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Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Delta Lithium Limited (ACN 107 244 039) (**Delta** or the **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Corporations Act**).

On 13 November 2023, the Company announced the launch of a fully-underwritten[1] accelerated non-renounceable entitlement offer to eligible shareholders on the basis of two (2) new fully paid ordinary shares in the Company (**New Shares**) for every seven (7) existing shares held (**Entitlement**) to raise up to approximately $70 million (before costs) (**Entitlement Offer**). New Shares will have an offer price of $0.46 per New Share (**Offer Price**).

The Entitlement Offer is fully underwritten by Mineral Resources Limited (ACN 118 549 910) (**Underwriter** or **MinRes**), subject to the terms of the Underwriting Agreement.[1]

A retail offer booklet, along with accompanying personalised entitlement and acceptance forms, will be despatched on or around 20 November 2023 to retail shareholders with a registered address in Australia or New Zealand as at 4.00pm (AWST) on Wednesday, 15 November 2023 (**Eligible Retail Shareholders**).

The Company confirms the following:

(a) the Company will offer the New Shares under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Corporations Act;

(b) this notice is being given under section 708AA(2)(f) of the Corporations Act;

(c) as at the date of this notice, the Company has complied with:

    (i) the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and

    (ii) sections 674 and 674A of the Corporations Act;

(d) as at the date of this notice, there is no excluded information as defined in section 708AA(8) and section 708AA(9) of the Corporations Act which is required to be disclosed by the Company; and

(e) the potential effect that the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors including the number of New Shares taken up by each eligible shareholder. However, the Company notes the following:

    Structure of the Entitlement Offer and Underwriting

    (i) The number of New Shares which will be issued under the Entitlement Offer is approximately 152.5 million New Shares (subject to rounding of fractional entitlements) to raise approximately A$70 million, equating to approximately 28.6% of all the Shares on issue at the date of this notice.

    (ii) The Entitlement Offer will be conducted in two parts, an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

    (iii) The Company will offer a shortfall oversubscription facility as part of the Institutional Entitlement Offer (**Institutional Top Up Facility**). The Institutional Top Up Facility will be available to institutional shareholders with a registered address in Australia, Canada (British Columbia, Ontario and Quebec), European Union (incl. Germany, France, Luxembourg, Netherlands, Sweden), New Zealand, Switzerland, Hong Kong, Singapore, the United Kingdom or the United States (**Eligible Institutional**

[1] Refer to Appendix D of Delta's investor presentation dated 13 November 2023 (**Investor Presentation**) for a description of the terms and conditions of the underwriting agreement with the Underwriter (**Underwriting Agreement**).

Shareholders, and together with Eligible Retail Shareholders, **Eligible Shareholders**) who applied for New Shares in excess of their Entitlement, up to a maximum amount of 100% of their Entitlement (subject to compliance with applicable laws and to the terms of the Institutional Entitlement Offer). The availability of additional New Shares under the Institutional Top Up Facility will be limited to the Entitlements attributable to Eligible Institutional Shareholders who do not take up their Entitlements. In the event it is necessary to scale back applications for additional New Shares (where there are more applications for additional New Shares than there is shortfall under the Institutional Entitlement Offer) then the scale back will be on a pro rata basis, based on the Institutional Entitlements. Any New Shares not allocated to Eligible Institutional Shareholders under the Institutional Entitlement Offer (including the Institutional Top Up Facility) will be allotted to certain other institutional investors under a bookbuild process to be managed by the Joint Lead Managers, with the balance to thereafter be allocated the Underwriter in accordance with the terms of the Underwriting Agreement.

(iv) The Company will offer a shortfall oversubscription facility as part of the Retail Entitlement Offer (**Retail Top Up Facility**). The Retail Top Up Facility will be available to Retail Shareholders who applied for additional New Shares in excess of their Entitlements at the Offer Price up to a maximum amount of 100% of their Entitlement (subject to compliance with applicable laws and to the terms of the Retail Entitlement Offer). The availability of additional New Shares under the Retail Top Up Facility will be limited to the Entitlements attributable to Eligible Retail Shareholders who do not take up their Entitlements. In the event it is necessary to scale back applications for additional New Shares (where there are more applications for additional New Shares than there is shortfall under the Retail Entitlement Offer) then the scale back will be on a pro rata basis, based on the retail Entitlements. Any New Shares not allocated to Eligible Retail Shareholders under the Retail Entitlement Offer (including the Retail Top Up Facility) will be allocated to the Underwriter in accordance with the terms of the Underwriting Agreement.

