
CHARGER METALS NL

ABN 61 646 203 465

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9.00am (WST)

DATE: 10 February 2022

PLACE: Unit 32, 22 Railway Road
Subiaco WA 6008

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 advisers 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 9.00am (WST) on 8 February 2022.

IMPORTANT INFORMATION REGARDING THE MEETING

In light of the global outbreak of the Coronavirus (COVID 19) and the guidance and restrictions on travel and public gatherings that may apply at the time of the Meeting, the Board of Charger Metals NL may need to apply special arrangements to the upcoming Meeting.

In this regard, the situation regarding COVID-19 can change rapidly and the Company will follow health advice of the Commonwealth and Western Australian Governments. Shareholders are encouraged to monitor the Company's ASX announcements and website for any further updates in relation to any special arrangements the Board may apply to the upcoming Meeting.

Shareholders can vote as follows if not physically attending the Meeting:

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://www.advancedshare.com.au/Investor-Login and follow the prompts. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and Postcode or Country Code as shown on the Proxy form.
By mobile	Scan the QR Code on your Proxy Form and follow the prompts.
By facsimile	+61 8 6370 4203
By post	Advanced Share Registry Limited, PO Box 1156 Nedlands WA 6909

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Power of Attorney

If the Proxy Form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the Proxy Form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO DAVID CROOK, DIRECTOR

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

“That, pursuant to and in accordance with Listing Rule 10.14 and for the purposes of sections 208 and 195(4) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the issue of up to 233,333 Performance Rights Class A, 233,333 Performance Rights Class B and 233,334 Performance Rights Class C and the subsequent issue of fully paid ordinary shares in the Company on the vesting and exercise of those Performance Rights to Mr David Crook (who is a Director) and/or his nominee(s) pursuant to the Charger Metals NL Securities Incentive Plan, on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of: (i) Mr David Crook (and his nominees) and a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Charger Metals NL Securities Incentive Plan; or (ii) an associate of those persons. However, this does not apply to a vote cast in favour of the 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 in a 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO TERRY GARDINER, DIRECTOR

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

“That, pursuant to and in accordance with Listing Rule 10.14 and for the purposes of sections 208 and 195(4) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the issue of up to 66,666 Performance Rights Class A, 66,667 Performance Rights Class B and 66,667 Performance Rights Class C and the subsequent issue of fully paid ordinary shares in the Company on the vesting and exercise of those Performance Rights to Mr Terry Gardiner (who is a Director) and/or his nominee(s) pursuant to the Charger Metals NL Securities Incentive Plan, on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of: (i) Mr Terry Gardiner (and his nominees) and a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Charger Metals NL Securities Incentive Plan; or (ii) an associate of those persons. However, this does not apply to a vote cast in favour of the 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 in a 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

3. RESOLUTION 3 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO ADRIAN GRIFFIN, DIRECTOR

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

“That, pursuant to and in accordance with Listing Rule 10.14 and for the purposes of sections 208 and 195(4) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the issue of up to 66,666 Performance Rights Class A, 66,667

Performance Rights Class B, 66,667 Performance Rights Class C and the subsequent issue of fully paid ordinary shares in the Company on the vesting and exercise of those Performance Rights to Mr Adrian Griffin (who is a Director) and/or his nominee(s) pursuant to the Charger Metals NL Securities Incentive Plan, on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of: (i) Mr Adrian Griffin (and his nominees) and a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Charger Metals NL Securities Incentive Plan; or (ii) an associate of those persons. However, this does not apply to a vote cast in favour of the 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 in a 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (e) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (f) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (e) the proxy is the Chair; and
- (f) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 23 December 2021

By order of the Board

Jonathan Whyte
Company Secretary

VOTING INSTRUCTIONS

(i) Voting in person

To vote in person, attend the Meeting at the time, date and place set out on the first page of the Notice.

If you do attend in person, you will need to abide by the processes and procedures declared by the Chair of the Meeting on the day, including as required in the interests of public health and safety in light of the global outbreak of the Coronavirus (COVID 19).

