and its controlled entities currently hold 1,085,782 Shares in the Company. SBIF has advised that Company that it intends to fully participate in its entitlements under the Entitlement Offer. Following the Equity Raising SBIF's holding will consist:

- (a) its current holding of 1,085,782 Shares (0.62% of the Company's issued share capital);
- (b) 1,085,782 entitlement Shares under the Entitlement Offer;
- (c) shortfall Shares issued to SBIF under its sub-underwriting of the Entitlement Offer of up to 16,330,023 new Shares; and
- (d) between 50,755,077 and 67,085,100 Shares issued under the Strategic Placement, with the number reduced to the extent shortfall Shares are issued to SBIF under the sub-underwriting of the Entitlement Offer.

When aggregated, SBIF will hold 19.9% of the Company's issued share capital.

5.2 Corporations Act

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

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act and includes directors of a company. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

As the issue price to the related party, SBIF, is the same as the issue price of both the Institutional Placement and the Entitlement Offer, the Board (with Philip St Baker excluded from voting due to his perceived personal interest in the matter) considers the proposed issue to be reasonable in the circumstances as if the Company and SBIF were dealing at arm's length so that Shareholder approval is not required under Chapter 2E of the Corporations Act.

5.3 ASX Listing Rules

The issue under the Strategic Placement falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 2 seeks Shareholder approval under Listing Rule 10.11 for the issue of Shares to SBIF, an entity controlled by Trevor St Baker, the father of Director Philip St Baker.

If Resolution 2 is passed, the Company can proceed with the issue. Approval under Listing Rule 10.11 means that Shareholder approval is not required under Listing Rule 7.1 and the issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue, and the Company will not be able to off-set its payment obligations under the Convertible Notes to reduce its debt liabilities while preserving cash. As a result, the Company will have to explore alternative finance to raise funds. There is no guarantee that the Company will be able to secure alternative finance or that the terms of any alternative finance will be as favourable as the terms under the Strategic Placement.

5.4 Resolutions 2 - Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided for the issue of Shares under Resolution 2:

- (a) The persons participating in the issues is SBIF, an entity controlled by Trevor St Baker, the father of Director Philip St Baker, or in the event of default and by virtue of the underwriting agreement Morgans Corporate Limited or nominee.
- (b) SBIF is an entity controlled by Trevor St Baker, the father of Director Philip St Baker, is therefore a related party and subject to Listing Rule 10.11.1.
- (c) Between 50,755,077 and 67,085,100 securities will be issued.
- (d) The securities to be issued are fully paid ordinary shares in the capital of the Company, ranking equally with existing Shares on issue.
- (e) The securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (f) The securities will be issued at an issue price of \$0.29 per Share.
- (g) The purpose of the issue is to off-set the Company's payment obligations under the Convertible Notes and SBIF Loan (together approximately \$14.72 million) and raise funds of up to \$4.73 million, the intended use of which is set out in section 3.1.

- (h) The issue is not intended to remunerate or incentivise any Director.
- (i) Other than those set out in section 3.1 and this section 5, there are no other material terms in relation to the issue.
- (j) A voting exclusion statement is included in the Notice.

5.5 Directors recommendation

The Directors, other than Mr Philip St Baker who by his relationship with SBIF may be perceived to having a personal interest in the Resolution and therefore abstains from making a recommendation, recommend that Shareholders approve Resolution 2. This will allow the Company to off-set its payment obligations under the Convertible Notes to reduce its debt liabilities while preserving cash.

SCHEDULE 1 GLOSSARY

\$ or A\$ means Australian dollars.

AEST means Australian Eastern Standard Time.

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

ASX Listing Rules means the Listing Rules of ASX.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means NOVONIX Limited (ACN 157 690 830).

Constitution means the Company's constitution.

Convertible Notes has the meaning given in section 5.1.

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

Directors means the current directors of the Company.

Entitlement Offer has the meaning given in section 3.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

Equity Raising has the meaning given in section 3.1.

Equity Securities has the meaning giving in the ASX Listing Rules.

Institutional Placement has the meaning given in section 3.1.

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

Proxy Form means the proxy form accompanying the Notice.

Relevant Period has the meaning given in Listing Rule 7.1, being

- (a) if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- (b) if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

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

SBIF means the St Baker Energy Innovation Fund, an entity controlled by Trevor St Baker, the father of Director Philip St Baker.

SBIF Loan has the meaning given in section 5.1.

section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Strategic Placement has the meaning given in section 3.1.

Subscription Shares has the meaning ascribed to it under section 5.1.