(v) The key terms of the Underwriting Agreement are detailed in Appendix D of the Investor Presentation. In summary, subject to any termination rights in the Underwriting Agreement:

(A) any New Shares not allocated to Eligible Institutional Shareholders under the Institutional Entitlement Offer (including the Institutional Top Up Facility) will be allotted to certain other institutional investors under a bookbuild process to be managed by the Joint Lead Managers, with the balance to thereafter be allocated the Underwriter; and

(B) any New Shares not allocated to Eligible Retail Shareholders under the Retail Entitlement Offer (including the Retail Top Up Facility) will be allocated to the Underwriter.

(vi) At the date of this notice, the Underwriter is the Company's largest beneficial shareholder and indirectly holds a relevant interest in 17.4% of the issued shares of the Company.

Holder of relevant interest	Registered holder of securities	Class and number of securities	Percentage of votes
Wodgina Lithium Pty Ltd	Wodgina Lithium Pty Ltd	74,420,527	17.4%

(vii) MinRes is a diversified resources company, with operations in lithium, iron ore, energy and mining services across Western Australia.

Management of potential conflicts of interest

(viii) As the date of this notice, Messrs Chris Ellison and Joshua Thurlow, directors of the Company (**Directors**), are employees of the Underwriter (with Mr Ellison being the Managing Director). The Company does not consider any member of MinRes or its related bodies corporate (together, **MinRes Group**) to be a related party of the Company. Neither Messrs Ellison nor Thurlow have any interest in the securities of Delta.

(ix) In any event, the Board established an independent board committee pursuant to an adopted protocol (**Protocol**) comprising all Directors who were not officers and/or employees of a member of MinRes to consider the Entitlement Offer and deal with any actual or perceived conflicts of interests. The Protocol ensured that any conflicts were appropriately managed by adopting measures consistent with the principles detailed in Takeovers Panel Guidance Note 19: Insider Participation in Control Transactions in order to manage potential conflicts and to restrict the involvement of Messrs Ellison and Thurlow in decisions of the Company relating to the Entitlement Offer. Messrs Ellison and Thurlow, in their capacity as Directors, agreed to and accepted the Protocol.

Impact of Entitlement Offer on control of the Company

(x) The Underwriting Agreement provides (amongst other matters) that MinRes Group:

(A) must take up its full Entitlement to New Shares under the Entitlement Offer; and

(B) cannot subscribe for any additional New Shares under the Institutional Top Up Facility, the Retail Top Up Facility or institutional bookbuild component of the Entitlement Offer.

(xi) If there is sufficient shortfall to require New Shares to be acquired by the Underwriter under its underwriting commitment, MinRes Group's "**Voting Power**" (as that term is defined in the Corporations Act) in the Company on completion of the Entitlement Offer will increase from approximately 17.4% (as at the date of this notice) to a maximum of 35.8%.

(xii) Accordingly, the number of voting shares in which MinRes Group has a relevant interest following completion of the Entitlement Offer may exceed 20% of the issued shares of the Company.

(xiii) The number of New Shares that will be required to be taken up by the Underwriter, and therefore the increase in MinRes Group's relevant interest in the voting shares of the Company as a result of the Entitlement Offer and associated underwriting, will depend on how many New Shares are taken up under the Entitlement Offer (including under the Institutional Top Up Facility, the Retail Top Up Facility and institutional bookbuild component of the Entitlement Offer) by persons other than MinRes Group. The table below sets out MinRes Group's interests in the Company following completion of the Entitlement Offer under several scenarios:

Percentages of take up by Eligible Shareholders under the Entitlement Offer	Total no. of Shares held by MinRes Group [1,2,3,4]	Total MinRes Group Voting Power (%)[1,2,3,4]
100% take up by Eligible Shareholders	119,393,962	17.4%
75% take up by Eligible Shareholders	150,887,009	22.0%
50% take up by Eligible Shareholders	182,380,055	26.6%
25% take up by Eligible Shareholders	213,873,102	31.2%
0% take up by Eligible Shareholders	245,366,148	35.8%

Notes:

1. Assumes the Underwriting Agreement is not terminated prior to settlement of any aspect of the Entitlement Offer, and the Underwriter complies with its obligations under the Underwriting Agreement.
2. In calculating the potential outcomes in the table immediately above, the Company has included the issue of any New Shares which would have been offered to ineligible shareholders (had they been Eligible Shareholders), on the assumption that those New Shares are sold by the Nominee and taken up by the transferees of those Entitlements not associated with the Underwriter. No forecast is made on whether any such New Shares will be sold.
3. Assumes no amount is sub-underwritten by any party.
4. Subject to rounding.