(ii) Proxies

Voting by proxy

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

Power of Attorney

If the Proxy Form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must only vote on a poll;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either of the following applies:
 - (A) the proxy is not recorded as attending the meeting; or
 - (B) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

(iii) Corporate representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 6146 5325.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1-3 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

1.1 Background

The Company is proposing to issue 1,100,000 Performance Rights in aggregate to Directors David Crook, Terry Gardiner and Adrian Griffin under the Charger Metals NL Securities Incentive Plan (**Incentive Plan**) pursuant to Resolutions 1 to 3 (inclusive) respectively (together, the **Performance Rights**).

A summary of the proposed Performance Rights to be issued is outlined below:

Director	Performance Rights Class A	Performance Rights Class B	Performance Rights Class C	Total
David Crook	233,333	233,333	233,334	700,000
Terry Gardiner	66,666	66,667	66,667	200,000
Adrian Griffin	66,666	66,667	66,667	200,000
Total	366,665	366,667	366,668	1,100,000

1.2 ASX Listing Rule 10.14 and Chapter 2E of the Corporations Act

Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not allow any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director of the company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the company or a person referred to in paragraph (a) or (b) is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders or at least one of the exceptions to Listing Rule 10.14 (set out in Listing Rule 10.16) apply. The issues of the Performance Rights the subject of Resolutions 1, 2 and 3 fall within paragraph (a) above (being Listing Rule 10.14.1) and therefore require the approval of Shareholders under Listing Rule 10.14. None of the exceptions in Listing Rule 10.16 apply.

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and each of Messrs Crook, Gardiner and Griffin is a related party of the Company by virtue of being a Director of the Company.

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E where the financial benefit is remuneration that would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Board believes, after a review of the publicly available information relating to the remuneration packages of industry executives and non-executives in similar roles, that the proposed grant of the Performance Rights to Messrs Crook, Gardiner and Griffin are within the exemption contained in section 211 of the Corporations Act as reasonable remuneration.

However, notwithstanding this, Shareholder approval is sought under Resolutions 1, 2 and 3 for the grant of the Performance Rights to the Messrs Crook, Gardiner and Griffin under Chapter 2E of the Corporations Act.

Approvals sought

Resolutions 1, 2 and 3 seek the required Shareholder approval to the issue of the Performance Rights to Directors Messrs Crook, Gardiner and Griffin respectively under and for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act.

If Resolutions 1, 2 and 3 are each passed, the Company will be able to proceed to issue the respective Performance Rights to Messrs Crook, Gardiner and Griffin.

If Resolutions 1, 2 and 3 are not passed, the Company will not be able to proceed to issue the respective Performance Rights to Messrs Crook, Gardiner and Griffin.

1.3 Terms and Conditions of the Performance Rights

The Performance Rights will vest subject to satisfaction of the following performance milestones:

(a) Performance Rights Class A

By 1 December 2026, the Company delineates on the tenements on which it holds an interest an inferred resource under the JORC Code of:

- (i) 10,000 tonnes of contained nickel;
- (ii) 10,000,000 tonnes equal to or greater than 1.2% lithium oxide; or
- (iii) 100,000 ounces of gold equivalent,

(Performance Milestone A).

(b) Performance Rights Class B

By 1 December 2024, the Company's share price trades on or above a 15-day VWAP of \$0.75, being a 80.72% increase from the closing price of the Company's shares of \$0.415 as at valuation date of 3 December 2021
(Performance Milestone B).

(c) Performance Rights Class C

By 1 December 2025, the Company's share price trades on or above a 15-day VWAP of \$1.00, being a 140.96 % increase from the closing price of the Company's shares of \$0.415 as at valuation date of 3 December 2021
(Performance Milestone C).

The material terms of the Performance Rights are summarised in Schedule 2. A summary of the Incentive Plan is contained in Schedule 1.

The Performance Rights will be issued for no consideration. The Performance Rights will convert into a Share, at the execution of the holder, upon vesting. No consideration is payable for the conversion of Performance Rights to Shares.

1.4 Purpose of Performance Rights

The issue of the Performance Rights rewards and incentivises the Directors by linking their remuneration to the achievements of the strategic goals and long term performance of the Company.

