



IONIC INDUSTRIES LIMITED
ACN 168 143 324

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 1 December 2016

Time of Meeting:
10.00AM (AEDST)

Place of Meeting:
Grant Thornton
Rialto – North Tower
Level 30
525 Collins Street
Melbourne Victoria, 3000

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional advisor without delay*

IONIC INDUSTRIES LIMITED

ACN 168 143 324

Registered office: Level 4, 100 Albert Road, South Melbourne Victoria 3205

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Ionic Industries Limited (the "Company") will be held at the offices of Grant Thornton, The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria, 3000 at 10.00am (AEDST) on Thursday 1 December 2016.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2016.

Resolution 1: Election of Mr Andrew Peter Armitage as a Director of the Company

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

"That Mr Andrew Peter Armitage having been appointed to the Board during the year, retires as a Director in accordance with the Constitution and having consented and being eligible for election, be elected as a Director."

Resolution 2: Election of Mr Simon Savage as a Director of the Company

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

"That Mr Simon Savage having been appointed to the Board during the year, retires as a Director in accordance with the Constitution and having consented and being eligible for election, be elected as a Director."

Resolution 3: Election of Mr Merlin de R Allan as a Director of the Company

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

"That Mr Merlin de R Allan having been appointed to the Board during the year, retires as a Director in accordance with the Constitution and having consented and being eligible for election, be elected as a Director."

DATED this 4th day of November 2016 at Melbourne.

By order of the Board

Justin Mouchacca
Company Secretary

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on 29 November 2016 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

3. Proxies

- a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- b. Each shareholder has a right to appoint one or two proxies.
- c. A proxy need not be a shareholder of the Company.
- d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
- e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
- f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
- h. To be effective, proxy forms must be received by the Company's share registry (Computershare Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 10.00am (AEDST) Melbourne time on 29 November 2016. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement:

Resolution 1

There are no voting exclusions on this resolution.

Resolution 2

There are no voting exclusions on this resolution.

Resolution 3

There are no voting exclusions on this resolution.

Enquiries

Shareholders are invited to contact the Company Secretary, Justin Mouchacca on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2016 (which incorporates the Company's financial report, reports of the Directors and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years.

Resolution 1: Election of Mr Andrew Peter Armitage as a Director of the Company

Mr Andrew Peter Armitage was appointed as a director on 20 June 2016 as a casual vacancy and is eligible for election.

Mr Armitage began his professional career over 40 years ago with an international accounting firm, specialising in start-ups and work-outs. After qualification he was invited into partnership of a national firm that he maintained until he set up his own practice in 1978, of which he remains principal. Since the early 1980's he has been a Director of a number of listed exploration companies in both Australia and New Zealand concentrating on fiscal aspects of project modelling and procurement of capital. Recently he has been responsible for a number of successful IPOs supervising Due Diligence and Corporate Governance matters as well as attending to all compliance matters. Mr Armitage has also been involved in various consulting assignments in Peoples Republic of China, Canada, USA, Hong Kong, and UK for Fortune 500 companies. Mr Armitage also holds directorships in ASX listed entities including Strategic Energy Resources (ASX: SER) and Peako Limited (ASX: PKO).

Director Recommendations

The Board (with Mr Armitage abstaining), recommends that shareholders vote in favour of the election of Mr Armitage. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Armitage's election.

Resolution 2: Election of Mr Simon Savage as a Director of the Company

Mr Simon Savage was appointed as a director on 29 April 2016 as a casual vacancy and is eligible for election.

Mr Savage has been a key contributor at Ionic over a number of years, supporting the company's strategic planning and partnership initiatives. Mr Savage' experience in business and project management, strategic planning and stakeholder engagement will be critical in focusing Ionic's research efforts, prioritising the commercialisation of our most advanced technologies and concluding partnership agreements.

Director Recommendations

The Board (with Mr Savage abstaining), recommends that shareholders vote in favour of the election of Mr Savage. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Savage's election.

Resolution 3: Election of Mr Merlin de R Allan as a Director of the Company

Mr Merlin de R Allan was appointed as a director on 22 July 2016 as a casual vacancy and is eligible for election.

Merlin has long experience with technology start-ups, founding several himself and serving as executive and non-executive director in a number of listed and unlisted companies including SMS Management & Technology (ASX:SMX), Your Call Communications and UCMS. He has extensive experience commercialising early stage technologies, working with universities, driving strategy and managing mergers and acquisitions. Merlin's experience, particularly in commercialising University-born technology, will be of enormous benefit to us.

Director Recommendations

The Board (with Mr Merlin de R Allan abstaining), recommends that shareholders vote in favour of the election of Mr Merlin de R Allan. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Merlin de R Allan's election.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2016;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDST**” means Australian Eastern Daylight Standard Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Company**” means Ionic Industries Limited ACN 168 143 324;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

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

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

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

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Shareholder**” means shareholder of the Company;