(xiv) To the extent MinRes Group's voting power in the Company may exceed 20%, MinRes Group's acquisition of New Shares under the Entitlement Offer (including as Underwriter) is permitted by the exception to section 606 of the Corporations Act detailed in item 10A of section 611 of the Corporations Act. To that end, with respect to shareholders in jurisdictions to which the Entitlement Offer is not being extended, the Company:

(A) will implement the nominee procedure set out in section 615 of the Corporations Act; and

(B) has received ASIC consent to the appointment of Bell Potter Securities Limited as nominee for the purposes of section 615 of the Corporations Act.

(xv) Given the structuring of the underwriting, MinRes Group's Voting Power in the Company will not exceed 35.8% following the Entitlement Offer. The Company understands that even if MinRes Group were to achieve this level of Voting Power, its intentions for the Company would remain unchanged, which are to maintain its support for the current business objectives and management of the Company, with a particular focus on the systematic de-risking and development of the Mt Ida and Yinnetharra lithium projects.

(xvi) If MinRes Group were to achieve Voting Power of around 25% following the Entitlement Offer, MinRes Group may have an increased ability to influence the composition of the Board and the Company's management and strategic direction and to impact the outcome of resolutions of Shareholders. For example, MinRes Group may have the ability to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution) and may have the de facto ability to pass ordinary resolutions of the Shareholders, or to prevent ordinary resolutions from being passed (given that less than 100% of the Shareholders are expected to vote at any general meeting).

(xvii) However, in this respect, it should be noted that MinRes already has two appointees to the Board (which comprises six Directors). The Company understands that MinRes has no current intention to request additional representation on the Board even if it were to acquire the maximum possible Voting Power as a result of the Entitlement Offer. Accordingly, it is not expected that there will be any material effect on the actual control able to be exerted by MinRes over the day-to-day operations of the Company.

Rationale for a significant shareholder underwriting the Entitlement Offer and MinRes Group's intentions

(xviii) The Company made the decision to enter into the Underwriting Agreement taking into account all other alternatives, including the availability and cost involved in third party underwriting. The Company considers that the commercial terms of the Underwriting Agreement (including the absence of underwriting fees and relatively few termination events) are attractive to the Company, particularly in an environment of increased volatility and geopolitical uncertainty.

(xix) In addition, the Company considers that MinRes Group’s backing of the Company is likely to be seen as a positive, making it more likely that the Company will be able to attract additional take up than would be the case if MinRes Group was not underwriting the Entitlement Offer.

(xx) The Company intends to market the Entitlement Offer to existing shareholders to reduce as far as possible the extent of the underwriting of the Entitlement Offer by the Underwriter and consequently any increase in MinRes Group's voting power.

Peter Gilford

Company Secretary

Delta Lithium Limited

Release authorised by the Board of Delta Lithium Limited.

About Delta Lithium

Delta Lithium (ASX: DLI) is an exploration and development company focused on bringing high-quality, lithium-bearing pegmatite deposits, located in Western Australia, into production. With a strong balance sheet and an experienced team driving the exploration and development workstreams, Delta Lithium is rapidly advancing its Mt Ida Lithium Project towards production. The Mt Ida Lithium Project holds a critical advantage over other lithium developers with existing Mining Leases and an approved Mining Proposal. To capitalise on the prevailing buoyant lithium market, Delta Lithium is pursuing a rapid development pathway to unlock maximum value for shareholders.

Delta Lithium also holds the highly prospective Yinnetharra Lithium Project that is already showing signs of becoming one of Australia's most exciting lithium regions. The Company is currently undergoing an extensive 400 drill hole campaign to be completed throughout 2023.

Important Information

This notice is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in the Company in any jurisdiction. This notice does not constitute financial product advice and does not and will not form part of any contract for the acquisition of securities in the Company.

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