The Company is cognisant of the requirement to preserve cash, while providing the principal drivers of Shareholder value with appropriate incentives. The Board considered that the delineation of JORC compliant resources as well as the achievement of a sustained and substantial target increase in the share price at 80.72%, and 140.96% are milestones that, if reached, will deliver significant benefits to Shareholders and align executive rewards with Shareholder interests.

1.5 Valuation of Performance Rights

The 15-day VWAP price milestone target ascribed to each of the Performance Rights Class B and Performance Rights Class C Performance Milestones are based on the closing price of the Company's shares of \$0.415 as at a valuation date of 3 December 2021.

Performance Rights	Closing Price at value date	% Value Increase	Target Share Value	Performance Period
B	\$0.415	80.72%	\$0.75	3 years
C	\$0.415	140.96%	\$1.00	4 years

Australian Accounting Standard 2 Share-based Payment ('AASB 2') states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

Therefore, the assessments of the Performance Milestones for Performance Rights Class B and Performance Rights Class C are that they are market vesting conditions and in accordance with AASB 2, have been valued using a Monte Carlo simulation option pricing model based on the closing price of the Company's shares as at the valuation date of 3 December 2021.

Further information in relation to the valuation of these Performance Rights is contained in Schedule 3.

1.6 Section 195 of the Corporations Act

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

The Director David Crook has a material personal interests in the outcome of Resolution 1. The Director Terry Gardiner has a material personal interests in the outcome of Resolution 2. The Director Adrian Griffin has a material personal interests in the outcome of Resolution 3.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the proposed issue of Performance Rights to Messrs Crook, Gardiner and Griffin to Shareholders to resolve upon.

1.7 Information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with ASX Listing Rule 10.15 and section 219 of the Corporations Act the following information is provided in relation to the proposed issue of the Performance Rights pursuant to Resolutions 1 to 3 (inclusive):

- (a) Directors Messrs Crook, Gardiner and Griffin (or their nominees) are the persons to whom equity securities (being the Performance Rights) will be issued if Resolutions 1 to 3 (inclusive) are passed by Shareholders.
- (b) Directors Messrs Crook, Gardiner and Griffin fall within the category set out in Listing Rule 10.14.1 (being directors of the Company).
- (c) As per the table in Section 1.1 of this Explanatory Memorandum:
 - (i) 700,000 Performance Rights are proposed to be issued to Mr Crook pursuant to Resolution 1;
 - (ii) 200,000 Performance Rights are proposed to be issued to Mr Gardiner pursuant to Resolution 2; and
 - (iii) 200,000 Performance Rights are proposed to be issued to Mr Griffin under Resolution 3.
- (d) The current remuneration packages of Messrs Crook, Gardiner and Griffin are set out below:

Resolution	Director	Position	Annual remuneration including superannuation and non cash benefits (\$)	Estimated value of Performance Rights (\$) (Schedule 3)	Total (annual remuneration \$ plus estimated value of Performance Rights)
1	David Crook	Managing Director	\$122,880*	\$265,556	\$388,436
2	Terry Gardiner	Non-Executive Chairman	\$50,000	\$75,873	\$125,873
3	Adrian Griffin	Non-Executive Director	\$50,000	\$75,873	\$125,873

** Mr Crook is paid consulting fees of a minimum of \$10,240 per month, plus \$160 per hour for additional hours above the maximum stated in his contract.*

- (e) The expiry date of the Performance Rights is 5 years from the date of their issue for Performance Rights Class A, 3 years from the date of issue for Performance Rights Class B and 4 years from the date of issue for Performance Rights Class C.
- (f) The nature of the financial benefit proposed to be given is the issue of the Performance Rights for no consideration. The purpose of the issue is to provide cost effective remuneration to Directors for their contribution to the Company in their respective roles and to incentivise Directors by linking their remuneration to the achievements of the strategic goals and performance of the Company.