SCHEDULE 2 PRO FORMA STATEMENT OF FINANCIAL POSITION

	31 December 2019 (incl. SPP and placement) \$	Option cancellation	Note redemption	Placement and rights issue	SBEIF strategic placement		Director loans	Total	
					Minimum	Maximum		Minimum	Maximum
ASSETS									
Current assets									
Cash and cash equivalents	1,851,082	-	(7,555,343)	37,938,767	3,400,000	8,135,707	2,798,960	38,433,466	43,169,173
Trade and other receivables	1,416,566	-	-	-	-	-	-	1,416,566	1,416,566
Inventory	828,964	-	-	-	-	-	-	828,964	828,964
Total current assets	4,096,612	-	(7,555,343)	37,938,767	3,400,000	8,135,707	2,798,960	40,678,996	45,414,703
Non-current assets									
Property, plant and equipment	7,588,332	-	-	-	-	-	-	7,588,332	7,588,332
Exploration and evaluation assets	2,918,757	-	-	-	-	-	-	2,918,757	2,918,757
Right-of-use assets	2,898,392	-	-	-	-	-	-	2,898,392	2,898,392
Intangible assets	18,140,364	-	-	-	-	-	-	18,140,364	18,140,364
Other assets	8,643	-	-	-	-	-	-	8,643	8,643
Total non-current assets	31,554,488	-	-	-	-	-	-	31,554,488	31,554,488
Total assets	35,651,100	-	(7,555,343)	37,938,767	3,400,000	8,135,707	2,798,960	72,233,484	76,969,191
LIABILITIES									
Current liabilities									
Trade and other payables	435,975	-	-	-	-	-	-	435,975	435,975
Contract liabilities	14,597	-	-	-	-	-	-	14,597	14,597
Lease liabilities	131,976	-	-	-	-	-	-	131,976	131,976
Borrowings	6,472,992	-	(5,917,055)	-	-	-	(351,063)	204,874	204,874
Total current liabilities	7,055,540	-	(5,917,055)	-	-	-	(351,063)	787,422	787,422
Non-current liabilities									
Lease liabilities	2,795,054	-	-	-	-	-	-	2,795,054	2,795,054
Borrowings	11,533,428	-	(807,369)	-	(8,687,546)	(8,687,546)	-	2,038,513	2,038,513
Total non-current liabilities	14,328,482	-	(807,369)	-	(8,687,546)	(8,687,546)	-	4,833,567	4,833,567
Total liabilities	21,384,022	-	(6,724,424)	-	(8,687,546)	(8,687,546)	(351,063)	5,620,989	5,620,989
Net assets	14,267,078	-	(830,919)	37,938,767	12,087,546	16,823,253	3,150,023	66,612,495	71,348,202
EQUITY									
Contributed equity	39,454,429	-	-	37,938,767	14,718,972	19,454,679	3,226,980	95,339,148	100,074,855
Reserves	25,674,980	1,636,570	-	-	-	-	-	27,311,550	27,311,550
Accumulated losses	(50,862,331)	(1,636,570)	(830,919)	-	(2,631,426)	(2,631,426)	(76,957)	(56,038,203)	(56,038,203)
Total equity	14,267,078	-	(830,919)	37,938,767	12,087,546	16,823,253	3,150,023	66,612,495	71,348,202

Notes

1. Reviewed 31/12/19 balance sheet adjusted for the Share Purchase Plan and placement that completed in January 2020 raising \$1,291,024 net of costs.
2. Acceleration of the share based payment expense associated with Director and Management options cancelled.
3. Redemption of loan notes.
4. Placement of 19,495,469 shares to institutional investors and 1 for 1 rights issue to issue 130,721,435 shares, less costs of the capital raising estimated at \$2.4m, less \$2.8m of Director loan funds that will be used to take up Director entitlements under the rights issue.
5. Strategic placement of 67,085,100 shares settled through the redemption of loan notes, conversion of short-term loan and participation as a general sub-underwriter in the Rights Issue.
6. Additional director loan funds of \$2,798,960 have been drawn down since 31/12/19. The principal and interest components of the loans will be settled in shares.

LODGE YOUR VOTE

-  **ONLINE**
www.linkmarketservices.com.au
-  **BY MAIL**
NOVONIX Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
-  **BY FAX**
+61 2 9287 0309
-  **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138
-  **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of NOVONIX Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **8:00am on Tuesday, 30 June 2020 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/NVX20> (refer to details in the Virtual Meeting Online Guide).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

For Against Abstain*

- 1 Ratification of prior issue under an institutional placement
- 2 Issue of shares to a related party under a strategic placement

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

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



STEP 1

STEP 2

STEP 3

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

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

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

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **8:00am on Sunday, 28 June 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

NOVONIX Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)