- (g) The Performance Rights will be issued within 1 month of the date of the Meeting or such later date as the ASX Listing Rules permit (including such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (h) No Performance Rights or other Plan Securities have previously been issued under the Incentive Plan to Messrs Crook, Gardiner and Griffin. The Incentive Plan was established before the Company was listed. A summary of the terms of the Incentive Plan and the maximum number of securities proposed to be issued under the Incentive Plan were set out in the prospectus for the Company's initial public offering and is summarised in Schedule 1.
- (i) All Directors are entitled to participate in the Incentive Plan, including Messrs Crook, Gardiner and Griffin.
- (j) No loans will be made to the Messrs Crook, Gardiner and Griffin in relation to their acquisition of the Performance Rights.
- (k) The issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights. No consideration is payable for the conversion of the Performance Rights to Shares and, as such, no funds will be raised upon conversion of the Performance Rights.
- (l) As at the date of this Notice, the Directors hold the following relevant interests in the securities in the Company:

Director	Ordinary Shares	Unlisted Options (30c, expiring July 2024)	Performance Rights proposed to be issued	Shareholding on a fully diluted basis*
David Crook	600,001	500,000	700,000	2.29%
Terry Gardiner	250,000	650,000	200,000	1.94%
Adrian Griffin**	2,720,000	1,000,000	200,000	6.91%

**Assuming Shareholders approve the issue of the Performance Rights to Directors that are subject to Resolutions 1 to 3 inclusive and all Performance Rights and current options are exercised.*

*** In addition to the interests set out in the table, in connection with the sale to the Company by a company controlled by Adrian Griffin (Mercator Metals Pty Ltd) of an 85% interest in retention licence R70/59 granted under the Mining Act 1978 (WA), the Company must either (at the Company's election) pay Mr Griffin \$200,000 or issue Mr Griffin 2,000,000 Shares if Charger, by 4 December 2026, delineates an inferred resource on R70/59 under the JORC Code of 10,000 tonnes of nickel equivalent or 50,000 ounces of gold at no less than 3 grams/tonne.*

- (m) If Shareholders approve Resolutions 1 to 3 inclusive, and all Performance Rights are issued and exercised, it will dilute the holdings of existing Shareholders by approximately 2.18%.
- (n) Because the Performance Rights are not fully paid ordinary securities, the following information is provided:
 - (i) A summary of the material terms of the Performance Rights are provided in Schedule 2.
 - (ii) The Directors consider that the incentive represented by the issue of Performance Rights is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration. The Company is cognisant of the requirement to preserve cash, while providing the principal drivers of Shareholder value with appropriate incentives. The Board considered that the delineation of JORC

compliant resources as well as the achievement of a sustained and substantial target increase in the share price at 80.72%, and 140.96% are milestones that, if reached, will deliver significant benefits to Shareholders and align executive rewards with Shareholder interests. Ultimately, the primary purpose of the grant of Performance Rights is to provide an incentive to Messrs Crook, Gardiner and Griffin.

- (iii) The Company has valued the Performance Rights. See **Schedule 3** for details of the valuation. Australian Accounting Standard 2 Share-based Payment ('AASB 2') states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments grant. Due to the nature of the vesting conditions and the early stage nature of the company it is possible that the vesting conditions will not be met and thus no Performance Rights will vest. Therefore, the expense attributable to the Performance Rights and the value received by Directors from them could range between nil and the share price when the Performance Rights are granted. This valuation is not automatically the valuation for taxation purposes.
- (o) A voting exclusion statement is included in respect of Resolutions 1, 2 and 3 in this Notice.
- (p) Details of the Performance Rights issued under the Incentive Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (q) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Incentive Plan after Resolutions 1, 2 and 3 are approved (and who were not named in this Notice of Meeting) will not participate until approval is obtained under that rule.
- (r) Mr David Crook declines to make a recommendation to Shareholders in relation to Resolution 1 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights in the Company should the Resolution be passed. However, in respect of Resolutions 2 and 3, Mr Crook recommends that Shareholders vote in favour of those Resolutions for the reasons set out 1.7(n)(ii) (above), 1.8(e) (below) and for the following reasons
 - (i) consideration has been given to the amount of directors' fees that are currently paid and the Company's medium and long term objectives. Following such consideration, the Directors consider a portion of the director's total remuneration should be in the form of Performance Rights;
 - (ii) the grant of Performance Rights supplements the cash component and enables the Company to retain high quality and well-credential directors essential to the ongoing and longer term strategic development of the Company;
 - (iii) the grant of Performance Rights to the Directors will further align the medium to long-term interests of the Directors with those of Shareholders;
 - (iv) the grant of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on

its operations than it would if alternative cash forms of remuneration were given to the Directors; and

- (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed.
- (s) Mr Terry Gardiner declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Performance Rights in the Company should Resolution 2 be passed. However, in respect of Resolutions 1 and 3, Mr Gardiner recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (r) above.
- (t) Mr Adrian Griffin declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Performance Rights in the Company should Resolution 3 be passed. However, in respect of Resolutions 1 and 2, Mr Griffin recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (r) above.

1.8 Other information regarding proposed issue of the Performance Rights

- (a) The Board recognises that the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that non-executive directors should not receive performance rights as part of their remuneration. Notwithstanding this, the Board considers the issue of Performance Rights to the Directors is appropriate in the circumstances for the reasons set out below:
- (b) The Board has concluded that the totality of the Directors' remuneration packages, including the equity component of such number of Performance Rights proposed to be issued to each Director under Resolutions 1 to 3 inclusive is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of the Directors' management experience and knowledge of the mineral exploration industry.
- (c) The Board does not consider that there are any material taxation consequences or benefits foregone by the Company as a result of issuing the Performance Rights on the terms proposed.
- (d) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision as to whether it is in the best interests of the Company to pass the Resolutions other than as follows:
 - (i) if all the Performance Rights the subject of Resolutions 1 to 3 (inclusive) are granted and exercised, then the Company's fully paid share capital (based on the existing number of Shares and assuming no other Company securities are exercised or converted) will be diluted by 2.18%;
 - (ii) the Directors consider that the incentive represented by the grant of Performance Rights is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration;
 - (iii) the primary purpose of the grant of Performance Rights is to provide an incentive to Messrs Crook, Gardiner and Griffin. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Performance Rights that are the subject of Resolutions 1 to 3 inclusive (other than as set out below); and
 - (iv) the Board has examined the individual remuneration packages of Directors to determine the fairness and reasonableness of the remuneration package.

As part of the examination, the Board has reviewed the publicly available remuneration packages of industry executives and non-executives in similar roles. The Board considers the grants to Messrs Crook, Gardiner and Griffin are appropriate in the circumstances for the reasons set out below.

- (e) Based on its examination, the Board has concluded that the totality of Messrs Crook, Gardiner and Griffin's remuneration packages, including the equity component of up to 1,100,000 Performance Rights now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Messrs Crook, Gardiner and Griffin's significant management experience and knowledge of the and energy metals and mineral exploration industry.
- (f) Accounting standards require that granted Performance Rights be valued and expensed. The Directors do not consider that there are any other opportunity costs to the Company or benefits forgone by the Company in respect of the proposed issue of Performance Rights pursuant to Resolutions 1 to 3 inclusive.
- (g) The last available price of Shares quoted on ASX prior to the date of this Notice of Meeting on 22 December was \$0.38. The highest price for Shares trading on ASX over the period since official quotation on the ASX (9 July 2021) was \$0.91 on 13 August 2021 and the lowest price in that period was \$0.195 on 21 to 23 July 2021 and 26 to 28 July 2021.

1.9 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the Relevant Period (defined below), exceed 15% of the number of ordinary shares on issue at the commencement of that Relevant Period.

Under Exception 14 in Listing Rule 7.2, ASX Listing Rule 7.1 does not apply to the issue of the Director Performance Rights to Messrs Crook, Gardiner and Griffin and/or their nominee(s) as approval is being obtained under ASX Listing Rule 10.14.

Therefore, Shareholders should note that the issue of securities to Messrs Crook, Gardiner and Griffin and/or their nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

Note for the purposes of above, **Relevant Period** means:

- (a) if the Company 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 Company 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.

Therefore, because the Company was admitted to the official list on 7 July 2021, as at the date of this Notice, the Relevant Period for the purposes of "above is the period from 7 July 2021 to the date immediately preceding the date of the issue or agreement.

SCHEDULE 1- SUMMARY OF TERMS AND CONDITIONS OF CHARGER METALS NL SECURITIES INCENTIVE PLAN

The terms of the Charger Metals NL Securities Incentive Plan (**Plan**) and the maximum number of securities proposed to be issued under the Plan were set out in the prospectus for the Company's initial public offering and is summarised below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
 - (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
 - (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
 - (iii) link the reward of Eligible Participants to Shareholder value creation;
 - (iv) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities; and
 - (v) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.
- (c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. More than one signed Notice of Exercise can be

delivered by a Participant in relation to a holding of Convertible Securities from the date of a Vesting Notice until the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture or non forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest or remain non forfeited.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

Good Leaver Where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Good Leaver, unless the Board determines otherwise vested Convertible Securities that have not been exercised will continue in force and remain exercisable until the Expiry Date and unvested Convertible Securities will be forfeited unless the Board determines otherwise. A Good Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) who ceases employment, office or engagement with any Group Company ceases and who is not a Bad Leaver, and includes where an Eligible Participant's employment, office or engagement ceases due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides.

A Bad Leaver Unless the Board determines otherwise, where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Bad Leaver unvested Convertible Securities will be forfeited and vested Convertible Securities that have not been exercised will be forfeited on the date of the cessation of employment or office of such Participant in accordance with clause 10. A Bad Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) whose employment, office or engagement with a Group Company ceases in any of the following circumstances: (i) the Eligible Participant's employment or engagement is terminated, or the Eligible Participant is dismissed from office, due to serious and wilful misconduct; a material breach of the terms of any contract of employment, engagement or office entered into by a Group Company and the Eligible Participant; gross negligence; or any other conduct justifying termination of employment, engagement or office without notice either under the Eligible Participant's contract of employment or engagement or office, or at common law; (ii) the Eligible Participant ceases his or her employment or engagement or office for any reason, and breaches a post-termination restriction contained in the Eligible Participant's employment contract; or (iii) the Eligible Participant becomes ineligible to hold his or her office for the purposes of Part 2D.6 (disqualification from managing corporations) of the Corporations Act.

Discretion The Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Convertible Securities will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

- (k) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

SCHEDULE 2 – SUMMARY OF MATERIAL TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The material terms of the Performance Rights are as follows:

(a) **Performance Milestone**

The Performance Rights will vest subject to satisfaction of the following performance milestones (**Performance Milestones**) have the following vesting milestone attached to them:

- (i) **Performance Rights Class A** - By 1 December 2026, the Company delineates, on the tenements in which it holds an interest, an inferred resource under the JORC Code of:
 - 10,000 tonnes of contained nickel;
 - 10,000,000 tonnes equal to or greater than 1.2% lithium oxide; or
 - 100,000 ounces of gold equivalent.
- (ii) **Performance Rights Class B** - By 1 December 2024, the Company's share price trades on or above a 15-day VWAP of \$0.75
- (iii) **Performance Rights Class C** - By 1 December 2025, the Company's share price trades on or above a 15-day VWAP of \$1.00

(b) **Notification to holder**

The Company shall notify the holder in writing when the Performance Milestones have been satisfied.

(c) **Conversion**

Subject to paragraph (o), upon vesting, each Performance Right will, at the election of the holder, convert into one Share.

(d) **Expiry date of Performance Rights**

Performance Rights Class A – 1 December 2026

Performance Rights Class B – 1 December 2024

Performance Rights Class C – 1 December 2025

(e) **Consideration**

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

(f) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(g) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) **Timing of issue of Shares on Conversion**

Within 10 Business Days after date that the Performance Rights are converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If a notice delivered under section (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(l) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(m) **Dividend and voting rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(n) **Change in control**

Subject to paragraph (o), upon:

- (iv) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and

- (B) having been declared unconditional by the bidder; or
- (v) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Vesting Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(o) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (c) or (n) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(p) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(q) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(r) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

SCHEDULE 3 – VALUATION OF PERFORMANCE RIGHTS

Valuation**Performance Rights Class A**

The Performance Rights Class A proposed to be issued to the Messrs Crook, Gardiner and Griffin pursuant to Resolution 1 have been valued based on the number of Performance Rights granted multiplied by the prevailing Share price at the valuation date of 3 December 2021 multiplied by a Probability Factor that the Performance Milestones are achieved.

The number of Performance Rights granted and the Share price are known variables, however the probability assigned to the achievement of the Performance Milestones for the Performance Rights Class A is highly subjective and ultimately effected by a broad range of factors. Rather than make an assessment of this probability factor, a probability factor of 100% has been used to disclose the maximum value of the Performance Rights should all the Performance Milestones for the Class A Performance Rights be met.

A breakdown of the maximum number and value of the Shares and Performance Rights is summarised below:

Director	Maximum number of Performance Rights Class A	Prevailing Share Price (\$)	Probability Factor	Total Value of Shares (\$)
David Crook	233,333	0.415	100%	96,833
Terry Gardiner	66,666	0.415	100%	27,666
Adrian Griffin	66,666	0.415	100%	27,666
	366,665			
Total Value (\$) Performance Rights Class A				152,165

Performance Rights Class B and C

The Performance Rights Class B and C proposed to be issued to the Messrs Crook, Gardiner and Griffin pursuant to Resolution 2 and 3 have been valued independently by RSM Australia Pty Ltd (RSM).

Australian Accounting Standard 2 Share-based Payment ('AASB 2') states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

RSM concluded that the vesting conditions attached to the Performance Rights meet the definition of a market condition, as the vesting of the Performance Rights is dependent on the future market price of the Company's ordinary shares. Therefore, in determining the value of the Performance Rights, RSM used the Hoadley Trading & Investment Tools ("Hoadley") *Barrier1* valuation model, as per below.

Further information on Hoadley's employee option valuation models can be found at www.hoadley.net

Valuation of Performance Rights Based on Hoadley Valuation Model

Performance Rights	No. Rights	Valuation/Grant Date	Expiry Date	Share Price Target \$	Consec days price must remain above target	Vesting Conditions	Volatility	Risk Free Rate	Dividend Yield	Fair Value (\$)	Total Value
Class B	366,667	6/12/2021	1/12/2024	0.75	15	Market Vesting	100%	0.91%	0%	0.3623	\$132,843
Class C	366,667	6/12/2021	1/12/2024	1.00	15	Market Vesting	100%	1.31%	0%	0.3608	\$132,293
	733,334										\$265,137

Director	Maximum number of Performance Rights Class B	Maximum number of Performance Rights Class C	Total Value of Shares (\$)
David Crook	233,333	233,334	168,723
Terry Gardiner	66,667	66,667	48,207
Adrian Griffin	66,667	66,667	48,207
Total Value (\$) Performance Rights Class B and C			265,137

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

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.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Charger Metals NL (ABN 61 646 203 465).

Convertible Securities means a security that is convertible by the holder, by the issuer, or otherwise by its terms of issue, into Equity Securities.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Incentive Plan means the Charger Metals NL Securities Incentive Plan.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (as set out in Appendix 5A of the Listing Rules).

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

Performance Rights has the meaning given to that term in Section 1.1 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

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

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.

VWAP means volume weighted average market price of a Share as defined in the Listing Rules.

WST means Western Standard Time as observed in Perth, Western Australia.



LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2022 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Charger Metals NL and entitled to attend and vote hereby:

APPOINT A PROXY



The Chair of the Meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting 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 law, as the proxy sees fit), at the General Meeting of the Company to be held at **Unit 32, 22 Railway Road, Subiaco WA 6008 on 10 February 2022 at 9.00am (WST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 2 and 3 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions

- | Resolutions | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|
| 1 Approval of issue of Performance Rights to David Crook, Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Approval of issue of Performance Rights to Terry Gardiner, Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Approval of issue of Performance Rights to Adrian Griffin, Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

For Against Abstain*



* If you mark the Abstain box for a particular Resolution, 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)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should 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).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on 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.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1, 2 and 3, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 2 and 3.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

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 Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each 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
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 9.00am (WST) on 8 February 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033